SECURITIES & EXCHANGE COMMISSION EDGAR FILING

Laredo Oil, Inc.

Form: 10-Q

Date Filed: 2021-01-19

Corporate Issuer CIK: 1442492

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

x QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED NOVEMBER 30, 2020

Commission File Number 333-153168

Laredo Oil, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

2021 Guadalupe Street, Ste. 260
Austin, Texas 78705

(Address of principal executive offices) (Zip code)

(512) 337-1199

(Registrant's telephone number, including area code)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the last 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "non-accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	o	Accelerated filer	o
Non-accelerated filer	o	Smaller reporting company	x
		Emerging growth company	o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 or the Exchange Act). Yes o No x

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:

54,514,765 shares of common stock issued and outstanding as of January 14, 2021.

PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The following unaudited financial statements have been prepared by Laredo Oil, Inc. (the "Company"), pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted pursuant to such SEC rules and regulations; nevertheless, the Company believes that the disclosures are adequate to make the information presented not misleading. However, except as disclosed herein, there have been no material changes in the information disclosed in the notes to the financial statements for the year ended May 31, 2020. These financial statements and the notes attached hereto should be read in conjunction with the financial statements and notes included in the Company's Form 10-K, which was filed with the SEC on August 29, 2020. In the opinion of management of the Company, all adjustments, including normal recurring adjustments necessary to present fairly the financial position of Laredo Oil, Inc. as of November 30, 2020, and the results of its operations for the three and six-month periods then ended and cash flows for the six-month periods then ended, have been included. The results of operations for the three and six-month periods ended November 30, 2020 are not necessarily indicative of the results for the full year ending May 31, 2021.

Laredo Oil, Inc.
Balance Sheets

	November 30, 2020 (unaudited)	May 31, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	$ 1,040,799	$ 1,532,511
Receivable – related party	24,457	32,058
Prepaid expenses and other current assets	11,313	58,492
Total Current Assets	1,076,569	1,623,061
Equity method investment	385,276	-
TOTAL ASSETS	**$ 1,461,845**	**$ 1,623,061**
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts payable	$ 77,235	$ 20,954
Accrued payroll liabilities	1,760,312	1,581,847
Accrued interest	285,498	259,133
Deferred management fee revenue	45,833	45,833
Notes payable – related party	350,000	350,000
Current note payable	67,290	473,778
Total Current Liabilities	2,586,168	2,731,545
Long-term note, net of current note payable	1,166,366	759,878
TOTAL LIABILITIES	3,752,534	3,491,423
Commitments and Contingencies	-	-
Stockholders' Deficit		
Preferred stock: $0.0001 par value; 10,000,000 shares authorized; none issued and outstanding	-	-
Common stock: $0.0001 par value; 90,000,000 shares authorized; 54,514,765 issued and outstanding	5,451	5,451
Additional paid in capital	8,844,592	8,844,592
Accumulated deficit	(11,140,732)	(10,718,405)
Total Stockholders' Deficit	(2,290,689)	(1,868,362)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	**$ 1,461,845**	**$ 1,623,061**

The accompanying notes are an integral part of these financial statements.

Laredo Oil, Inc.
Statements of Operations
(Unaudited)

	Three Months Ended November 30, 2020	Three Months Ended November 30, 2019	Six Months Ended November 30, 2020	Six Months Ended November 30, 2019
Management fee revenue – related party	$ 1,247,554	$ 2,036,723	$ 2,923,541	$ 4,121,905
Direct costs	1,262,837	1,951,148	2,981,701	4,020,465

Gross profit	(15,283)	85,575	(58,160)	101,440
General, selling and administrative expenses	25,046	17,136	44,043	38,954
Consulting and professional services	109,376	29,186	230,134	99,851
Total Operating Expense	134,422	46,322	274,177	138,805
Operating income/(loss)	(149,705)	39,253	(332,337)	(37,365)
Other income/(expense)				
Equity method income/(loss)	(63,624)	-	(63,624)	-
Interest expense	(14,168)	(8,563)	(26,366)	(17,193)
Net income/(loss)	$ (227,497)	$ 30,690	$ (422,327)	$ (54,558)
Net income/(loss) per share, basic and diluted	$ (0.00)	$ 0.00	$ (0.01)	$ (0.00)
Weighted average number of common shares outstanding	54,514,765	54,514,765	54,514,765	54,514,765

The accompanying notes are an integral part of these financial statements.

Laredo Oil, Inc.
Statements of Changes in Stockholders' Deficit (Unaudited)

	Common Stock		Preferred Stock		Additional Paid	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	in Capital	Deficit	Deficit
Balance as of May 31, 2020	54,514,765	$ 5,451	-	-	$ 8,844,592	$ (10,718,405)	$ (1,868,362)
Net Loss	-	-	-	-	-	(194,830)	(194,830)
Balance as of August 31, 2020	54,514,765	$ 5,451	-	-	$ 8,844,592	$ (10,913,235)	$ (2,063,192)
Net Income	-	-	-	-	-	(227,497)	(227,497)
Balance as of November 30, 2020	54,514,765	$ 5,451	-	-	$ 8,844,592	$ (11,140,732)	$ (2,290,689)
For the six months ended November 30, 2019							
Balance as of May 31, 2019	54,514,765	$ 5,451	-	-	$ 8,844,592	$ (10,551,489)	$ (1,701,446)
Net Loss	-	-	-	-	-	(85,248)	(85,248)
Balance as of August 31, 2019	54,514,765	$ 5,451	-	-	$ 8,844,592	$ (10,636,737)	$ (1,786,694)
Net Income	-	-	-	-	-	30,690	30,690
Balance as of November 30, 2019	54,514,765	$ 5,451	-	-	$ 8,844,592	$ (10,606,047)	$ (1,756,004)

The accompanying notes are an integral part of these financial statements.

Laredo Oil, Inc.
Statements of Cash Flows
(Unaudited)

	Six Months Ended November 30, 2020	Six Months Ended November 30, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (422,327)	$ (54,558)
Adjustments to Reconcile Net Income (Loss) to Net Cash provided by (used in) Operating Activities		
Decrease in receivable – related party	7,601	10,843
Decrease in prepaid expenses and other current assets	47,179	25,625
Increase in accounts payable and accrued liabilities	261,111	112,203
Equity method loss	63,624	-
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(42,812)	94,113
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in equity method investment	(448,900)	-
NET CASH USED IN INVESTING ACTIVITIES	(448,900)	-

CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Net change in cash and cash equivalents	(491,712)	94,113
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,532,511	289,559
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 1,040,799	$ 383,672

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 – ORGANIZATION AND DESCRIPTION OF BUSINESS

Subsequent Event – Company Purchase of Stock of SORC

Subsequent to the reporting period covered by this report, pursuant to a Securities Purchase Agreement dated December 31, 2020 (the "Purchase Agreement"), by and among the Company, Alleghany Corporation ("Alleghany"), Stranded Oil Resources Corporation, a wholly-owned subsidiary of Alleghany ("SORC"), and SORC Holdings LLC, a wholly-owned subsidiary of the Company ("Buyer" or "SORC Holding"), Buyer purchased all of the issued and outstanding shares of SORC stock (the "SORC Shares") in a transaction that closed on December 31, 2020 (the "SORC Purchase Transaction"). As consideration for the SORC Shares, Buyer paid to Alleghany $55,000 and the Company agreed to pay to Alleghany a revenue royalty of 5.0% of the Company's future revenues and net profits relating to oil, gas, gas liquids and all other hydrocarbons, subject to certain adjustments, for a period of seven years after the closing. The Purchase Agreement provides for customary adjustments to the purchase price based on the effective date of December 31, 2020. SORC owns the enhancements to UGD 3.0, an improved version of the Company's enhanced oil recovery technique utilized to produce oil from horizontally developed or mature pressure-depleted oil fields. With this acquisition of SORC, Laredo now has exclusive rights to utilize and license that technology worldwide and has acquired oilfield assets and equipment.

Further, pursuant to the SORC Purchase Agreement, Laredo and Alleghany entered into a Consulting Agreement dated as of December 31, 2020 (the "Consulting Agreement"), pursuant to which Seller agreed to pay an aggregate of approximately $1.245 million during calendar year 2021 in consideration of Laredo causing certain individuals, including Mark See, Laredo's Chief Executive Officer and Chairman, and Chris Lindsey, Laredo's General Counsel and Secretary, to provide consulting services to Alleghany (for a period of three years for Mr. See and one year for Mr. Lindsey).

As the Company now owns SORC, the Company will no longer receive any payments from SORC (including any Royalty payable by SORC to the Company) outlined in the Agreements with SORC enumerated in the "General" section below. As a result, except for the payments to be made in calendar year 2021 to Laredo under the Consulting Agreement, the Company will no longer receive management fee revenue from Alleghany or reimbursement from Alleghany for the monthly expenses of its employees, which fees and reimbursements were effectively all of the Company's revenues prior to the closing of the SORC Purchase Transaction.

General – Company Business during the Reporting Period

On June 14, 2011, the Company entered into agreements with SORC to seek recovery of stranded crude oil from mature, declining oil fields by using the enhanced oil recovery ("EOR") method known as Underground Gravity Drainage ("UGD"). Such agreements include license agreements, management services agreements, and other agreements (collectively the "Agreements"). A description of the Agreements effective during the three- and six-month periods ended November 30, 2020 follows.

The Agreements stipulate that the Company and Mark See, the Company's Chairman and Chief Executive Officer ("CEO"), will provide to SORC, management services and expertise through exclusive, perpetual license agreements and a management services agreement (the "Management Service Agreement") with SORC. As consideration for the licenses to SORC, the Company will receive an interest in SORC's net profits as defined in the Agreements (the "Royalty"). The Management Service Agreement ("MSA") outlines that the Company will provide the services of various employees ("Service Employees"), including Mark See, in exchange for monthly and quarterly management service fees. The monthly management service fees provide funding for the salaries, benefit costs, and FICA taxes for the Service Employees identified in the MSA. SORC remits payment for the monthly management fees in advance and is payable on the first day of each calendar month. The quarterly management fee is $137,500 and is paid on the first day of each calendar quarter, and, as such, $45,833 has been recorded as deferred management fee revenue at November 30, 2020. In addition, SORC will reimburse the Company for monthly expenses incurred by the Service Employees in connection with their rendition of services under the MSA. The Company may submit written requests to SORC for additional funding for payment of the Company's operating costs and expenses, which SORC, in its sole and absolute discretion, will determine whether or not to fund.

NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 – ORGANIZATION AND DESCRIPTION OF BUSINESS (continued)

As consideration for the licenses to SORC, the Company will receive a 19.49% interest in SORC net profits as defined in the SORC License Agreement (the "SORC License Agreement"). Under the SORC License Agreement, the Company agreed that a portion of the Royalty equal to at least 2.25% of the net profits ("Incentive Royalty") be used to fund a long-term incentive plan for the benefit of its employees, as determined by the Company's board of directors. On October 11, 2012, the Laredo Royalty Incentive Plan (the "Plan") was approved and adopted by the Board and the Incentive Royalty was assigned by the Company to Laredo Royalty Incentive Plan, LLC, a special purpose Delaware limited liability company and wholly owned subsidiary of the Company formed to carry out the purposes of the Plan (the "Plan Entity"). Through November 30, 2020 the subsidiary has received no distributions from SORC. As a result of the assignment of the Incentive Royalty to the Plan Entity, the Royalty retained by the Company has been reduced from 19.49% to 17.24% subject to reduction to 15% under certain events stipulated in the SORC License Agreement. Additionally, in the event of a SORC initial public offering or certain other defined corporate events, the Company will receive 17.24%, subject to reduction to 15% under the SORC License Agreement, of the SORC common equity or proceeds emanating from the event in exchange for termination of the Royalty. Under certain circumstances regarding termination of exclusivity and license terminations, the Royalty could

be reduced to 7.25%. If any Incentive Royalty is funded as a result of those conditions being met, the Company may record compensation expense for the fair value of the Incentive Royalty, once all pertinent factors are known and considered probable. As the Royalty is no longer payable by SORC to the Company as a result of the SORC Purchase Transaction referenced above, there are also no longer any Incentive Royalties payable pursuant to the Plan.

Prior to the Company receiving any Royalty cash distributions from SORC, all SORC preferred share accrued dividends must be paid (in excess of $200 million as of September 30, 2020), preferred shares redeemed (in excess of $270 million as of September 30, 2020), and debt retired to comply with any loan agreements. No Royalties have been received by the Company. As referenced above, as a result of the SORC Purchase Transaction, no Royalties will be paid to the Company by SORC.

Basic and Diluted Loss per Share

The Company's basic earnings per share ("EPS") amounts have been computed based on the weighted-average number of shares of common stock outstanding for the period. As the Company realized a net loss for the three- and six-month periods ended November 30, 2020 and the six-month period ended November 30, 2019, no potentially dilutive securities were included in the calculation of diluted loss per share as their impact would have been anti-dilutive. For the three-month period ended November 30, 2019, all options and warrants potentially convertible into common equivalent shares are considered antidilutive due to the exercise prices of the instruments and have been excluded in the calculation of diluted earnings per share. Diluted net income (loss) per share is computed by dividing the net income (loss) by the weighted-average number of common and dilutive common equivalent shares outstanding during the period.

NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 2 – GOING CONCERN

These financial statements have been prepared on a going concern basis. The Company has routinely incurred losses since inception, resulting in an accumulated deficit and is dependent upon one customer for its revenue. The Company entered into the Agreements with SORC to fund operations and to provide working capital. However, as a result of the SORC Purchase Transaction, except for payments to be made in calendar year 2021 to Laredo under the Consulting Agreement, Alleghany will no longer fund operations or provide working capital to the Company or SORC. There is no assurance that in the future such financing will be available to meet the Company's needs.

Management has undertaken steps as part of a plan to improve operations with the goal of sustaining operations for the next twelve months and beyond. These steps include (a) providing services and expertise to optimize operations; and (b) controlling overhead and expenses. In that regard, the Company has worked to attract and retain key personnel with significant experience in the industry to enhance the quality and breadth of the services it provides. At the same time, in an effort to control costs, the Company has required a number of its personnel to multi-task and cover a wider range of responsibilities in an effort to minimize headcount. There can be no assurance that the Company can successfully accomplish these steps and it is uncertain that the Company will achieve a profitable level of operations and obtain additional financing. There can be no assurance that any additional financing will be available to the Company on satisfactory terms and conditions, if at all.

The accompanying financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from the possible inability of the Company to continue as a going concern.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

Equity Method Investment - Investments classified as equity method consist of investments in companies in which the Company is able to exercise significant influence but not control. Under the equity method of accounting, the investment is initially recorded at cost, then the Company's proportional share of investee's underlying net income or loss is recorded as a component of "other income" with a corresponding increase or decrease to the carrying value of the investment. Distributions received from the investee reduce the Company's carrying value of the investment. These investments are evaluated for impairment if events or circumstances arise that indicate that the carrying amount of such assets may not be recoverable. The Company has elected to record its portion of the equity method loss with a two-month lag. Accordingly, the financial results for the equity investment are reported through September 30, 2020. No impairments were recognized for the Company's equity method investment during the quarter ended November 30, 2020. See Note 11.

NOTE 4 – REVENUE RECOGNITION

Monthly Management Fee

The Company generates monthly management revenues from fees for labor and benefit costs. The Company recognizes revenue for these services in the month the labor and benefits are received by the customer. Monthly management fee revenues of $1,110,054 and $2,648,541 were recognized for the three months and six months ended November 30, 2020, respectively. Monthly management fee revenues of $1,899,223 and $3,846,905 were recognized for the three months and six months ended November 30, 2019, respectively.

Quarterly Management Fee

The Company generates management fee revenue each quarter. The Company recognizes revenue over the applicable quarter on a straight-line basis. The management fee is billed quarterly in advance. As a result, we have recorded deferred revenue for services that have not been provided of $45,833 as of November 30, 2020. Quarterly management fees recognized for both the three and six months ended November 30, 2020 and 2019 were $137,500 and $275,000, respectively.

NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 5 – RECENT AND ADOPTED ACCOUNTING STANDARDS

The Company has reviewed recently issued accounting standards and plans to adopt those that are applicable to it. It does not expect the adoption of those standards to have a material impact on its financial position, results of operations, or cash flows.

NOTE 6 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments as defined by Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 825-10-50, *Financial Instruments,* include cash and cash equivalents, equity method investments, accounts payable, accrued liabilities and notes payable. The equity method investments approximate fair value as a result of limited activity by the investee since formation. All other instruments are accounted for on a historical cost basis, which, due to the short maturity of these financial instruments, approximates fair value at November 30, 2020.

Based on the borrowing rates currently available to the Company for loans with similar terms and maturities, the fair value of long-term notes payable approximates the carrying value.

NOTE 7 – RELATED PARTY TRANSACTIONS

Transactions between related parties are considered to be related party transactions even though they may not be given accounting recognition. FASB ASC 850, *Related Party Disclosures* ("FASB ASC 850") requires that transactions with related parties that would make a difference in decision making shall be disclosed so that users of the financial statements can evaluate their significance. Related party transactions typically occur within the context of the following relationships:

- Affiliates of the entity;
- Entities for which investments in their equity securities is typically accounted for under the equity method by the investing entity;
- Trusts for the benefit of employees;
- Principal owners of the entity and members of their immediate families;
- Management of the entity and members of their immediate families.
- Other parties that can significantly influence the management or operating policies of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

SORC and Alleghany are considered related parties under FASB ASC 850. All management fee revenue reported by the Company for the three and six months ended November 30, 2020 and 2019 is generated from charges to SORC. All outstanding notes payable at November 30, 2020 and May 31, 2020 are held by Alleghany Capital Corporation ("Alleghany Capital"), a wholly owned subsidiary of Alleghany. See Note 9.

Subsequent to the Company's purchase of 100% of SORC's stock, Alleghany and its subsidiaries are no longer a related party.

NOTE 8 – STOCKHOLDERS' DEFICIT

Share Based Compensation

The Black-Scholes option pricing model is used to estimate the fair value of options granted under our stock incentive plan.

Share based compensation expense is fully recorded with respect to stock option awards outstanding. No share based compensation expense was recorded for the three and six month periods ended November 30, 2020 or 2019.

Stock Options

No option grants were made during the first and second quarters of fiscal years 2021 and 2020.

Restricted Stock

No restricted stock was granted during the first and second quarters of fiscal years 2021 or 2020.

Warrants

No warrants were issued during the first two quarters of fiscal years 2021 or 2020. As of November 30, 2020, there were 5,374,501 warrants remaining to be exercised at a price of $0.70 per share to Sunrise Securities Corporation to satisfy the finders' fee obligation associated with the Alleghany transaction. The warrants will expire June 14, 2021 and are currently exercisable.

NOTE 9 – NOTES PAYABLE

Alleghany Notes

During the fiscal year ended May 31, 2011, the Company entered into two Loan Agreements with Alleghany Capital for a combined available borrowing limit of $350,000. The notes accrue interest on the outstanding principal of $350,000 at the rate of 6% per annum. As of November 30, 2020, accrued interest totaling $278,246 is recorded in accrued interest. The interest is payable in either cash or in kind. The Loan Agreements as of November 30, 2020 are classified as short-term notes payable.

In connection with the SORC Purchase Transaction, the notes were amended, restated and consolidated into one note including all accrued interest through December 31, 2020, the date of the transaction, for a total of $631,434 (the "Senior Consolidated Note") with a maturity date of June 30, 2022. The Senior Consolidated Note requires any stock issuances for cash be utilized to pay down the outstanding loan balance unless written consent is obtained from Alleghany. As part of the SORC Purchase Transaction, the Company agreed to secure repayment of the Senior Consolidated Note with certain equipment owned by SORC Holding and to reduce the note balance with any proceeds received from any sales of such equipment. The note bears no interest until January

1, 2022 whereupon the interest rate increases to 5% per annum through maturity. Principal with all accrued and unpaid interest is due at maturity.

NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 9 – NOTES PAYABLE (continued)

Paycheck Protection Program Loan

	November 30, 2020	May 31, 2020
PPP Loan	$ 1,233,656	$ 1,233,656
Total Long-Term Notes	1,233,656	1,233,656
Less amounts classified as current	67,290	473,778
Long-term note, excluding current portion	$ 1,166,366	$ 759,878

On April 28, 2020, the Company entered into a Note (the "Note") with IBERIABANK for $1,233,656 pursuant to the terms of the Paycheck Protection Program ("PPP") authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act ("CARES Act") In June 2020, the Flexibility Act which amended the CARES Act was signed into law. Pursuant to the Flexibility Act, the Note continues to accrue interest on the outstanding principal sum at the rate of 1% per annum. In addition, the initial two year Note term has been extended to five years through mutual agreement with IBERIABANK as allowed under Flexibility Act provisions.

The Flexibility Act also provides that if a borrower does not apply for forgiveness of a loan within 10 months after the last day of the measurement period ("covered period"), the PPP loan is no longer deferred and the borrower must begin paying principal and interest. In addition, the Flexibility Act extended the length of the covered period from eight weeks to 24 weeks from receipt of proceeds, while allowing borrowers that received PPP loans before June 5, 2020 to determine, at their sole discretion, a covered period of either 8 weeks or 24 weeks.

No interest or principal will be due during the deferral period, although interest will continue to accrue over this period. As of November 30, 2020, interest totaling $7,252 is recorded in accrued interest on the accompanying balance sheets. After the deferral period and after taking into account any loan forgiveness applicable to the Note, any remaining principal and accrued interest will be payable in substantially equal monthly installments over the remaining term of the Note.

The Company did not provide any collateral or guarantees for the loan, nor did the Company pay any facility charge to obtain the loan. The Note provides for customary events of default, including, among others, those relating to failure to make payment, bankruptcy, breaches of representations and material adverse effects. The Company may prepay the Note at any time without payment of any penalty or premium.

No assurance can be given that the Company will obtain forgiveness of the loan, in whole or in part. At this time, the Company has not yet applied for or received loan forgiveness and therefore have treated the PPP Note as debt. If all or a portion of a loan is ultimately forgiven, the Company plans to record income from the extinguishment of its loan obligation when it is legally released from being the primary obligor in accordance with ASC 405-20-40-1.

NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 10 – EMPLOYEE SEPARATIONS

The Company establishes obligations for expected termination benefits provided under existing agreements with a former or inactive employee after employment but before retirement. These benefits generally include severance payments and medical continuation coverage. During the first quarter of 2021, the Company continued to reduce expenses in response to the impact of the COVID-19 pandemic. These activities included further reductions in its workforce. The Company incurred severance and related charges totaling $222,023 during the first quarter 2021. As of November 30, 2020, the Company had a remaining severance accrual of $13,224 included in accrued payroll liabilities. There were no similar accruals as of May 31, 2020.

NOTE 11 – EQUITY METHOD INVESTMENT

On June 30, 2020, Laredo Oil, Inc. ("Laredo") entered into a Limited Liability Company Agreement (the "LLC Agreement") of Cat Creek Holdings LLC ("Cat Creek"), a Montana limited liability company formed as a joint venture for the purchase of certain oil and gas properties in the Cat Creek Field in Petroleum and Garfield Counties in the State of Montana (the "Cat Creek Properties"). In accordance with the LLC Agreement, Laredo invested $448,900 in Cat Creek for 50% of the ownership interests in Cat Creek using cash on hand. Each of Lipson Investments LLC and Viper Oil & Gas, LLC, the other two members of Cat Creek, have ownership interests in Cat Creek of 25% in consideration of their respective investments of $224,450. Cat Creek will be managed by a Board of Directors consisting of four directors, two of which shall be designated by Laredo.

Cat Creek entered into an Asset Purchase and Sale Agreement (the "Purchase Agreement") with Carrell Oil Company ("Seller") on July 1, 2020 for the purchase of the Cat Creek Properties from Seller. On September 21, 2020, upon resolving the purchase contingency under the Purchase Agreement, the Seller received consideration of $400,000, taking into effect certain adjustments resulting from pre- and post-effective date revenue, expense, and allocations.

Summarized Financial Information

The following table provides summarized financial information for the Company's ownership interest in Cat Creek accounted for under the equity method for the November 30, 2020 period presented and has been compiled from respective company financial statements, reflects certain historical adjustments, and is reported on a two-month lag. Results of operations are excluded for periods prior to acquisition.

Balance Sheet:	As of November 30, 2020
Current Assets	$ 269,533
Non-current Assets	620,385
Total Assets	$ 889,918
Current Liabilities	$ 58,440
Non-current Liabilities	60,925
Shareholders' equity	770,553
Total Liabilities and Shareholders' Equity	$ 889,918

Results of Operations:	Three and Six Months Ended November 30, 2020
Revenue	$ 300,885
Gross Profit	147,061
Net Loss	$ (127,247)

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This report contains forward-looking statements that involve risk and uncertainties. We use words such as "anticipate", "believe", "plan", "expect", "future", "intend", and similar expressions to identify such forward-looking statements. Investors should be aware that all forward-looking statements contained within this filing are good faith estimates of management as of the date of this filing. Our actual results could differ materially from those anticipated in these forward-looking statements.

Impact of COVID-19 to our Business

The impacts of the global emergence of novel coronavirus 2019 ("COVID-19") on our business are currently unknown. In an effort to protect the health and safety of our employees, we took proactive, aggressive action from the earliest signs of the outbreak in China to adopt social distancing policies at our locations, including working from home, limiting the number of employees attending meetings, reducing the number of people in our sites at any one time, and suspending employee travel. In an effort to contain COVID-19 or slow its spread, governments around the world have also enacted various measures, including orders to close all businesses not deemed "essential," isolate residents to their homes or places of residence, and practice social distancing when engaging in essential activities.

We anticipate that these actions and the global health crisis caused by COVID-19 will negatively impact business activity across the globe. We have observed declining demand and price reductions in the oil and gas sector as business and consumer activity decelerates across the globe. When COVID-19 is demonstrably contained, we anticipate a rebound in economic activity, depending on the rate, pace, and effectiveness of the containment efforts deployed by various national, state, and local governments.

We will continue to actively monitor the situation and may take further actions altering our business operations that we determine are in the best interests of our employees, customers, partners, suppliers, and stakeholders, or as required by federal, state, or local authorities. It is not clear what the potential effects any such alterations or modifications may have on our business, including the effects on our customers, employees, and prospects, or on our financial results for the remainder of fiscal 2021.

Company Description and Operations

Subsequent Event – Company Purchase of Stock of SORC

Subsequent to the reporting period covered by this report, pursuant to a Securities Purchase Agreement dated December 31, 2020 (the "SORC Purchase Agreement"), by and among the Company, Alleghany Corporation ("Alleghany"), Stranded Oil Resources Corporation, a wholly-owned subsidiary of Alleghany ("SORC"), and SORC Holdings LLC, a wholly-owned subsidiary of the Company ("Buyer"), Buyer purchased all of the issued and outstanding shares of SORC stock (the "SORC Shares") in a transaction that closed on December 31, 2020 (the "SORC Purchase Transaction"). As consideration for the SORC Shares, Buyer paid to Alleghany $55,000 and the Company agreed to pay to Alleghany a revenue royalty of 5.0% of the Company's future revenues and net profits relating to oil, gas, gas liquids and all other hydrocarbons, subject to certain adjustments, for a period of seven years after the closing. The Purchase Agreement provides for customary adjustments to the purchase price based on the effective date of December 31, 2020. SORC owns the enhancements to UGD 3.0, an improved version of the Company's enhanced oil recovery technique utilized to produce oil from horizontally developed or mature pressure-depleted oil fields. With this acquisition of SORC, Laredo now has exclusive rights to utilize and license that technology worldwide, and has acquired oilfield assets and equipment.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS – *continued*

In connection with the SORC Purchase Transaction, the two senior promissory notes of the Company held by Alleghany were consolidated into a single Consolidated, Amended and Restated Senior Promissory Note in the amount of $631,434 (which includes all principal and accrued interest through December 31, 2020) (the "Senior Consolidated Note"), which Consolidated Note has a maturity date of June 30, 2022. The Consolidated Note is now secured by a grant to Alleghany of a security interest in certain oilfield equipment assets of SORC pursuant to a Security Agreement executed at the closing. Any proceeds received from the sale of such equipment will be applied to reduce the note balance.

Further, pursuant to the SORC Purchase Agreement, Laredo and Seller entered into a Consulting Agreement dated as of December 31, 2020 (the "Consulting Agreement"), pursuant to which Seller agreed to pay an aggregate of approximately $1.245 million during calendar year 2021 in consideration of Laredo causing certain individuals, including Mark See, Laredo's Chief Executive Officer and Chairman, and Chris Lindsey, Laredo's General Counsel and Secretary, to provide consulting services to Seller (for a period of three years for Mr. See and one year for Mr. Lindsey).

As the Company now owns SORC, the Agreements with SORC and Alleghany enumerated in the "General" section below are effectively terminated, including any Royalty payable by SORC to the Company. As a result, the Company will no longer receive management service fees from Alleghany or reimbursement from Alleghany for the monthly expenses of its employees, which fees and reimbursements were effectively all of the Company's revenues prior to the closing of

the SORC Purchase Transaction. Subsequent to the SORC Purchase Transaction, the Company is an exploration and production company that owns, develops and operates oil fields to increase recovery through the use of proprietary enhanced oil recovery methods. The Company has a team of experienced petroleum engineers who have been actively involved in the development of UGD 3.0, which can provide and be a valuable resource to exploration and production ("E&P") companies seeking to enhance their oil recovery operations, and to apply to the Company's own fields and those fields that the Company has targeted for potential acquisition. The Company plans to be opportunistic in pursuing several areas of opportunity which were completely or partially restricted under the Agreements with SORC. First, the Company is currently acquiring mineral rights in Montana (outside of Cat Creek) with the plan of developing and producing oil for its own account from properties using conventional oil recovery methods and/or its proprietary UGD 3.0 oil recovery technique. Second, the Company plans to contract to, farm-in or otherwise license its technology worldwide to other E&P companies seeking to enhance recovery from certain oil fields. Third, the Company plans to acquire and manage fields for third parties in a fashion similar to that described in the Agreements with SORC.

General – Company Business during the Reporting Period

During the reporting period, the Company was a management services company managing the acquisition and conventional operation of mature oil fields and the further recovery of stranded oil from those fields using enhanced oil recovery methods. On June 14, 2011, the Company entered into agreements with Stranded Oil Resources Corporation ("SORC") to seek recovery of stranded crude oil from mature, declining oil fields by using the enhanced oil recovery ("EOR") method known as Underground Gravity Drainage ("UGD"). Such agreements include license agreements, management services agreements, and other agreements (collectively the "Agreements"). See "Item 1. Business" in the Form 10-K for the period ended May 31, 2020 for a discussion of our business and our transactions with SORC.

From SORC's formation in 2011 through September 30, 2020, Alleghany's net investment into SORC has been more than $275 million. This investment has been channeled primarily into three major projects located in Kansas, Louisiana and Wyoming.

The first project was located in Kansas. SORC funds have been used to acquire oil and gas leases and to purchase mineral rights totaling approximately 2,500 acres and used to construct and develop an Underground Gravity Drainage ("UGD") facility. SORC completed construction of its underground facility in 2014 and commenced its drilling program in 2015. After a thorough evaluation of the project, SORC sold substantially all its assets to third parties as of December 29, 2017 and no longer has oil and gas properties in Kansas.

The second project was located in Louisiana where SORC had acquired oil and gas leases on approximately 9,244 acres in a targeted oil reservoir. The oil field assets there were operational, producing crude oil using both conventional and UGD production methods, and were sold to a third party in July 2020.

The third project is located in Wyoming. On January 30, 2015, SORC, through one of its subsidiaries, purchased the Department of Energy's Naval Petroleum Reserve Number 3 (NPR-3), the Teapot Dome Oilfield, for $45.2 million. The purchase culminated a competitive bidding process that closed on October 16, 2014. Under the terms of the sale, operation and ownership of all of NPR-3's mineral rights and approximately 9,000 acres of land immediately transferred to SORC. The remaining surface acreage transferred in June 2015, bringing the total acres purchased to 9,318. The oil field there is operational, currently producing crude oil using both conventional and UGD production methods. Effective November 1, 2020 (with the closing occurring in late December 2020), this oil field was sold to a third party.

On June 30, 2020, the Company entered into a Limited Liability Company Agreement (the "LLC Agreement") of Cat Creek Holdings LLC ("Cat Creek"), a Montana limited liability company formed as a joint venture for the purchase of certain oil and gas properties in the Cat Creek Field in Petroleum and Garfield Counties in the State of Montana (the "Cat Creek Properties"). In accordance with the LLC Agreement, the Company invested $448,900 in Cat Creek for 50% of the ownership interests in Cat Creek using cash on hand. Each of Lipson Investments LLC and Viper Oil & Gas, LLC, the other two members of Cat Creek, have ownership interests in Cat Creek of 25% in consideration of their respective investments of $224,450. Cat Creek will be managed by a Board of Directors consisting of four directors, two of which shall be designated by the Company.

Cat Creek entered into an Asset Purchase and Sale Agreement (the "Purchase Agreement") with Carrell Oil Company ("Seller") on July 1, 2020 for the purchase of the Cat Creek Properties from Seller. On September 21, 2020, upon resolving the purchase contingency under the Purchase Agreement, the Seller received consideration of $400,000, taking into effect certain adjustments resulting from pre- and post-effective date revenue, expense, and allocations.

The Company accounts for its investment in Cat Creek as an equity method investment.

Liquidity and Capital Resources

During the reporting period, in accordance with the SORC license and management services agreements, the Company received from SORC sufficient working capital necessary to meet its obligations under the Agreements. The Company provided the know-how, expertise, and management required to identify, evaluate, acquire, test and develop targeted properties, and SORC provided all required funding and owned any acquired assets. SORC was funded primarily by Alleghany in exchange for issuance by SORC to Alleghany of 12% Cumulative Preferred Stock. As of September 30, 2020, SORC had received more than $275 million in net funding from Alleghany. Prior to the Company receiving any Royalty cash distributions from SORC, all SORC preferred share accrued dividends (in excess of $260 million as of September 30, 2020) would have been paid, preferred shares redeemed, and debt retired to comply with any loan agreements. With such uncertainty, Royalty cash distributions were not foreseen in the near future, and the main source of income for the Company was the management fee revenue under the Management Services Agreement.

As a result of the SORC Purchase Transaction, the Company is no longer entitled to receive management fee revenue or operations reimbursements from Alleghany or SORC. Further, the Company is no longer entitled to any Royalty cash distributions from Alleghany or SORC. The Company plans to use its cash and cash equivalents on hand, and the proceeds from the Consulting Agreement, to maintain the mineral rights acquisition program in Montana and to pay its operating costs.

On April 28, 2020, the Company entered into a note in the amount of $1,233,656 (the "PPP Note") pursuant to the terms of the Paycheck Protection Program ("PPP") authorized by the Coronavirus Aid, Relief and Economic Security (CARES) Act (the "Program"). The Program provides loans to qualifying businesses for amount up to 2.5 times the average monthly payroll expenses of the qualifying business. Under the terms of the Program, PPP loan participants can apply for

and be granted forgiveness for all or a portion of the loan (including interest) granted pursuant to the PPP. Such forgiveness will be determined, subject to limitations, based on the use of the loan proceeds for eligible purposes. No assurance can be given that the Company will obtain forgiveness of the PPP Loan, in whole or part.

Our cash and cash equivalents at November 30, 2020 was $1,040,799. Total debt outstanding as of the filing date of this report is $1,869,154 comprised of $628,246 owed to Alleghany Capital, which is classified as a short-term notes payable and accrued interest and $1,240,908 pursuant to the PPP Note and related accrued interest. Based on the terms of the PPP Note, $1,166,366 is classified as a long-term note, net of the current portion totaling $67,290 which is classified as a current note payable.

Results of Operations

Pursuant to the MSA with SORC, the Company received and recorded management fee revenue and direct costs totaling $1,247,544 and $1,262,837 for the quarter ended November 30, 2020 and $2,036,723 and $1,951,148 for the same quarter ended November 30, 2019. Similarly, the Company received and recorded management fee revenue and direct costs totaling $2,923,541 and $2,981,701 for the six months ended November 30, 2020 and $4,121,905 and $4,020,465 for the six months ended November 30, 2019. The decrease in revenues and direct costs is primarily attributable to a reduction in force resulting in a decrease in employee related costs in the three and six months ended November 30, 2020 as compared to the same periods in the prior fiscal year.

During the quarters ended November 30, 2020 and 2019, respectively, we incurred operating expenses of $134,422 and $46,322. The Company incurred operating expenses of $274,177 and $138,805 during the six months ended November 30, 2020 and 2019, respectively. These expenses consisted of general operating expenses incurred in connection with the day to day operation of our business and the preparation and filing of our required reports. The increase in expenses for the quarter ended November 30, 2020 as compared to the same period in 2019 is primarily attributable to consulting and legal costs related to Cat Creek and the Securities Purchase Agreement.

Due to the nature of the Agreements, the Company is relatively unaffected by the impact of inflation. Usually, when general price inflation occurs, the price of crude oil increases as well, which may have a positive effect on sales. However, as the price of oil increases, it also most likely will result in making targeted oil fields more expensive.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The process of preparing financial statements requires that we make estimates and assumptions that affect the reported amounts of liabilities and stockholders' equity/(deficit) at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Our estimates and assumptions are based on current facts, historical experience and various other factors we believe to be reasonable under the circumstances. As of November 30, 2020, and 2019, there are no significant estimates with regard to the financial statements included with this report.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *– continued*

OFF-BALANCE SHEET ARRANGEMENTS

We do not currently have any off-balance sheet arrangements or other such unrecorded obligations, and we have not guaranteed the debt of any other party.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our exposure to market risk is confined to our cash equivalents. We invest in high-quality financial instruments and we believe we are subject to limited credit risk. Due to the short-term nature of our cash, we do not believe that we have any material exposure to interest rate risk arising from our investments.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934, as amended ("Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission ("SEC") rules and forms. Our disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosures. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives, and management necessarily is required to use its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

An evaluation was carried out under the supervision and with the participation of the Company's management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report as defined in Exchange Act Rule 13a-15(e) and Rule 15d-15(e). Based on that evaluation, the CEO and CFO have concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures are not effective in insuring that information required to be disclosed in our Exchange Act reports is (1) recorded, processed, summarized and reported in a timely manner, and (2) accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Our size has prevented us from being able to employ sufficient resources to enable us to have an adequate level of supervision and segregation of duties. Therefore, it is difficult to effectively segregate accounting duties which comprises a material weakness in internal controls. This lack of segregation of duties leads management to conclude that the Company's disclosure controls and procedures are not effective to give reasonable assurance that the information required to be disclosed in reports that the Company files under the Exchange Act is recorded, processed, summarized and reported as and when required.

(b) Changes in Internal Control Over Financial Reporting

None.

PART II - OTHER INFORMATION

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

The exhibits required to be filed herewith by Item 601 of Regulation S-K, as described in the following index of exhibits, are attached hereto unless otherwise indicated as being incorporated herein by reference, as follows:

3.1	Certificate of Incorporation, included as Exhibit 3.1 in our Form S-1 filed August 25, 2008, File No. 333-153168 and incorporated herein by reference.
3.2	Certificate of Amendment of Certificate of Incorporation, included as Exhibit 10.1 to our Form 8-K filed October 22, 2009 and incorporated herein by reference.
3.3	Bylaws, included as Exhibit 3.2 in our S-1 filed August 25, 2008, File No. 333-153168 and incorporated herein by reference.
10.1	Securities Purchase Agreement dated as of December 31, 2020, by and among the Company, Alleghany Corporation, Stranded Oil Resources Corporation and SORC Holdings LLC.
10.2	Consulting Agreement dated as of December 31, 2020, by and between the Company and Alleghany Corporation .
10.3	Consolidated, Amended and Restated Senior Promissory Note dated as of December 31, 2020, executed by the Company for the benefit of Alleghany Corporation.
10.4	Security Agreement dated as of December 31, 2020, by and among the Company, Stranded Oil Resources Corporation and Alleghany Capital .
31.1	Certification of the Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
31.2	Certification of the Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.1	Certificate Pursuant to 18 U.S.C. Section 1350 signed by the Chief Executive Officer
32.2	Certificate Pursuant to 18 U.S.C. Section 1350 signed by the Chief Financial Officer
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Extension Presentation Linkbase

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LAREDO OIL, INC.

(Registrant)

Date: January 14, 2021

By: /s/ *Mark See*
Mark See
Chief Executive Officer and Chairman of the Board

Date: January 14, 2021

By: /s/ *Bradley E. Sparks*
Bradley E. Sparks
Chief Financial Officer, Treasurer and Director

EXHIBIT 10.1

SECURITIES PURCHASE AGREEMENT

by and among

ALLEGHANY CORPORATION,

STRANDED OIL RESOURCES CORPORATION,

SORC HOLDINGS LLC,

and

LAREDO OIL, INC.

dated as of

December 31, 2020

TABLE OF CONTENTS

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this "**Agreement**"), dated as of December 31, 2020, is entered into by and among Alleghany Corporation, a Delaware corporation ("**Seller**"), Stranded Oil Resources Corporation, a Delaware corporation ("**Company**"), SORC Holdings LLC, a Delaware limited liability company ("**Buyer**"), and Laredo Oil, Inc., a Delaware corporation ("**Laredo**", and collectively with Seller, Company, and Buyer, the "**Parties**", and each individually, a "**Party**").

RECITALS

WHEREAS, the Company is an oil exploration and production company focused on enhanced oil recovery;

WHEREAS, Seller owns all of the issued and outstanding shares of common stock, par value $0.001 per share, of the Company and all of the issued and outstanding shares of preferred stock, par value $0.001 per share, of the Company (collectively, the "**Shares**");

WHEREAS, Buyer is a wholly owned subsidiary of Laredo; and

WHEREAS, Seller wishes to sell to Buyer, and Buyer wishes to purchase from Seller, the Shares, subject to the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

The following terms have the meanings specified or referred to in this **Article I:**

"**Affiliate**" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"**Alleghany Intercompany Amount**" means the net amount payable between Seller and the Company as of the Closing Date excluding any Indebtedness or any amounts that are otherwise a component of Closing Working Capital.

"**Agreement**" has the meaning set forth in the preamble.

"**Business Day**" means any day except Saturday, Sunday or any other day on which commercial banks located in New York, New York are authorized or required by Law to be closed for business.

"**Buyer**" has the meaning set forth in the preamble.

"**Buyer Releasing Party**" has the meaning set forth in **Section 5.14(a)**.

"**Cash and Cash Equivalents**" means, as of the Closing, the sum of the fair market value (expressed in United States dollars) of all cash and cash equivalents (including marketable securities, checks, bank deposits and short term investments which are convertible into cash), including the amounts of any received but uncleared checks, drafts and wires issued prior to such time, less the amounts of any outstanding checks or transfers at such time, in each case calculated in accordance with GAAP.

"**Claim**" has the meaning set forth in **Section 7.07.**

"**Closing**" has the meaning set forth in **Section 2.04**.

"**Closing Date**" has the meaning set forth in **Section 2.04.**

"**Closing Working Capital**" means the aggregate amount of the current assets of the Company (specifically excluding Cash and Cash Equivalents and income taxes), less the aggregate amount of the current liabilities of the Company (specifically excluding Indebtedness and income taxes) as of the close of business on the Business Day immediately preceding the Closing Date and calculated in accordance with GAAP. Notwithstanding anything to the contrary contained herein, in no event shall "Working Capital" include any amounts with respect to (i) Cash and Cash Equivalents, or (ii) Indebtedness.

"**Code**" means the United States Internal Revenue Code of 1986, as amended.

"**Company**" has the meaning set forth in the preamble.

"**Company Tax Return**" means any return, election, declaration, report, schedule, information return, document, information, opinion, statement, or any amendment to any of the foregoing (including, without limitation, any consolidated, combined or unitary return) filed or required to be filed with any Governmental Authority, if, in any manner or to any extent, relating to or inclusive of the Company, any Subsidiary or any Tax.

"**Consulting Agreement**" means that certain consulting agreement to be entered into by Seller with Laredo for certain services to be provided by Laredo, exclusively through Laredo's employment of each of Mark See, R. Bruce McConnell, and Christopher Lindsey, to Seller following Closing on such terms as shall be mutually agreed to by Seller and Laredo.

"**Covenant Not to Sue**" has the meaning set forth in **Section 5.14(b)**.

"**Disclosure Schedules**" means the Disclosure Schedules delivered by Seller and Buyer concurrently with the execution and delivery of this Agreement.

"**Dollars**" or "**$**" means the lawful currency of the United States.

"**Drop Dead Date**" has the meaning set forth in **Section 8.01(b)(i).**

"**Encumbrance**" means any lien, pledge, mortgage, deed of trust, security interest, charge, claim, easement, encroachment or other similar encumbrance.

"**Fraud**" means a Party is finally determined by a court of competent jurisdiction to have willfully and knowingly committed fraud against another Party hereto, with the specific intent to deceive and mislead such Party, regarding the representations and warranties made herein or in any schedule, exhibit or certificate delivered pursuant hereto.

"**GAAP**" means United States generally accepted accounting principles in effect from time to time, as applied by the Company.

"**Governmental Authority**" means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

"**Governmental Order**" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"**Income Tax**" means any federal, state, local, foreign or other income taxes (including any Tax on or based upon net income, or gross income, or income as specially defined, or earnings, or profits, or selected items of income, earnings, or profits).

"**Income Tax Return**" means any Tax Return that is related to or for any Income Tax.

"**Indebtedness**" means the following liabilities and obligations of the Company:

(i) all borrowings and other indebtedness for borrowed money, including amounts drawn down under related party, intercompany and revolving credit facilities and any borrowings by way of overdraft, acceptance credit or similar facilities;

(ii) all interest accrued on any or all of the "debt" described in (i) above; and

(iii) any transaction related and success fees and expenses payable by the Company to any advisers engaged by or on behalf of the Company or in connection with the transaction contemplated by the Agreement.

"**Indemnified Party**" means the party making a claim under **Article VII** of the Agreement.

"**Indemnifying Party**" means the party against whom a claim under **Article VII** of the Agreement is made.

"**Independent Accountant**" means an impartial, independent, certified public accountant mutually agreed upon by Buyer and Seller.

"**Laredo**" has the meaning set forth in the Preamble.

"**Laredo Debt**" has the meaning set forth in **Section 5.16**.

"**Law**" means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

"**Loss**" or "**Losses**" means actual out-of-pocket losses, damages, liabilities, costs or expenses, including reasonable attorneys' fees.

"**Material Adverse Effect**" means any event, occurrence, fact, condition or change that is materially adverse to (a) the business, results of operations, financial condition or assets of the Company, or (b) the ability of Seller to consummate the transactions contemplated hereby; *provided*, *however*, that "Material Adverse Effect" shall not include any event, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to: (i) general economic or political conditions; (ii) conditions generally affecting the industries in which the Company operates; (iii) any changes in financial, banking or securities markets in general, including any disruption thereof and any decline in the price of any security or any market index or any change in prevailing interest rates; (iv) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof; (v) any action required or permitted by this Agreement or any action taken (or omitted to be taken) with the written consent of or at the written request of Buyer; (vi) any matter of which Buyer is aware on the date hereof; (vii) any changes in applicable Laws or accounting rules (including GAAP) or the enforcement, implementation or interpretation thereof; (viii) the announcement, pendency or completion of the transactions contemplated by this Agreement, including losses or threatened losses of employees, customers, suppliers, distributors or others having relationships with the Company; (ix) any natural or man-made disaster or acts of God (including any pandemic or disease outbreak, such as the COVID-19 novel coronavirus); or (x) any failure by the Company to meet any internal or published projections, forecasts or revenue or earnings predictions (provided that the underlying causes of such failures (subject to the other provisions of this definition) shall not be excluded).

"**Non-Released Claims**" has the meaning set forth in **Section 5.14(a)**.

"**Notice of Objection**" has the meaning set forth in **Section 2.02(b)**.

"**Parent Consolidated Group**" means the consolidated group of affiliated corporations of which Seller is the common parent.

"**Permits**" means all permits, licenses, franchises, approvals, authorizations, and consents required to be obtained from Governmental Authorities.

"**Person**" means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

"**Post-Closing Tax Period**" means (a) any taxable period ending after the Closing Date, and (b) the portion of any Straddle Period ending after the Closing Date.

"**Pre-Closing Tax Period**" means (a) any taxable period ending on or before the Closing Date, and (b) the portion of any Straddle Period ending on the Closing Date.

"**Proceeding**" means any audit, administrative action, assessment, case, deposition, examination, executive action, filing, hearing, information request, injunction, inquiry, investigation, judgment, levy, litigation, order, reassessment, review, seizure, subpoena, suit, summons, testimony, or other activity involving or conducted by or on behalf of any Governmental Authority.

"**Purchase Price**" has the meaning set forth in **Section 2.02(a)**.

"**Real Property**" means the real property owned, leased or subleased by the Company, together with all buildings, structures and facilities located thereon.

"**Release**" has the meaning set forth in **Section 5.14(b)**.

"**Released Claims**" has the meaning set forth in **Section 5.14(a)**.

"**Representative**" means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

"**Resolution Period**" has the meaning set forth in **Section 2.02(b)**.

"**Revenue Royalty**" means 5.0% of each, without duplication (i) all consolidated GAAP revenue of Laredo (inclusive of consolidated subsidiaries), (ii) GAAP net profit earned by Laredo with respect to unconsolidated joint ventures and investments, and (iii) licensing income earned by Laredo with respect to the licensing of its intellectual property, all with respect to oil, gas, gas liquids and all other hydrocarbons (including any consulting, production or other services related thereto, and excluding (a) any amounts paid by Seller or its Affiliates to Laredo pursuant to the Consulting Agreement or similar arrangement and (b) gross proceeds of the sale of equipment contemplated in **Section 5.16**), taken as a whole with Buyer, the Company and all other Subsidiaries of Laredo, in each case including its respective permitted successors or assigns, recognized during the period from the Closing Date through December 31, 2027.

"**Royalty Statement**" has the meaning set forth in **Section 2.02(b)**.

"**Seller**" has the meaning set forth in the preamble.

"**Seller Released Parties**" has the meaning set forth in **Section 5.14(a)**.

"**Shares**" has the meaning set forth in the recitals.

"**SORC Agreements**" means (i) that certain Stockholders Agreement, dated as of June 14, 2011, among the Company, Seller and Buyer, (ii) that certain Funding Agreement, dated as of December 30, 2011, by and between Seller and the Company and (iii) that certain Tax Sharing Agreement, dated as of June 14, 2011, among the Company, Seller and Buyer.

"**State Tax Return**" means any Company Tax Return that is related to or for any State Income Tax that either (a) includes only and exclusively the Company or its Subsidiaries or (b) any Company Tax Return filed on a consolidated, combined, unitary or similar basis with respect to which the Company is the common parent (as defined in Section 1504 of the Code), or any other acting in a similar capacity with respect to such Company Tax Return under applicable Law.

"**State Income Tax**" means any Income Tax or franchise tax imposed by any state, municipality or subdivision including any Tax on or based upon net income, or gross income, or income as specially defined, or earnings, or profits, or selected items of income, earnings, or profits.

"**Straddle Period**" means any Tax period beginning before the Closing Date and ending after the Closing Date.

"**Subsidiary**" or "**Subsidiaries**" of any Person shall mean any corporation or other entity of which a majority of the voting power of the voting equity securities or equity interest is owned, directly or indirectly, by such Person.

"**Target Net Working Capital Amount**" means $0.

"**Tax**" or "**Taxes**" means any tax, charge, deficiency, duty, fee, levy, toll or other similar amount in the nature of a tax (including, without limitation, any net income, gross income, profits, gross receipts, escheat, excise, property, sales, ad valorem, withholding, social security, retirement, employment, unemployment, minimum, estimated, severance, stamp, occupation, environmental, premium, capital stock, disability, windfall profits, use, service, net worth, payroll, franchise, license, gains, customs, transfer, recording, registration, value added, surtax, capital gains, goods and services, registration, alternative or add-on or other tax) assessed or otherwise imposed by any Governmental Authority or under applicable federal, state, local or non-U.S. law, together with any interest, penalties or any other additions or increases.

"**Tax Return**" means all returns, declarations, reports, claims for refund, information statements and other documents relating to Taxes, including all schedules and attachments thereto, and including all amendments thereof.

"**Transfer Taxes**" has the meaning set forth in **Section 5.11(f)**.

"**Transfer Tax Return**" means any Tax Return related to the payment of any Transfer Taxes.

"**Unresolved Items**" has the meaning set forth in **Section 2.02(b)**.

ARTICLE II
PURCHASE AND SALE

Section 2.01 Purchase and Sale. Subject to the terms and conditions set forth herein, at the Closing, Seller shall sell to Buyer, and Buyer shall purchase from Seller, the Shares for the consideration specified in **Section 2.02**.

Section 2.02 Purchase Price.

(a) Subject to adjustment pursuant to **Section 2.05**, the aggregate purchase price for the Shares pursuant to this Agreement (the " **Purchase Price**") shall be an amount equal to: (i) $55,000, *plus* (ii) the Estimated Closing Cash as set forth on the Estimated Closing Cash and Indebtedness Statement (as defined below), *minus* (iii) Estimated Closing Indebtedness as set forth on the Estimated Closing Cash and Indebtedness Statement, *plus* (iv) the Estimated Closing Working Capital (which may be a negative number), *plus* the Alleghany Intercompany Amount (which may be a negative number), *plus* the Revenue Royalty (collectively the "**Purchase Price**"). The net amount after giving effect to the foregoing adjustments to the Purchase Price, other than the Revenue Royalty shall be the "**Closing Date Payment**". If the Closing Date Payment is a positive number, Buyer shall pay Seller an amount equal to the Closing Date Payment at Closing by wire transfer of immediately available funds to an account or accounts designated in writing by Seller to Buyer no later than two Business Days prior to Closing. If the Closing Date Payment is a negative number, Seller shall pay Buyer an amount equal to the Closing Date Payment at Closing by wire transfer of immediately available funds to an account or accounts designated in writing by Buyer to Seller. The Revenue Royalty for the period from the Closing Date through December 31, 2021 shall accrue through December 31, 2021. The Revenue Royalty accrued through September 30, 2021 shall be due and paid by Buyer to Seller on the first Business Day of January 2022. The Revenue Royalty accrued for the period of October 1, 2021 through December 31, 2021 shall be due and paid by Buyer to Seller on the first Business Day following February 1, 2022. The Revenue Royalty for the period from January 1, 2022 until December 31, 2027 shall accrue and be paid quarterly in arrears by Buyer to Seller on the first Business Day of each of May, August, November and February with respect to the immediately preceding quarter. All Revenue Royalty payments shall be made by wire transfer of immediately available funds to an account or accounts designated in writing by Seller to Buyer.

(b) Each Revenue Royalty payment shall be accompanied by a statement (the " **Royalty Statement**") that describes in reasonable detail how such Revenue Royalty payment was calculated. Seller may dispute the calculation of any Revenue Royalty payment by notifying Buyer in writing, setting forth in reasonable detail the particulars of such disagreement (the "**Notice of Objection**"), within 30 days after delivery of the Royalty Statement by Buyer. To the extent not set forth in the Notice of Objection, Seller shall be deemed to have agreed with all other calculations, items and amounts set forth in the Royalty Statement. In the event that the Seller does not deliver a Notice of Objection to Buyer within 30 days after delivery of the Royalty Statement, Seller shall be deemed to have accepted the calculation of the Revenue Royalty payment set forth in the applicable Royalty Statement. In the event that a Notice of Objection is timely delivered, Buyer and Seller shall use their respective commercially reasonable efforts and exchange any information reasonably requested by the other party for a period of 15 days after the receipt by Buyer of the Notice of Objection (the "**Resolution Period**"), or such longer period as they may agree in writing, to resolve in good faith any disagreements set forth in the Notice of Objection. If Buyer and Seller are unable to resolve such disagreements within the Resolution Period (the items that remain in dispute at the end of such period, the "**Unresolved Items**"), then, at any time thereafter, either Seller or Buyer may require the Independent Accountant to resolve the Unresolved Items. Upon selection of the Independent Accountant, each of Buyer and Seller shall submit an analysis of the Unresolved Items. Buyer and Seller shall instruct the Independent Accountant to determine as promptly as practicable, and in any event within 30 days after the date on which such dispute is referred to the Independent Accountant, based solely on the provisions of this Agreement and the written presentations by Buyer and Seller, the value of the Unresolved Items. The determination of the Independent Accountant shall be set forth in a written statement delivered to Buyer and Seller and shall be final, conclusive and binding on the parties, absent fraud or manifest error. The fees and expenses of the Independent Accountant shall be paid by Seller, on the one hand, and by Buyer, on the other hand, based upon the percentage that the amount actually contested but not awarded to Seller or Buyer, respectively, bears to the aggregate amount actually contested by Seller and Buyer.

(c) In the event an Independent Accountant is not selected or has not agreed to serve within the 10 Business Day period following the Resolution Period (or such longer period as agreed to in writing by Buyer and Seller), then the parties hereto agree that any dispute, controversy or claim arising out of or relating to calculations of or for the Revenue Royalty payments shall be promptly submitted to binding arbitration conducted by the American Arbitration Association under its rules, regulations and procedures, the cost of which shall be borne by the non-prevailing party. Any arbitration hearing shall be held in New York, New York. Judgment under the award entered by the arbitrator or arbitrators may be entered in any court having jurisdiction thereof in accordance with the terms of Section 9.10 hereof.

Section 2.03 Transactions to be Effected at the Closing.

(a) At the Closing, Buyer shall deliver to Seller:

(i) the Closing Date Payment;

(ii) the Consulting Agreement, duly executed by Laredo; and

(iii) all other agreements, documents, instruments or certificates required to be delivered by Buyer at or prior to the Closing pursuant to **Section 6.03** of this Agreement.

(b) At the Closing, Seller shall deliver to Buyer:

(i) stock certificates evidencing the Shares, free and clear of all Encumbrances, duly endorsed in blank or accompanied by stock powers or other instruments of transfer duly executed in blank;

(ii) the Consulting Agreement, duly executed by Seller; and

(iii) all other agreements, documents, instruments or certificates required to be delivered by Seller at or prior to the Closing pursuant to **Section 6.02** of this Agreement.

Section 2.04 Closing. Subject to the terms and conditions of this Agreement, the purchase and sale of the Shares contemplated hereby shall take place at a closing (the "**Closing**") to be held no later than two Business Days after the last of the conditions to Closing set forth in **Article VI** have been satisfied or waived (other than conditions which, by their nature, are to be satisfied on the Closing Date), remotely by exchange of documents and signatures (or their electronic counterparts), or at such other time or on such other date or at such other place as the Parties may mutually agree upon in writing (the day on which the Closing takes place being the "**Closing Date**"). The consummation of the transactions contemplated by this Agreement shall be deemed to occur at 12:01 a.m. New York time on the Closing Date.

Section 2.05 Purchase Price Adjustment.

(a) Estimated Closing Working Capital and Estimated Closing Cash and Indebtedness. At least three (3) Business Days before the Closing, the Company shall prepare and deliver to Buyer a statement setting forth its good faith estimate of Closing Working Capital (the "**Estimated Closing Working Capital**") and good faith estimate of Cash and Cash Equivalents and Indebtedness as of Closing (the " **Estimated Closing Cash and Indebtedness**"), which statement shall contain an estimated balance sheet of the Company as of the Closing Date (without giving effect to the transactions contemplated herein), a calculation of Estimated Closing Working Capital (the "**Estimated Closing Working Capital Statement**"), and a calculation of the Estimated Closing Cash and Indebtedness (the "**Estimated Closing Cash and Indebtedness Statement**"), certified by the chief financial officer of the Company that each of the Estimated Closing Working Capital Statement and the Estimated Closing Cash and Indebtedness Statement was prepared in accordance with GAAP.

(b) Net Working Capital Adjustment Amount and Closing Cash Adjustment Amount.

(i) Within sixty (60) days after the Closing Date, Buyer shall prepare and deliver to Seller each of (A) a statement setting forth the Closing Working Capital, which statement shall contain a balance sheet of the Company as of the Closing Date (without giving effect to the transactions contemplated herein), a calculation of Closing Working Capital (the "**Closing Working Capital Statement**"), (B) a statement setting forth the Cash and Cash Equivalents and Indebtedness as of Closing, and a calculation of Cash and Cash Equivalents and Indebtedness as of Closing (the "**Closing Cash and Indebtedness Statement**"); and (C) a certificate of an executive officer of Buyer that the Closing Working Capital Statement was prepared in accordance with GAAP.

(ii) The post-closing adjustment (the "**Post-Closing Adjustment**") shall be: (A) an amount (the "**Net Working Capital Adjustment Amount**") equal to the Closing Working Capital minus (ii) Estimated Closing Working Capital Amount plus (B) an amount (the "**Closing Cash Adjustment Amount**") equal to (i) Cash and Cash Equivalents as of Closing, minus (ii) the amount of Indebtedness as of Closing. If the Post-Closing Adjustment is a positive number, Buyer shall pay to Seller an amount equal to the Post-Closing Adjustment, which shall (X) be due (i) within five (5) Business Days of acceptance by Seller of the Closing Working Capital Statement and Closing Cash and Indebtedness Statement or (ii) if there are Disputed Amounts, then within five (5) Business Days of the resolution described below; and (Y) be paid by wire transfer of immediately available funds to such account as is directed by Seller.

(c) Examination and Review.

(i) Examination. After receipt of the Closing Working Capital Statement and Closing Cash and Indebtedness Statement, Seller shall have thirty (30) days (the "**Review Period**") to review the Closing Working Capital Statement and Closing Cash and Indebtedness Statement. During the Review Period, Seller and Seller's accountants shall have full access to the books and records of the Company, the personnel of, and work papers prepared by, Buyer and/or Buyer's accountants to the extent that they relate to the Closing Working Capital Statement, Closing Cash and Indebtedness Statement, and to such historical financial information (to the extent in Buyer's possession) relating to the Closing Working Capital Statement and Closing Cash and Indebtedness Statement as Seller may reasonably request for the purpose of reviewing the Closing Working Capital Statement and Closing Cash and Indebtedness Statement and to prepare a Statement of Objections (defined below), *provided, that* such access shall be in a manner that does not interfere with the normal business operations of Buyer or the Company.

(ii) Objection. On or prior to the last day of the Review Period, Seller may object to the Closing Working Capital Statement or Closing Cash and Indebtedness Statement by delivering to Buyer a written statement setting forth Seller's objections in reasonable detail, indicating each disputed item or amount and the basis for Seller's disagreement therewith (the "**Statement of Objections**"). If Seller fails to deliver the Statement of Objections before the expiration of the Review Period, the Closing Working Capital Statement and the Net Working Capital Adjustment Amount, and the Closing Cash and Indebtedness Statement and Closing Cash Adjustment Amount, as the case may be, reflected in the Closing Working Capital Statement and Closing Cash and Indebtedness Statement, shall be deemed to have been accepted by Seller. If Seller delivers the Statement of Objections before the expiration of the Review Period, Buyer and Seller shall negotiate in good faith to resolve such objections within thirty (30) days after the delivery of the Statement of Objections (the "**Resolution Period**"), and, if the same are so resolved within the Resolution Period, the Net Working Capital Adjustment Amount and the Closing Working Capital Statement, and the Closing Cash Adjustment Amount and Closing Cash and Indebtedness Statement, with such changes as may have been previously agreed in writing by Buyer and Seller, shall be final and binding.

(iii) Resolution of Disputes. If Seller and Buyer fail to reach an agreement with respect to all of the matters set forth in the Statement of Objections before expiration of the Resolution Period, then any amounts remaining in dispute ("**Disputed Amounts**" and any amounts not so disputed, the "**Undisputed Amounts**") shall be submitted for resolution to an impartial nationally recognized firm of independent certified public accountants other than Seller's Accountants or Buyer's Accountants as mutually approved by Seller and Buyer (the "**Independent Accountant**") who, acting as experts and not arbitrators, shall resolve the Disputed Amounts only and make any adjustments to the Net Working Capital Adjustment Amount or Closing Cash Adjustment Amount, as the case may be, and the Closing Working Capital Statement and Closing Cash and Indebtedness Statement. The parties hereto agree that all adjustments shall be made without regard to materiality. The Independent Accountant shall only decide the specific items under dispute by the parties and their decision for each Disputed Amount must be within the range of values assigned to each such item in the Closing Working Capital Statement, Closing Cash and Indebtedness Statement, and the Statement of Objections, respectively.

(iv) Fees of the Independent Accountant. The fees and expenses of the Independent Accountant shall be paid by Seller, on the one hand, and by Buyer, on the other hand, based upon the percentage that the amount actually contested but not awarded to Seller or Buyer, respectively, bears to the aggregate amount actually contested by Seller and Buyer.

(v) Determination by Independent Accountant. The Independent Accountant shall make a determination as soon as practicable within thirty (30) days (or such other time as the Parties hereto shall agree in writing) after their engagement, and their resolution of the Disputed Amounts and their adjustments to the Closing Working Capital Statement and/or the Net Working Capital Adjustment Amount, and the Closing Cash and Indebtedness Statement, and Closing Cash Adjustment Amount, as the case may be, shall be conclusive and binding upon the Parties hereto.

(d) Characterization of Post-Closing Adjustment for Tax Purposes. Any payments made pursuant to **Section 2.05** shall be treated as an adjustment to the Purchase Price by the parties for Tax purposes, unless otherwise required by Law.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF SELLER

Except as set forth in the Disclosure Schedules, Seller represents and warrants to Buyer that the statements contained in this **Article III** are true and correct as of the date hereof.

Section 3.01 Organization and Authority of Seller. Seller is a corporation duly organized, validly existing and in good standing under the Laws of the state of Delaware. Seller has all necessary corporate power and authority to enter into this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery by Seller of this Agreement, the performance by Seller of its obligations hereunder and the consummation by Seller of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of Seller. This Agreement has been duly executed and delivered by Seller, and (assuming due authorization, execution and delivery by Buyer and the Company) this Agreement constitutes a legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

Section 3.02 Organization, Authority and Qualification of the Company. The Company is a corporation duly organized, validly existing and in good standing under the Laws of the state of Delaware and has all necessary corporate power and authority to own, operate or lease the properties and assets now owned, operated or leased by it and to carry on its business as it is currently conducted.

Section 3.03 Capitalization. Seller is the record owner of and has good and valid title to the Shares, free and clear of all Encumbrances. The Shares constitute all of the total issued and outstanding capital stock of the Company. The Shares have been duly authorized and are validly issued, fully-paid and non-assessable. Upon consummation of the transactions contemplated by this Agreement, Buyer shall own all of the Shares, free and clear of all Encumbrances. The Shares were issued in compliance with applicable Laws. The Shares were not issued in violation of the certificate of incorporation, bylaws or other governing documents of the Company or any other agreement, arrangement, or commitment to which any Seller or the Company is a party and are not subject to or in violation of any preemptive or similar rights of any Person. As of the Closing, there shall be no outstanding or authorized options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to any membership interests in the Company or obligating any Seller or the Company to issue or sell any equity interests (including the Shares), or any other interest, in the Company. As of the Closing, other than the certificate of incorporation and bylaws of the Company, there shall be no voting trusts, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the Shares.

Section 3.04 Subsidiaries. The Company's only Subsidiaries are Caddo Parish Holdings LLC, a Delaware limited liability company, and Natrona County Holdings LLC, a Delaware limited liability company, both of which are wholly owned by the Company. The Company does not own, or have any interest in any shares or have an ownership interest in any Person other than the foregoing Subsidiaries.

Section 3.05 No Conflicts; Consents. The execution, delivery and performance by Seller and the Company of this Agreement, and the consummation of the transactions contemplated hereby, do not and will not result in a violation or breach of any provision of the certificate of incorporation, bylaws or other governing documents of Seller or the Company. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Seller or the Company in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

Section 3.06 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Seller or the Company.

Section 3.07 No Other Representations and Warranties. Except for the representations and warranties contained in this **Article III** (including the related portions of the Disclosure Schedules), none of Seller, the Company or any other Person has made or makes any other express or implied representation or warranty, either written or oral, on behalf of Seller or the Company, including any representation or warranty as to the accuracy or completeness of any information regarding the Company furnished or made available to Buyer and its Representatives or as to the future revenue, profitability or success of the Company, or any representation or warranty arising from statute or otherwise in law.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF BUYER AND LAREDO

Buyer and Laredo represents and warrants to Seller that the statements contained in this **Article IV** are true and correct as of the date hereof.

Section 4.01 Organization and Authority of Buyer. Buyer is a limited liability company duly organized, validly existing and in good standing under the Laws of the state of Delaware. Buyer is a wholly owned subsidiary of Laredo, and was formed solely to acquire the Shares and operate the business of the Company following Closing. Buyer has all necessary corporate power and authority to enter into this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery by Buyer of this Agreement, the performance by Buyer of its obligations hereunder and the consummation by Buyer of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of Buyer. This Agreement has been duly executed and delivered by Buyer, and (assuming due authorization, execution and delivery by Seller and the Company) this Agreement constitutes a legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as such enforceability

may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

Section 4.02 Organization, Authority and Qualification of Laredo. Laredo is a corporation duly organized, validly existing and in good standing under the Laws of the state of Delaware and has all necessary corporate power and authority to own, operate or lease the properties and assets now owned, operated or leased by it and to carry on its business as it is currently conducted. Laredo has all necessary corporate power and authority to enter into this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery by Laredo of this Agreement, the performance by Laredo of its obligations hereunder and the consummation by Laredo of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of Laredo. This Agreement has been duly executed and delivered by Laredo, and (assuming due authorization, execution and delivery by Buyer and Laredo) this Agreement constitutes a legal, valid and binding obligation of Laredo, enforceable against Laredo in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

Section 4.03 No Conflicts; Consents. The execution, delivery and performance by each of Buyer and Laredo of this Agreement, and the consummation of the transactions contemplated hereby, do not and will not: (a) result in a violation or breach of any provision of the certificate of incorporation, bylaws or other governing documents of Laredo or the certificate of formation, limited liability company agreement or other governing documents of Buyer; (b) result in a violation or breach of any provision of any Law or Governmental Order applicable to Buyer or Laredo; or (c) require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default under or result in the acceleration of any agreement to which Buyer or Laredo is a party, except in the cases of clauses (b) and (c), where the violation, breach, conflict, default, acceleration or failure to give notice would not have a material adverse effect on Laredo's or Buyer's ability to consummate the transactions contemplated hereby. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Laredo or Buyer in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, and such consents, approvals, Permits, Governmental Orders, declarations, filings or notices which would not have a material adverse effect on Laredo's or Buyer's ability to consummate the transactions contemplated hereby.

Section 4.04 Investment Purpose. Buyer is acquiring the Shares solely for its own account for investment purposes and not with a view to, or for offer or sale in connection with, any distribution thereof. Buyer acknowledges that the Shares are not registered under the Securities Act of 1933, as amended, or any state securities laws, and that the Shares may not be transferred or sold except pursuant to the registration provisions of the Securities Act of 1933, as amended or pursuant to an applicable exemption therefrom and subject to state securities laws and regulations, as applicable. Buyer is able to bear the economic risk of holding the Shares for an indefinite period (including total loss of its investment), and has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risk of its investment.

Section 4.05 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Buyer or Laredo.

Section 4.06 Sufficiency of Funds. Buyer has sufficient cash on hand or other sources of immediately available funds to enable it to make payment of the Closing Cash and consummate the transactions contemplated by this Agreement.

Section 4.07 Solvency. Immediately after giving effect to the transactions contemplated hereby, Buyer shall be solvent and shall: (a) be able to pay its debts as they become due; (b) own property that has a fair saleable value greater than the amounts required to pay its debts (including a reasonable estimate of the amount of all contingent liabilities); and (c) have adequate capital to carry on its business. No transfer of property is being made and no obligation is being incurred in connection with the transactions contemplated hereby with the intent to hinder, delay or defraud either present or future creditors of Buyer or Seller. In connection with the transactions contemplated hereby, Buyer has neither incurred nor plans to incur debts beyond its ability to pay as they become absolute and matured.

Section 4.08 Legal Proceedings. There are no actions, suits, claims, investigations or other legal proceedings pending or, to Laredo's or Buyer's knowledge, threatened against or by Laredo or Buyer or any Affiliate of Buyer or Laredo that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.

Section 4.09 Independent Investigation. Buyer and Laredo have conducted their own independent investigation, review and analysis of the business, results of operations, environmental status, prospects, condition (financial or otherwise) or assets of the Company, and acknowledges that they have been provided adequate access to the personnel, properties, assets, premises, books and records, and other documents and data of Seller and the Company for such purpose. Each of Laredo and Buyer acknowledges and agrees that: (a) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, each of Laredo and Buyer has relied solely upon its own investigation and the express representations and warranties of Seller set forth in **Article III** of this Agreement (including any related portions of the Disclosure Schedules); and (b) none of Seller, the Company or any other Person has made any representation or warranty as to Seller, the Company or this Agreement, except as expressly set forth in **Article III** of this Agreement (including the related portions of the Disclosure Schedules).

ARTICLE V
COVENANTS

Section 5.01 Access to Information. Notwithstanding anything to the contrary in this Agreement, neither Seller nor the Company shall be required to disclose any information to Buyer if such disclosure would not be disclosable pursuant to the Management Services Agreement, dated as of June 14, 2011, between Laredo and the Company and, in Seller's sole discretion, could: (x) cause significant competitive harm to Seller, the Company and their respective businesses if the transactions contemplated by this Agreement are not consummated; (y) jeopardize any attorney-client or other privilege; or (z) contravene any applicable Law, fiduciary duty or binding agreement entered into prior to the date of this Agreement.

Section 5.02 Supplement to Disclosure Schedules. Prior to the Closing, Buyer shall supplement or amend its Disclosure Schedules hereto with respect to any matter hereafter arising or of which it becomes aware after the date hereof (each a "**Schedule Supplement**"). Any disclosure in any such Schedule Supplement shall not be deemed to have cured any inaccuracy in or breach of any representation or warranty contained in this Agreement, including for purposes of the indemnification or termination rights contained in this Agreement or of determining whether or not the conditions set forth in **Section 6.03** have been satisfied; provided, however, that if Seller has the right to, but does not elect to, terminate this Agreement within five Business Days of its receipt of such Schedule Supplement, then Seller shall be deemed to have irrevocably waived any right to terminate this Agreement with respect to such matter and,

further, shall have irrevocably waived its right to indemnification under **Section 7.03** with respect to such matter.

Section 5.03 Resignations. Seller shall deliver to Buyer written resignations, effective as of the Closing Date, of the officers and directors of the Company which are employees or representatives of Seller prior to the Closing.

Section 5.04 Director and Officer Indemnification and Insurance.

(a) Buyer agrees that all rights to indemnification, advancement of expenses and exculpation by the Company and its subsidiaries now existing in favor of each Person who is now, or has been at any time prior to the date hereof or who becomes prior to the Closing Date, an officer or director of the Company or any of its subsidiaries, as provided in the certificate of incorporation or bylaws of the Company (or similar organizational documents of any subsidiary of the Company), in each case as in effect on the date of this Agreement, or pursuant to any other agreements in effect on the date hereof, shall survive the Closing Date and shall continue in full force and effect in accordance with their respective terms.

(b) The Company shall, and Buyer shall cause the Company to obtain as of the Closing Date "tail" insurance policies with a claims period of six years from the Closing Date with at least the same coverage and amounts, and containing terms and conditions that are not less advantageous to the directors and officers of the Company, in each case with respect to claims arising out of or relating to events which occurred on or prior to the Closing Date (including in connection with the transactions contemplated by this Agreement). Seller shall pay 100% of the premium for such "tail" insurance policies.

(c) The obligations of Buyer and the Company under this **Section 5.04** shall not be terminated or modified in such a manner as to adversely affect any director or officer to whom this **Section 5.04** applies without the consent of such affected director or officer (it being expressly agreed that the directors and officers to whom this **Section 5.04** applies shall be third-party beneficiaries of this **Section 5.04**, each of whom may enforce the provisions of this **Section 5.04**).

(d) In the event Buyer, the Company or any of their respective successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity in such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any Person, then, and in either such case, proper provision shall be made so that the successors and assigns of Buyer or the Company, as the case may be, shall assume all of the obligations set forth in this **Section 5.04**.

Section 5.05 Confidentiality; Non-Disparagement.

(a) From and after the Closing, (x) Seller shall, and shall cause its Affiliates to, hold, and shall use its reasonable best efforts to cause its or their respective Representatives to hold, in confidence any and all information, whether written or oral, concerning the Company and Buyer, and (y) Buyer shall, and shall cause its Affiliates to, hold, and shall use its reasonable best efforts to cause its or their respective Representatives to hold, in confidence any and all information, whether written or oral, concerning the Seller, except in each case to the extent that Seller or Buyer, as applicable, can show that such information (i) is generally available to and known by the public through no fault of such Party, any of its Affiliates or their respective Representatives; or (ii) is lawfully acquired by such Party, any of its Affiliates or their respective Representatives from and after the Closing from sources which are not prohibited from disclosing such information by a legal, contractual or fiduciary obligation. If any Party or any of its Affiliates or their respective Representatives are compelled to disclose any information subject to this **Section 5.05** by judicial or administrative process or by other requirements of Law or any regulatory agency, such Party shall promptly notify the other Party in writing and shall disclose only that portion of such information which such Party is advised by its counsel in writing is legally required to be disclosed, *provided that* such Party shall use reasonable best efforts to obtain an appropriate protective order or other reasonable assurance that confidential treatment will be accorded such information. If this Agreement is, for any reason, terminated prior to the Closing, the provisions of this **Section 5.05(a)** shall nonetheless continue in full force and effect.

(b) No party hereto shall, and no party shall permit any of its Affiliates to, publicly disparage or publicly criticize any other party hereto or its Affiliates, its or its subsidiaries' business or any of its or its subsidiaries' current or former directors, officers or employees, including the business and current or former directors, officers and employees of such other party's Affiliates, as applicable, or otherwise make public remarks that could be reasonably be expected to adversely affect the personal or professional reputation or prospects of the any of the foregoing. The restrictions in this Section shall not apply (i) in any required testimony or production of information, whether by legal process, subpoena or as part of a response to a request for information from any governmental or regulatory authority with jurisdiction over the party from whom information is sought, in each case, to the extent required; or (ii) to any disclosure required by applicable law, rules or regulations.

Section 5.06 Governmental Approvals and Other Third-Party Consents

(a) Each party hereto shall, as promptly as possible, use its commercially reasonable efforts to obtain, or cause to be obtained, all consents, authorizations, orders and approvals from all Governmental Authorities that may be or become necessary for its execution and delivery of this Agreement and the performance of its obligations pursuant to this Agreement. Each party shall cooperate fully with the other party and its Affiliates in promptly seeking to obtain all such consents, authorizations, orders and approvals. The parties hereto shall not willfully take any action that will have the effect of delaying, impairing or impeding the receipt of any required consents, authorizations, orders and approvals.

(b) Without limiting the generality of Buyer's undertaking pursuant to this **Section 5.06**, Buyer agrees to use its commercially reasonable efforts and to take any and all steps necessary to avoid or eliminate each and every impediment under any antitrust, competition or trade regulation Law that may be asserted by any Governmental Authority or any other party so as to enable the parties hereto to close the transactions contemplated by this Agreement as promptly as possible, including proposing, negotiating, committing to and effecting, by consent decree, hold separate orders, or otherwise, the sale, divestiture or disposition of any of its assets, properties or businesses or of the assets, properties or businesses to be acquired by it pursuant to this Agreement as are required to be divested in order to avoid the entry of, or to effect the dissolution of, any injunction, temporary restraining order or other order in any suit or proceeding, which would otherwise have the effect of materially delaying or preventing the consummation of the transactions contemplated by this Agreement. In addition, Buyer shall use its commercially reasonable efforts to defend through litigation on the merits any claim asserted in court by any party in order to avoid entry of, or to have vacated or terminated, any Governmental Order (whether temporary, preliminary or permanent) that would prevent the consummation of the Closing.

(c) All analyses, appearances, meetings, discussions, presentations, memoranda, briefs, filings, arguments, and proposals made by or on behalf of either party before any Governmental Authority or the staff or regulators of any Governmental Authority, in connection with the transactions contemplated hereunder (but, for the avoidance of doubt, not including any interactions between Seller or the Company with Governmental Authorities in the ordinary course of

business, any disclosure which is not permitted by Law or any disclosure containing confidential information) shall be disclosed to the other party hereunder in advance of any filing, submission or attendance, it being the intent that the parties will consult and cooperate with one another, and consider in good faith the views of one another, in connection with any such analyses, appearances, meetings, discussions, presentations, memoranda, briefs, filings, arguments, and proposals. Each Party shall give notice to the other Party with respect to any meeting, discussion, appearance or contact with any Governmental Authority or the staff or regulators of any Governmental Authority, with such notice being sufficient to provide the other Party with the opportunity to attend and participate in such meeting, discussion, appearance or contact.

Section 5.07 Books and Records.

(a) In order to facilitate the resolution of any claims made against or incurred by Seller prior to the Closing, or for any other reasonable purpose, for a period of seven years after the Closing, Buyer shall:

(i) retain the books and records (including personnel files) of the Company and Buyer relating to periods prior to the Closing in a manner reasonably consistent with the prior practices of the Company; and

(ii) upon reasonable notice, afford the Representatives of Seller reasonable access (including the right to make, at Seller's expense, photocopies), during normal business hours, to such books and records.

(b) In order to facilitate the resolution of any claims made by or against or incurred by Buyer or the Company after the Closing, or for any other reasonable purpose, for a period of seven years following the Closing, Seller shall:

(i) retain the books and records (including personnel files) of Seller which relate to the Company and its operations for periods prior to the Closing; and

(ii) upon reasonable notice, afford the Representatives of Buyer or the Company reasonable access (including the right to make, at Buyer's expense, photocopies), during normal business hours, to such books and records.

(c) Neither Buyer nor Seller shall be obligated to provide the other party with access to any books or records (including personnel files) pursuant to this **Section 5.07** where such access would violate any Law, regulatory requirement or contractual obligation.

Section 5.08 Closing Conditions. From the date hereof until the Closing, each Party shall, and Seller shall cause the Company to, use commercially reasonable efforts to take such actions as are necessary to expeditiously satisfy the closing conditions set forth in **Article VI** hereof.

Section 5.09 Public Announcements. Only if required by applicable Law or Governmental Authority (based upon the reasonable advice of counsel), shall any Party make any public announcements in respect of this Agreement or the transactions contemplated hereby, and the Parties shall cooperate as to the timing and contents of any such announcement.

Section 5.10 Further Assurances. Following the Closing, each of the Parties shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances, and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

Section 5.11 Certain Tax Matters.

(a) To the extent not filed prior hereto, the Seller shall prepare or cause to be prepared, in accordance with applicable law and consistent with past practice, each State Tax Return for any Pre-Closing Tax Period (other than a Pre-Closing Tax Period that is part of a Straddle Period) and any other Company Tax Return related to or for any Income Tax for any Pre-Closing Tax Period (including but not limited to the Seller's consolidated federal Income Tax Return to the extent inclusive of the Company through the Closing Date). At least thirty (30) days prior to the date on which a State Tax Return for such a Pre-Closing Tax Period is due (after taking into account any valid extension), the Seller shall deliver such State Tax Return to the Buyer. No later than five (5) days prior to the date on which a State Tax Return for a Pre-Closing Tax Period is due (after taking into account any valid extension), the Buyer may request reasonable changes and revisions be made to such State Tax Return. The Seller shall cooperate fully in making any reasonable changes and revisions to any State Tax Return for a Pre-Closing Tax Period. At least three (3) days prior to the date on which a State Tax Return (as reasonably revised based on requests by the Buyer) for a Pre-Closing Tax Period is due (after taking into account any valid extension), the Seller shall pay to the Buyer an amount equal to any Tax due with respect to such State Tax Return for the Pre-Closing Tax Period (other than any such Tax taken into account under any working capital, similar adjustment or indemnification), and the Buyer shall file such State Tax Return. This **Section 5.11(a)** shall not apply to any Transfer Tax Return.

(b) Except for any Tax Return to which **Section 5.11(a)** applies, the Buyer shall prepare and file each Company Tax Return for any Post-Closing Tax Period or any Straddle Period in accordance with applicable law. At least thirty (30) days prior to the date on which a Company Tax Return for a Straddle Period is due (after taking into account any valid extension), the Buyer shall deliver such Company Tax Return to the Seller. No later than five (5) days prior to the date on which a Company Tax Return for any Straddle Period is due (after taking into account any valid extension), the Seller may make reasonable changes and revisions to such Company Tax Return. The Buyer shall cooperate fully in making any reasonable changes and revisions to any Company Tax Return for any Straddle Period. At least three (3) days prior to the date on which such Company Tax Return for a Straddle Period is due (after taking into account any valid extension), the Seller shall pay to the Buyer an amount equal to the Tax on such Company Tax Return to the extent such Tax relates, as determined under **Section 5.11(c)**, to the portion of such Straddle Period ending on and including the Closing Date. This **Section 5.11(b)** shall not apply to any Transfer Tax Return.

(c) In the case of a Tax payable for a Straddle Period, the portion of such Tax of the Company that relates to the portion of the Straddle Period ending on the Closing Date shall (i) in the case of a Tax (other than a Tax based upon or related to income, employment, sales or other transactions, franchise or receipts) be deemed to be the amount of such Tax for the entire Straddle Period multiplied by a fraction the numerator of which is the number of days in the portion ending on the Closing Date of the Straddle Period and the denominator of which is the number of all of the days in the Straddle Period; and (ii) in the case of a Tax based upon or related to income, employment, sales or other transactions, franchise or receipts, be deemed equal to the amount which would be payable if the Straddle Period ended on the Closing Date and such Tax was based on an interim closing of the books as of the close of business on the Closing Date.

(d) Each Party shall promptly forward to the other a copy of all written communications from any Governmental Authority relating to any Tax or Company Tax Return for a Pre-Closing Tax Period or Straddle Period. Upon reasonable request, the Buyer and the Seller shall each make available to the other all information, records or other documents relating to any Tax or any Company Tax Return for a Pre-Closing Tax Period or Straddle Period. The Buyer and the Seller shall preserve all information, records or other documents relating to a Tax or a Company Tax Return for a Pre-Closing Tax Period or Straddle Period, until the date that is six (6) months after the expiration of the statute of limitations applicable to the Tax or the Company Tax Return. Prior to transferring, destroying or discarding any information, records or documents relating to any Tax or any Company Tax Return for a Pre-Closing Tax Period or Straddle Period, the Seller shall give to the Buyer a reasonable written notice and, to the extent the Buyer so requests, the Seller shall permit the Buyer to take possession of all such information, records and documents. In addition, the Buyer and the Seller shall cooperate with each other in connection with all matters relating to the preparation of any Company Tax Return or the payment of any Tax and in connection with any proceeding relating to any Tax or Company Tax Return, including but not limited to, access to information regarding the Company or any of its Subsidiaries for the purpose of preparing any Company Tax Return of which the Seller or any of its Subsidiaries is the common parent. Nothing in this **Section 5.11(d)** shall affect or limit any indemnity or similar provision or any other representations, warranties or obligations of the Company or the Seller. Each Party shall bear its own costs and expenses in complying with the provisions of this **Section 5.11**.

(e) The Seller shall be entitled to any refunds (including any interest paid thereon) or credits for Taxes attributable to any Pre-Closing Tax Period including but not limited to any portion of the Straddle Period that is part of the Pre-Closing Tax Period. Upon receipt, the Company shall pay any amount referenced in the preceding sentence to the Seller.

(f) Notwithstanding anything to the contrary in this Agreement, all liabilities, obligations and other rights between any member of the Parent Consolidated Group, on the one hand, and the Company and any of its Subsidiaries, on the other hand, under any Tax sharing or Tax indemnity agreement in effect prior to the Closing Date (other than this Agreement) shall cease and terminate as of the Closing Date as to all past, present and future taxable periods.

Section 5.12 Withholding Taxes. Notwithstanding any other provision of this Agreement, and for the avoidance of doubt, (a) each payment made pursuant to this Agreement shall be made net of any Taxes required by applicable law to be deducted and withheld from such payment, and (b) any amounts deducted or withheld from such payment shall be remitted to the applicable Governmental Authority and, when so remitted, shall be treated for all purposes of this Agreement as having been paid to the Party in respect of which such deduction and withholding was made. Prior to the Closing Date, if Buyer or Seller becomes aware that any amount is required to be so deducted and withheld, it shall promptly provide notice to the other Party. Buyer shall use reasonable efforts to notify Seller at least ten (10) days in advance of Buyer deducting and withholding any Taxes from any payment made pursuant to this Agreement, including providing a copy of the law pursuant to which Buyer proposes to make any such withholding, provided, however, that Buyer may deduct and withhold any such Taxes even if notice to Seller is not provided at least 10 days in advance.

Section 5.13 Transfer Taxes. All transfer, documentary, sales, use, stamp, registration, value added and other such Taxes and fees (including any penalties and interest) incurred in connection with the transactions contemplated by this Agreement (including any real property transfer Tax and any other similar Tax, collectively, "**Transfer Taxes**") shall be borne and paid by Seller when due, regardless of the Person liable for such obligations under applicable Law or the Person making payment to the Governmental Authority or other third party. Seller shall, at its own expense, timely file any Transfer Tax Return or other document with respect to such Transfer Taxes or fees (and Buyer shall cooperate with respect thereto as necessary).

Section 5.14 Release; Covenant Not to Sue.

(a) Effective upon the Closing, each of Buyer and Laredo, on behalf of itself and its Affiliates, and its and their successors and assigns (collectively, the "**Buyer Releasing Parties**"), each hereby forever, irrevocably and unconditionally releases, settles, cancels, discharges and acknowledges to be fully and finally satisfied any and all claims, litigations, complaints, proceedings, disputes, controversies, suits, arbitrations, charges, audits, investigations, hearings, demands, rights, actions, causes of action, debts, accounts, covenants, contracts, agreements (including the SORC Agreements), promises, damages, costs, reimbursements, losses, compensation, liabilities, costs and expenses (including attorneys' fees), penalties, dues, sums of money, reckonings, liens, bonds, bills, obligations, specialties, variances, trespasses, judgments, extends, executions and administrative grievances of any and every kind, nature or description whatsoever, known or unknown, foreseen or unforeseen, matured or unmatured, suspected or unsuspected, existing or claimed to exist, fixed or contingent, both at law and in equity (collectively, "**Released Claims**"), which the Releasing Parties may have had or may now or hereafter have or assert against the Company or Seller, or any of their respective present or former officers, directors, equity holders, partners, members, managers, agents, representatives, employees, Affiliates, Subsidiaries, successors and assigns (collectively, the "**Seller Released Parties**") for, upon, or by reason of any matter, cause, or thing whatsoever related or attributable to the period, or arising during the period, from the beginning of time through and including the Closing; provided, however, that "Released Claims" shall not include other claims or rights arising under or in connection with this Agreement (the "**Non-Released Claims**").

(b) Each of Buyer and Laredo, on behalf of itself and each other Buyer Releasing Party, agrees that: (i) neither it nor Laredo or Buyer, nor any of the other Buyer Releasing Parties, will bring, file, institute, prosecute, maintain, participate in, or recover upon, either directly or indirectly, or encourage or benefit from the institution of, any Action or Proceeding, against any of the Seller Released Parties for or relating to any of the Released Claims ("**Covenant Not To Sue**"), (ii) the release provided in **Section 5.14(a)** above (the "**Seller Release**") may be pleaded by a Seller Released Party as a full and complete defense to any action or Proceeding (including described in clause (i) above) with respect to a Released Claim that is contrary to the terms of the Seller Release, and may be asserted as a basis for abatement of, or injunction against, said action or Proceeding with respect to a Released Claim and as a basis for a cross-complaint for damages therein and (iii) in the event that any Buyer Releasing Party breaches the Covenant Not To Sue, any Seller Released Party aggrieved shall be entitled to recover not only the amount of any judgment that may be awarded in favor of such aggrieved Seller Released Party, but also such other damages, costs and expenses as may be incurred by such aggrieved Seller Released Party, including court costs and reasonable attorneys' fees, in preparing the defense of, defending against or seeking and obtaining abatement of, or injunction against, such action or proceeding, and establishing and maintaining the applicability of the Seller Release.

(c) Effective upon the Closing, Seller, on behalf of itself and its Affiliates, and its and their successors and assigns (collectively, the " **Seller Releasing Parties**"), each hereby forever, irrevocably and unconditionally releases, settles, cancels, discharges and acknowledges to be fully and finally satisfied any and all Released Claims, which the Seller Releasing Parties may have had or may now or hereafter have or assert against the Buyer or Laredo, or any of their respective present or former officers, directors, equity holders, partners, members, managers, agents, representatives, employees, Affiliates, Subsidiaries, successors and assigns (collectively, the "**Buyer Released Parties**") for, upon, or by reason of any matter, cause, or thing whatsoever related or attributable to the period, or arising during the period, from the beginning of time through and including the Closing; provided, however, that "Released Claims" shall not include

the Non-Released Claims**.**

(d) Seller, on behalf of itself and each other Seller Releasing Party, Covenants Not to Sue any of the Buyer Released Parties for or relating to any of the Released Claims, (ii) the release provided in **Section 5.14(c)** above (the "**Buyer Release**") may be pleaded by a Buyer Released Party as a full and complete defense to any action or Proceeding (including described in clause (i) above) with respect to a Released Claim that is contrary to the terms of the Buyer Release, and may be asserted as a basis for abatement of, or injunction against, said action or Proceeding with respect to a Released Claim and as a basis for a cross-complaint for damages therein and (iii) in the event that any Seller Releasing Party breaches the Covenant Not To Sue, any Buyer Released Party aggrieved shall be entitled to recover not only the amount of any judgment that may be awarded in favor of such aggrieved Buyer Released Party, but also such other damages, costs and expenses as may be incurred by such aggrieved Buyer Released Party, including court costs and reasonable attorneys' fees, in preparing the defense of, defending against or seeking and obtaining abatement of, or injunction against, such action or proceeding, and establishing and maintaining the applicability of the Buyer Release.

Section 5.15 Vehicles. The purchase price for vehicles being sold to individuals as indicated on **Section 5.15** of the Disclosure Schedules shall be deducted from the first quarterly payment under the consulting agreement, and Company shall sell the other vehicles set forth on **Section 5.15** of the Disclosure Schedules by January 31, 2021, with the proceeds thereof to be paid to (i) Laredo and next quarterly payment under Consulting Agreement to be reduced by like amount or (ii) paid to Seller to reduce the principal amount of the Laredo Debt, as determined by Laredo and Buyer.

Section 5.16 Fredonia Equipment Sale. Following the Closing, the Fredonia equipment set forth on **Section 5.16** of the Disclosure Schedules shall be sold by the Company and/or Buyer. The proceeds of such sale shall be applied first to reduce Laredo's outstanding debt (including any accrued interest thereon) to Seller ("**Laredo Debt**"), and any excess sale proceeds above the amount of the Laredo Debt will be paid half to Seller and paid or retained half by Buyer. At Closing, Seller shall deliver to Buyer a statement setting forth the principal and accrued interest of the Laredo Debt due and owing by Laredo as of Closing. Seller hereby agrees that the Laredo Debt shall not accrue any interest during 2021. Beginning on January 1, 2022, the then-outstanding balance of the Laredo Debt will accrue interest at a rate of 5.0% per annum. Seller and Laredo hereby agree that the Laredo Debt shall be due and payable in full by Laredo to Seller on June 30, 2022.

ARTICLE VI
CONDITIONS TO CLOSING

Section 6.01 Conditions to Obligations of All Parties. The obligations of each party to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, at or prior to the Closing, of each of the following conditions:

(a) No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Governmental Order which is in effect and has the effect of making the transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof.

(b) No Proceeding shall have been instituted or threatened, or claim or demand made against the Company, Seller or Buyer seeking to restrain or prohibit, or to obtain damages with respect to, the consummation of the transactions contemplated hereby.

(c) Except with respect to this Agreement and the transactions contemplated hereby, Seller and Buyer shall have terminated all arrangements between them, including the SORC Agreements.

(d) To the extent necessary, the documents evidencing the Laredo Debt shall have been amended to give effect to the terms set forth in **Section 5.16**.

Section 6.02 Conditions to Obligations of Buyer. The obligations of Buyer to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or Buyer's waiver, at or prior to the Closing, of each of the following conditions:

(a) The representations and warranties of Seller contained in **Article III** shall be true and correct in all respects as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, which shall be true and correct in all respects as of that specified date), except where the failure of such representations and warranties to be true and correct would not have a Material Adverse Effect.

(b) Seller shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

(c) Buyer shall have received a certificate, dated the Closing Date and signed by a duly authorized officer of Seller, that each of the conditions set forth in **Section 6.02(a)** and **Section 6.02(b)** have been satisfied.

(d) Buyer shall have received a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of Seller certifying the names and signatures of the officers of Seller authorized to sign this Agreement and the other documents to be delivered hereunder.

(e) Seller shall have delivered, or caused to be delivered, to Buyer stock certificates evidencing the Shares, free and clear of Encumbrances, duly endorsed in blank or accompanied by stock powers or other instruments of transfer duly executed in blank.

(f) Seller shall have delivered to Buyer the Consulting Agreement, duly executed by Seller.

Section 6.03 Conditions to Obligations of Seller. The obligations of Seller to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or Seller's waiver, at or prior to the Closing, of each of the following conditions:

(a) The representations and warranties of Buyer contained in **Article IV** shall be true and correct in all respects as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, which shall be true and correct in all respects as of that specified date), except where the failure of such representations and warranties to be true and correct would not have a

material adverse effect on Buyer's ability to consummate the transactions contemplated hereby.

(b) Buyer shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

(c) Seller shall have received a certificate, dated the Closing Date and signed by a duly authorized officer of Buyer that each of the conditions set forth in **Section 6.03(a)** and **Section 6.03(b)** have been satisfied.

(d) Seller shall have received a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of Buyer certifying that attached thereto are true and complete copies of all resolutions adopted by the board of directors of Buyer authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby.

(e) Seller shall have received a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of Buyer certifying the names and signatures of the officers of Buyer authorized to sign this Agreement and the other documents to be delivered hereunder.

(f) Buyer shall have delivered to Seller cash in an amount equal to the Closing Cash by wire transfer in immediately available funds, to an account or accounts designated at least two Business Days prior to the Closing Date by Seller in a written notice to Buyer.

(g) Buyer shall have delivered to Seller the Consulting Agreement, duly executed by Laredo.

(h) The transactions contemplated by that certain Purchase and Sale Agreement, dated November 19, 2020, between Natrona County Holdings LLC and Green Reserve Energy LLC shall have been consummated, and evidence thereof reasonably satisfactory to Seller shall have been delivered by Buyer to Seller.

ARTICLE VII
INDEMNIFICATION

Section 7.01 Survival. Except for the representations or warranties in **Article III** and **Article IV**, which shall survive for one year following Closing, none of the representations or warranties in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Closing; provided, however, that those covenants and agreements contained in this Agreement that by their terms are to be performed following the Closing shall survive the Closing until fully performed.

Section 7.02 Indemnification By Seller. Subject to the other terms and conditions of this **Article VII**, Seller shall indemnify and defend Buyer and Laredo against, and shall hold Buyer and Laredo harmless from and against, any and all Losses incurred or sustained by, or imposed upon, Buyer and/or Laredo based upon, arising out of, with respect to or by reason of:

(a) any breach of any of the representations or warranties of Seller contained in this Agreement;

(b) any breach of any covenant, agreement, or obligation to be performed by Seller pursuant to this Agreement;

(c) any of the Company's indemnification obligations pursuant to (i) Section 14.3(a) of that certain Purchase and Sale Agreement, dated November 19, 2020, between Natrona County Holdings LLC and Green Reserve Energy LLC subject to the limitations on such indemnification set forth in such agreement (provided, that the indemnification obligation under this **Section 7.02(c)(i)** is subject to a cap of $300,000 notwithstanding the indemnification cap therein, but is otherwise subject to the terms and conditions therein) or (ii) Section 8.4 of that certain Purchase and Sale Agreement, dated as of July 1, 2020, between Caddo Parish Holdings LLC and CPH Acquisition Vehicle I, LLC, subject to the limitations on such indemnification set forth in such agreement (including the indemnification cap of up to $250,000, subject to the terms and conditions therein); or

(d) (i) the ownership and operation of Natrona County Holdings LLC from its formation through the Closing and (ii) the ownership and operation of Caddo Parish Holdings LLC from its formation through the Closing.

Section 7.03 Indemnification By Buyer. Subject to the other terms and conditions of this **Article VII**, Buyer shall indemnify and defend Seller against, and shall hold Seller harmless from and against, any and all Losses incurred or sustained by, or imposed upon, Seller based upon, arising out of, with respect to or by reason of:

(a) any breach of any of the representations or warranties of Buyer contained in this Agreement; or

(b) any breach of any covenant, agreement, or obligation to be performed by Buyer pursuant to this Agreement.

Section 7.04 Limitations. Notwithstanding anything to contrary contained herein, (a) Seller shall not be liable for any indemnification pursuant to (i) **Section 7.02(a)** and **Section 7.02(b)** for any claims in excess of $55,000 (individually or in the aggregate), (ii) **Section 7.02(c)** for any claims in excess of the respective indemnification caps set forth in **Section 7.02(c)**, and subject to the terms and conditions set forth in the purchase agreements referenced therein, and (iii) **Section 7.02(d)**, for any individual claim, until the aggregate amount of Losses in respect of such claim for indemnification under **Section 7.02(d)** exceeds $25,000 (for each such individual claim, a "**Individual Claim Basket**"), in which event Seller shall only be required to pay or be liable for Losses in respect of such individual indemnification claim in excess of the Individual Claim Basket; provided, however, the costs associated with the compliance orders that have been issued to the subsidiaries of the Company and that are incurred in connection with the release of all legacy bonds of the Company's subsidiaries (A) shall be considered one claim under this **Section 7.02(d)**, (B) shall not be subject to the Individual Claim Basket and (C) Seller shall not be liable for any indemnification therefor until the aggregate amount of all costs exceeds $10,000, in which event Seller shall be liable for all such costs from the first dollar; (b) in no event shall Seller be liable in the aggregate for indemnification under **Section 7.02(d)** in excess of $300,000; and (c) any claim for indemnification under **Section 7.02(d)** must be made on or prior to the one-year anniversary of the Closing Date as more specifically set forth in **Section 7.07**. For avoidance of doubt, (a) Buyer cannot make claims under **Section 7.02(d)** for any claims under or arising out of the purchase agreements referenced in **Section 7.02(c)** and (b) all claims by Laredo or Buyer in respect of the compliance orders and legacy bonds referenced above shall be made under **Section 7.02(d)**.

Section 7.05 Exclusive Remedies. Subject to **Section 9.11**, the Parties acknowledge and agree that their sole and exclusive remedy with respect to any and all claims (other than claims arising from Fraud on the part of a Party in connection with the transactions contemplated by this Agreement) for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement, shall be pursuant to the indemnification provisions set forth in this **Article VII**. In furtherance of the foregoing, each Party hereby waives, to the fullest extent permitted under Law, any and all rights, claims and causes of action for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement it may have against the other Parties and their Affiliates and each of their respective Representatives arising under or based upon any Law, except pursuant to the indemnification provisions set forth in this **Article VII**. Nothing in this **Section 7.04** shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled pursuant to **Section 9.11** or to seek any remedy on account of Fraud by any Party.

Section 7.06 Tax Treatment of Indemnification Payments. All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by Law.

Section 7.07 Procedures for Claims.

(a) Any claim by an Indemnified Party on account of a Loss which results from the acts or omissions of the Indemnifying Party pursuant to **Section 7.02(a)**, **7.02(b)** or **7.03**, as well as any claim pursuant to **Section 7.02(c)** and any claim pursuant to **Section 7.02(d)** other than as specifically addressed in **Section 7.07(b)**, any of the foregoing as applicable (a "**Claim**"), shall be asserted by the Indemnified Party giving the Indemnifying Party prompt written notice thereof. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. Such notice by the Indemnified Party shall describe the Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have 30 days after its receipt of such notice to respond in writing to such Claim, including whether the Indemnifying Party shall assume the defense of such Claim (to the extent applicable). During such 30-day period, the Indemnified Party shall allow the Indemnifying Party and its professional advisors to investigate the matter or circumstance alleged to give rise to the Claim, and whether and to what extent any amount is payable in respect of the Claim and the Indemnified Party shall assist the Indemnifying Party's investigation by giving such information and assistance (including access to the Company's premises and personnel and the right to examine and copy any accounts, documents or records) as the Indemnifying Party or any of its professional advisors may reasonably request. If the Indemnifying Party does not so respond within such 30-day period, the Indemnifying Party shall be deemed to have rejected such claim, in which case the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement.

(b) Any claim by an Indemnified Party on account of a Claim pursuant to **Section 7.02(d)** related to the costs associated with the compliance orders that have been issued to the subsidiaries of the Company and that are incurred in connection with the release of all legacy bonds of the Company's subsidiaries shall be made after the threshold described therein has been satisfied and aggregated quarterly (i) within five (5) Business Days following the end of each of the first three calendar quarters of 2021 or (ii) on the one-year anniversary of the Closing Date. The failure to give such written notice as set forth herein shall relieve the Indemnifying Party of its indemnification obligations. Such notice by the Indemnified Party shall describe the Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the Claim amount that has been sustained by the Indemnified Party. The Indemnifying Party shall have thirty (30) days after its receipt of such notice to respond in writing to such Claim. During such thirty (30)-day period, the Indemnified Party shall allow the Indemnifying Party and its professional advisors to investigate the matter or circumstance alleged to give rise to the Claim, and whether and to what extent any amount is payable in respect of the Claim and the Indemnified Party shall assist the Indemnifying Party's investigation by giving such information and assistance (including access to the Company's premises and personnel and the right to examine and copy any accounts, documents or records) as the Indemnifying Party or any of its professional advisors may reasonably request. If the Indemnifying Party does not so respond within such thirty (30)-day period, the Indemnifying Party shall be deemed to have accepted such claim.

Section 7.08 Mitigation. Each Indemnified Party shall take, and cause its Affiliates to take, all reasonable steps to mitigate any Loss upon becoming aware of any event or circumstance that would be reasonably expected to, or does, give rise thereto, including incurring costs only to the minimum extent necessary to remedy the breach that gives rise to such Loss.

ARTICLE VIII
TERMINATION

Section 8.01 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of Seller and Buyer;

(b) by Buyer by written notice to Seller if:

(i) Buyer is not then in material breach of any provision of this Agreement and there has been a material breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Seller pursuant to this Agreement that would give rise to the failure of any of the conditions specified in **Article VI** and such breach, inaccuracy or failure cannot be cured by Seller by December 31, 2020 (the "**Drop Dead Date**"); or

(ii) any of the conditions set forth in **Section 6.01** or **Section 6.02** shall not have been fulfilled by the Drop Dead Date, unless such failure shall be due to the failure of Buyer to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing;

(c) by Seller by written notice to Buyer if:

(i) Seller is not then in material breach of any provision of this Agreement and there has been a material breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Buyer pursuant to this Agreement that would give rise to the failure of any of the conditions specified in **Article VI** and such breach, inaccuracy or failure cannot be cured by Buyer by the Drop Dead Date; or

(ii) any of the conditions set forth in **Section 6.01** or **Section 6.03** shall not have been fulfilled by the Drop Dead Date, unless such failure

shall be due to the failure of Seller to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing; or

(d) by Buyer or Seller in the event that:

(i) there shall be any Law that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited; or

(ii) any Governmental Authority shall have issued a Governmental Order restraining or enjoining the transactions contemplated by this Agreement, and such Governmental Order shall have become final and non-appealable.

Section 8.02 Effect of Termination. In the event of the termination of this Agreement in accordance with this Article, this Agreement shall forthwith become void and there shall be no liability on the part of any party hereto except:

(a) as set forth in this **Article VIII** and **Section 5.05** and **Article IX** hereof; and

(b) that nothing herein shall relieve any party hereto from liability for any intentional breach of any provision hereof.

ARTICLE IX
MISCELLANEOUS

Section 9.01 Expenses. Except as otherwise expressly provided herein (including **Section 5.16** hereof), all costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

Section 9.02 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this **Section 9.02**):

If to Seller or the Company:
Alleghany Corporation
1411 Broadway, 34th Floor
New York, New York 10018
Facsimile: (212) 759-3295
E-mail: cdalrymple@alleghany.com and
dvangeyzel@alleghanycc.com

with a copy to:
Olshan Frome Wolosky LLP
1325 Avenue of the Americas
New York, NY 10019
E-mail: KSilverman@olshanlaw.com
Facsimile: (212) 451-2222
Attention: Kenneth M. Silverman, Esq.

If to Buyer:
Laredo Oil, Inc.
398 Sage Lane
Winnett, MT 59087
E-mail: Msee@stranded-oil.com
Attention: Mark See

with a copy to:
Laredo Oil, Inc.
10023 Florence Circle
Naples, FL 34119
E-mail: Clindsey@stranded-oil.com
Attention: Christopher E. Lindsey

Section 9.03 Interpretation. For purposes of this Agreement: (a) the words " **include,**" "**includes**" and "**including**" shall be deemed to be followed by the words "**without limitation**"; (b) the word "**or**" is not exclusive; and (c) the words " **herein,**" "**hereof,**" "**hereby,**" "**hereto**" and "**hereunder**" refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to Articles, Sections, Disclosure Schedules and Exhibits mean the Articles and Sections of, and Disclosure Schedules and Exhibits attached to, this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The Disclosure Schedules and Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

Section 9.04 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 9.05 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated

hereby be consummated as originally contemplated to the greatest extent possible.

Section 9.06 Entire Agreement. This Agreement constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous representations, warranties, understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and the Exhibits and Disclosure Schedules (other than an exception expressly set forth in the latter), the statements in the body of this Agreement will control.

Section 9.07 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. No assignment shall relieve the assigning party of any of its obligations hereunder.

Section 9.08 No Third-party Beneficiaries. Except as provided in **Section 5.14** and **Article VII**, this Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 9.09 Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 9.10 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.

(a) This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction).

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY MAY BE INSTITUTED IN THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA OR THE COURTS OF THE STATE OF DELAWARE, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.10(c).

Section 9.11 Specific Performance. The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

Section 9.12 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

Section 9.13 Non-recourse. This Agreement may only be enforced against, and any claim, action, suit or other legal proceeding based upon, arising out of, or related to this Agreement, or the negotiation, execution or performance of this Agreement, may only be brought against the entities that are expressly named as parties hereto and then only with respect to the specific obligations set forth herein with respect to such party. No past, present or future director, officer, employee, incorporator, manager, member, partner, stockholder, Affiliate, agent, attorney or other Representative of any party hereto or of any Affiliate of any party hereto, or any of their successors or permitted assigns, shall have any liability for any obligations or liabilities of any party hereto under this Agreement or for any claim or Action based on, in respect of or by reason of the transactions contemplated hereby.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

Alleghany Corporation

By: /s/ Christopher K. Dalrymple

Name: Christopher K. Dalrymple
Title: Senior Vice President

SORC Holdings LLC

By: /s/ Mark See
Name: Mark See
Title: Manager

Laredo Oil, Inc.

By: /s/ Mark See
Name: Mark See
Title: CEO

Stranded Oil Resources Corporation

By: /s/ Udi Toledano
Name: Udi Toledano
Title: Vice President

[Signature Page to Securities Purchase Agreement]

Section 5.15

Company Vehicles to be Purchased by Executives

2017 Ford F150 #1FTEW1C88HKD45076 to be purchased by Christopher Lindsey for the agreed purchase price of $12,739.00.

2018 Ford Explorer #1FM5K8GT2JGA42043 to be purchased by Mark See for the agreed purchase price of $15,741.00.

2014 Ford Exped #1FMJU1J51EEF47857

2018 Ford Exped #1FMJU1JTXJEA31344

Section 5.16

Fredonia Equipment

	Asset	Location as of December 31, 2020
1.	VLI Drilling Rig w/ Directional Tools	33250 Highway 259 Casper, WY 82601
2.	VLI Drilling Rig Spares	33250 Highway 259 Casper, WY 82601
3.	SMC 3X5 Tri-plex Pump w/950V Power and Skid	33250 Highway 259 Casper, WY 82601
4.	Mud Mixing Tank	33250 Highway 259 Casper, WY 82601
5.	Mud Mixing Tank w/ Hopper and Pump	33250 Highway 259 Casper, WY 82601
6.	All Valves, Acuators, Pumps, & Meters	33250 Highway 259 Casper, WY 82601
7.	3 Ethylene Glycol Chillers	33250 Highway 259 Casper, WY 82601
8.	4 PC Pumps	33250 Highway 259 Casper, WY 82601

EXHIBIT 10.2

CONSULTING AGREEMENT

This CONSULTING AGREEMENT (the "Agreement") is entered into as of December 31, 2020, by and between Alleghany Corporation, a Delaware corporation (the "Company"), and Laredo Oil, Inc., a Delaware corporation ("Consultant," and the Company and Consultant together referred to herein as the "Parties").

W I T N E S S E T H:

WHEREAS, the Company desires to have Consultant furnish certain services to the Company from time to time, and Consultant has agreed to furnish such services from time to time, pursuant to the terms and conditions hereinafter set forth.

NOW, THEREFORE, the Parties hereto, intending to be legally bound, hereby agree as follows:

1 . Duties. Subject to the terms and conditions set forth in this Agreement, the Company retains Consultant to provide and make available and Consultant agrees to provide and make available Mark See (for a period of three years), R. Bruce McConnell (for a period of one year), and Christopher Lindsey (for a period of one year) (each, an "Individual" and, collectively, the "Individuals") for their advice, assistance, support and guidance in connection with the oil industry and any questions, issues or matters arising from the Company's previous ownership of SORC, at such times and for such periods of time as may be reasonably agreed to between the Company and Consultant, including but not limited to removal of certain legacy bonds related to certain wells and the operations of SORC and its subsidiaries. Consultant agrees that all services shall be provided by Consultant through the Individuals. Consultant is strictly prohibited from assigning or subcontracting any of its responsibilities or obligations hereunder.

2. Fee. As a fee for providing the services set forth herein:

(a) Upon the Closing (as defined in that certain Securities Purchase Agreement ("Purchase Agreement") dated as of December 31, 2020, by and among the Company, Stranded Oil Resources Corporation ("SORC"), SORC Holdings LLC, and Consultant (the "SORC Transaction")), the Company shall pay Consultant $100,000 to be paid to Mark See.

(b) For the period beginning on January 1, 2021 through December 31, 2021, the Company shall pay Consultant 4 equal payments of $286,117.86, payable on January 8, 2021, April 1, 2021, July 1, 2021 and October 1, 2021, respectively; *provided, that*, the first such quarterly payment under this Agreement shall be reduced by an amount equal to the aggregate purchase price of the vehicles transferred by SORC as of the date first written above in connection with the SORC Transaction as set forth in the Purchase Agreement or a schedule thereto; *provided, further*, that the amounts paid hereunder are to be used exclusively for the compensation of the Individuals and the costs incurred by Consultant in connection therewith and shall be allocated by Consultant to the Individuals, less any proportional reduction based on vehicle purchase prices, as follows:

(i) $109,082.76 to Mark See;

(ii) $91,208.58 to Christopher Lindsey; and

(iii) $85,826.54 to R. Bruce McConnell.

3 . Term and Termination. The terms and conditions set forth in this Agreement will commence on January 1, 2021 (the "Effective Date"), and shall remain in effect through December 31, 2024. The Company may terminate this Agreement upon 30 days' written notice to Consultant; *provided, however*, the provisions of Section 2 above shall survive any termination effective prior to January 1, 2022.

4 . Acknowledgement of the Individuals. Each Individual will execute an acknowledgement of the terms and conditions of this Agreement to acknowledge and agree to the terms set forth herein that are applicable to such Individual.

5 . Confidential Information. This Section 5 shall apply to the Company and its affiliates and subsidiaries (for the purposes of this Section 5, collectively, the "Company"):

(a) Non-Disclosure. Consultant agrees not to use, disclose, sell, license, publish, reproduce or otherwise make available the Confidential Information of the Company except and only to the extent necessary to perform under this Agreement. Consultant further agrees that nothing in this section shall be construed to waive or diminish the Company's rights hereunder. Consultant further agrees to take all steps necessary to secure and protect the Company's Confidential Information.

(b) Definition. "Confidential Information" means the Company's information which is proprietary to the Company or the disclosure of which would be detrimental to Company, whether disclosed before, on or after the date of this Agreement.

6. Independent Contractor. For all purposes Consultant will operate as an independent contractor of the Company. Consequently, Consultant retains full independence in exercising judgment as to the time, place and manner of performing the services, and bears full responsibility for any and all tax liability that arises from the monies paid pursuant to this Agreement and will fulfill such tax liability. The Company shall not withhold any funds for tax or other governmental purposes, and Consultant shall be responsible for the payment of same. Consultant shall not be entitled to receive any employment benefits offered to employees of the Company. Consultant acknowledges that Consultant is not an employee, agent or co-venturer of the Company and that the Company will not incur any liability as the result of Consultant's actions. Consultant shall at all times disclose that Consultant is an independent contractor of the Company and shall not represent to any third party that Consultant is the employee, agent, co-venturer, or representative of the Company other than as expressly authorized in writing by the Company.

7. Indemnification. Each of the Company and Consultant hereby indemnifies and agrees to hold the other party harmless from and against any loss, liability, damage, cost, or expense (including, without limitation, reasonable attorneys' fees) paid or incurred by the other party by reason of such party's breach

of the terms of this Agreement or such party's negligence or willful misconduct in performance of its obligations under this Agreement.

8. Representation and Warranty. Consultant represents and warrants to the Company that Consultant is not subject to any non-competition provision of any other agreement restricting Consultant's ability fully to act hereunder. Consultant hereby indemnifies and holds the Company harmless against any losses, claims, expenses (including attorneys' fees), damages or liabilities incurred by the Company as a result of a breach of the foregoing representation.

9. Severability. If any provision of this Agreement is declared void or unenforceable by a court of competent jurisdiction, all other provisions shall nonetheless remain in full force and effect.

10. Governing Law and Consent to Jurisdiction. This Agreement, and all matters arising out of or relating to this Agreement, shall be governed by and construed and enforced in accordance with the laws of the state of New York, without giving effect to any laws, rules or provisions thereof that would cause the application of the laws, rules or provision of any jurisdiction other than those of the state of New York. Each of the Parties hereby irrevocably submits to the exclusive jurisdiction of any state or federal court in New York, New York over any action or proceeding arising out of or relating to this Agreement and each of the Parties hereby irrevocably agrees that all claims in respect of such action or proceeding shall be heard and determined in such New York state or federal court.

11. Waiver. The waiver by either Party of a breach of any provision of this Agreement shall not be construed as a waiver of any subsequent breach. The failure of a Party to insist upon strict adherence to any provision of this Agreement on one or more occasions shall not be considered a waiver or deprive that Party of the right thereafter to insist upon strict adherence to that provision or any other provision of this Agreement. Any waiver must be in writing.

12. Assignment. Consultant may not sell, transfer, assign, pledge or hypothecate its rights, interests and obligations hereunder. Any purported transfer, assignment, pledge or hypothecation of Consultant's rights, interests or obligations in violation of this Agreement shall be null and void. Except as otherwise herein expressly provided, this Agreement shall be binding upon and shall inure to the benefit of Consultant, its successors and assigns and shall inure to the benefit of the Company.

13. Entire Agreement. This Agreement embodies all of the representations, warranties, and agreements between the Parties relating to Consultant's consultancy with the Company. No other representations, warranties, covenants, understandings, or agreements exist between the Parties relating to Consultant's consultancy. This Agreement shall supersede all prior agreements, written or oral, relating to Consultant's consultancy. This Agreement may not be amended or modified except by a writing signed by the Parties.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered on the date above.

LAREDO OIL, INC.

By: /s/ Mark See
Name: Mark See
Title: CEO

ALLEGHANY CORPORATION

By: /s/ Christopher K. Dalrymple
Name: Christopher K. Dalrymple
Title: Senior Vice President

Acknowledged and Agreed:

/s/ Mark See
MARK SEE

/s/ R. Bruce McConnell
R. BRUCE McCONNELL

/s/ Christopher Lindsey
CHRISTOPHER LINDSEY

[Signature Page to Consulting Agreement]

EXHIBIT 10.3

CONSOLIDATED, AMENDED AND RESTATED SENIOR PROMISSORY NOTE

THIS CONSOLIDATED, AMENDED AND RESTATED SENIOR PROMISSORY NOTE, is made and entered into as of December 31, 2020, by Laredo Oil, Inc., a Delaware corporation ("Borrower"), for the benefit of Alleghany Corporation, a Delaware corporation (" Lender").

WHEREAS, Lender is the holder of those certain promissory notes as more fully described on Exhibit A hereto (collectively, the " Existing Notes") in the aggregate principal amount (including accrued and unpaid interest under such Existing Notes through the date hereof) of Six Hundred Thirty-One Thousand Four Hundred Thirty-Four Dollars ($631,434.00), which Existing Notes were assigned to Lender by Alleghany Capital Corporation, a Delaware corporation that is a wholly-owned subsidiary of Lender ("ACC");

WHEREAS, Borrower and Lender are parties to that certain Securities Purchase Agreement, dated as of December 31, 2020 (the " Purchase Agreement"), by and among Lender, Stranded Oil Resources Corporation, a Delaware corporation (" Company"), SORC Holdings LLC, a Delaware limited liability company ("Buyer"), and Borrower;

WHEREAS, it is a condition to the closing of the Purchase Agreement that the documents evidencing the Laredo Debt (as defined in the Purchase Agreement) be amended to give effect to the terms set forth in Section 5.16 of the Purchase Agreement and, therefore, (i) Borrower, the Company and Lender have entered into that certain Security Agreement dated as of the date hereof, by and among Borrower, the Company in its capacity as grantor and Lender in its capacity as secured party (the "Security Agreement"), and (ii) Borrower and Lender have agreed to consolidate the Existing Notes and the indebtedness evidenced thereby to form a single note evidencing a principal indebtedness of Six Hundred Thirty-One Thousand Four Hundred Thirty-Four Dollars ($631,434.00), and to modify and restate the Existing Notes, as so consolidated, on the terms hereinafter set forth; and

WHEREAS, as affiliates of Borrower and parties to the Purchase Agreement, the Company and Buyer will benefit from the consolidation, amendment and restatement of the Existing Notes, on the terms hereinafter set forth (which benefits are hereby acknowledged);

NOW, THEREFORE, Borrower and Lender hereby consolidate the Existing Notes and the indebtedness evidenced thereby to form a single note evidencing a principal indebtedness in the amount of Six Hundred Thirty-One Thousand Four Hundred Thirty-Four Dollars ($631,434.00), and hereby modify and restate the terms of the Existing Notes as so consolidated, in their entirety, as follows, beginning on the following page (the terms of this Note controlling and superseding the terms of the Existing Notes):

[Remainder of page left intentionally blank.]

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THIS NOTE MAY NOT B E SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933 OR AN OPINION OF COUNSEL SATISFACTORY TO LAREDO OIL, INC. THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SUCH ACT.

$631,434.00.00 As of December 31, 2020

FOR VALUE RECEIVED, the receipt and adequacy of which is hereby acknowledged by the undersigned, Borrower does hereby promise to pay to the order of Lender, at 1411 Broadway, 34th Floor, New York, NY 10018, or at such other place as may be designated from time to time in writing by Lender, Six Hundred Thirty-One Thousand Four Hundred Thirty-Four Dollars ($631,434.00) (the "Outstanding Principal Sum"), plus interest thereon as provided for herein. All sums owing hereunder are payable in lawful money of the United States of America, in immediately available funds.

This Consolidated, Amended and Restated Senior Promissory (this " Note") consolidates, amends and restates in their entirety the terms and provisions of the Existing Notes. Lender agrees to mark the Existing Notes cancelled and return the originals thereof to the Borrower as soon as practical after Lender's receipt of this Note duly executed by Borrower.

1. Interest.

(a) Note Rate. Interest shall accrue on the Outstanding Principal Sum of this Note from January 1, 2022 to the date such Outstanding Principal Sum is paid in full, at the rate of five percent (5%) per annum (referred to herein as the "Note Rate").

(b) Default Rate. Upon the occurrence of an "Event of Default" (as defined in Paragraph 5 below), and so long as such Event of Default shall continue, the Outstanding Principal Sum together with all unpaid interest accrued thereon shall bear interest at an annual rate (the "Default Rate") equal to the then applicable Note Rate plus three percent (3%) per annum.

2. Payments.

(a) The Outstanding Principal Sum (together with all accrued and unpaid interest thereon) shall be all due and payable on the Maturity Date set forth in Paragraph 3 below.

(b) Notwithstanding the foregoing, (i) all amounts received by Borrower after the date of this Note from the issuance or sale of shares of the capital stock of Borrower (referred to herein as "Equity Sale Proceeds") and (ii) all amounts received by Company, Buyer and/or Borrower after the Closing (as defined in the Purchase Agreement) from the sale of the Fredonia equipment listed on Schedule 5.16 to the Purchase Agreement, shall be used and applied as follows: (1) first, to pay all accrued and unpaid interest under this Note; (2) second, to pay the Outstanding Principal Sum under this Note; and (3) third, following the repayment of all accrued and unpaid interest under the Note and the Outstanding Principal Sum, as set forth in Section 5.16 of the Purchase Agreement.

3. Maturity Date.

(a) The entire Outstanding Principal Sum, and all accrued and unpaid interest thereon, shall be all due and payable on the date which is the earlier of (a) June 30, 2022 or (b) the Accelerated Maturity Date (as defined in Paragraph 6 below).

(b) The actual date on which the entire Outstanding Principal Sum is all due and payable under this Section 3 shall be referred to herein as the "Maturity Date".

4. Contingent Subordination. If Borrower is notified by IBERIABANK (" PPP Lender") that Borrower is in default under that certain Note dated as of April 28, 2020, issued by Borrower in favor of PPP Lender (the "PPP Note") because, in PPP Lender's determination, the consummation of the transactions contemplated by the Purchase Agreement has resulted in a material adverse change in the financial condition or business operation of the Borrower that materially affects Borrower's ability to pay its obligations under the PPP Note, then, provided that PPP Lender has determined that subordinating the payments due under this Note to the payments due under the PPP Note would cure any such default (and upon the receipt by Lender of evidence of such determination by PPP Lender), Lender agrees to (a) subordinate the payments due under this Note to the payments due under the PPP Note and (b) execute and deliver such documents with respect to the subordination of the payments due under this Note as may be reasonably requested by PPP Lender.

5. Not Revolving Line of Credit. None of the Loans (as defined in Exhibit A hereto) constitutes a revolving credit and when any repayment is made, whether in part or in full, of the Outstanding Principal Sum, such Outstanding Principal Sum may not be re-borrowed.

6. Events of Default. The occurrence of any one or more of the following events with respect to the Borrower shall constitute an event of default hereunder (each an "Event of Default"):

(a) Borrower fails to make any payment of principal or interest when and as the same shall become due and payable, whether at maturity or by acceleration or as part of any prepayment or otherwise, under this Note and does not cure such failure within five (5) days after such failure;

(b) Borrower fails to perform or otherwise breaches any covenant contained in the Loan Agreements (as defined in Exhibit A hereto) or this Note and, if such failure or breach is capable of being cured, does not cure such failure or breach within ten (10) days after written notice of such failure is given to Borrower by Lender;

(c) Any representation or warranty made to Lender by Borrower in either of the Loan Agreements is or becomes false, inaccurate or misleading in any material respect as of the date of such Loan Agreement or as of the date hereof;

(d) Borrower breaches or violates any provisions of any other written agreement entered into with Lender, including, without limitation, the Security Agreement and the Purchase Agreement;

(e) Borrower files a petition in bankruptcy or for any form of debtor relief under any present or future law relating to bankruptcy or debtor relief; or such a filing or petition is filed against Borrower and Borrower either consents to or does not oppose such filing or petition, or such petition is not dismissed within sixty (60) days after filing; or Borrower consents to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator, or similar official of Borrower or for any part of Borrower's property; or Borrower makes an assignment for the benefit of its creditors.

7. Remedies. Upon the occurrence of any Event of Default, Lender shall be entitled to exercise one or more of the following remedies:

(a) Declare by written notice to the Borrower, the then entire Outstanding Principal Sum, together with accrued interest thereon, immediately due and payable without presentment or demand for payment, protest or other notices or demands of any kind (all of which are hereby expressly waived by Borrower), on the date specified in such written notice to the Borrower, which date (the "Accelerated Maturity Date") shall be no earlier than the fifth (5th) day following the date of such notice.

(b) In addition, Lender shall be entitled to exercise any and all such other rights and remedies as the Lender may have under law or in equity.

(c) All of Lender's rights and remedies in connection with this Note or under applicable law or at equity shall be cumulative, and Lender's exercise of any one or more of those remedies shall not constitute an election of remedies.

8. Interest Computation. Interest shall be computed on the basis of a fraction, the denominator of which is three hundred sixty-five (365) and the numerator of which is the actual number of days in the month of such adjustment.

9. Principal Prepayments. Borrower shall have the right to prepay this Note, in whole or in part, at any time without penalty.

10. Right to Make Notations. The holder of this Note is hereby authorized to record the date of funding of the Loans under each of the Loan Agreements, the date and amount of each payment of principal and interest, and applicable interest rates and other information with respect thereto, on schedules to be annexed to and constituting a part of this Note (or record such information by any analogous method the holder hereof may elect consistent with its customary practices) and any such recordation shall constitute prima facie evidence, absent manifest error, of the accuracy of the information so recorded; provided, however, that the failure to make a notation or the inaccuracy of any notation shall not limit or otherwise affect the obligations of Borrower under this Note.

11. Delay in Enforcement. If Lender delays in exercising or failing to exercise any of their respective rights under this Note, that delay or failure shall not constitute a waiver of any of Lender's rights, or of any breach, default or failure of condition of or under this Note. No waiver by Lender of any of its rights, or of any such breach, default or failure of condition shall be effective, unless the waiver is expressly stated in a writing signed by Lender.

12. Assignment. This Note inures to and binds the heirs, legal representatives, successors and assigns of Borrower and Lender; provided, however, that Borrower may not assign this Note or assign or delegate any of its rights or obligations under this Note.

13. Usury Laws. Borrower and Lender intend to comply at all times with applicable usury laws. If at any time such laws would render usurious any amounts due under this Note under applicable law, then it is Borrower's and Lender's express intention that Borrower not be required to pay interest on this Note at a rate in excess of the maximum lawful rate, that the provisions of this Section shall control over all other provisions of this Note which may be in apparent conflict hereunder, that such excess amount shall be immediately credited to the principal balance of this Note (or, if this Note has been fully paid, refunded by Lender to Borrower), and the provisions hereof shall immediately be reformed and the amounts thereafter decreased, so as to comply with the then applicable usury law, but so as to permit the recovery of the fullest a mount otherwise due under this Note.

14. Unconditional Liability; No Offsets. Borrower promises absolutely and unconditionally to pay the indebtedness evidenced hereby, in accordance with the terms and conditions set forth in this Note, without offset or counterclaim.

15. Governing Law and Waivers. This Note shall be governed by the laws of the State of New York. The Borrower hereby waives presentment; demand; notice of dishonor; notice of default or delinquency; notice of acceleration; notice of nonpayment; notice of costs, expenses or losses and interest thereon; and notice of interest on interest and late charges.

16. Business Days; Application of Payments. Whenever any payment on this Note shall be stated to be due on a day that is not a business day, such payment shall instead be made on the next succeeding business day, and such extension of time shall be included in the computation of interest payable on this Note. Each payment hereunder shall be credited first to accrued and unpaid interest then due and the remainder of such payment shall be credited to principal.

17. Jurisdiction and Venue. The parties hereto hereby irrevocably submit to the exclusive jurisdiction of (a) the Supreme Court of the State of New York, New York County and (b) the United States District Court for the Southern District of New York, for purposes of any action, lawsuit or other proceeding arising out of or relating to this Note and each party hereby irrevocably agrees that all claims in respect of such dispute or any suit, action proceeding related thereto may be heard and determined in such courts. The parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each of the parties hereto hereby consents to process being served by any party to this Note in any suit, action or proceeding by the mailing of a copy thereof to the applicable party.

18. Attorneys' Fees. If any attorney is engaged by Lender to enforce or defend any provision of this Note, or as a consequence of any Event of Default, with or without the filing of any legal action or proceeding, then Borrower shall pay to Lender immediately upon demand all attorneys' fees and all costs incurred by Lender in connection therewith, together with interest thereon from the date of such demand until paid at the rate of interest applicable to the principal balance owing hereunder as if such unpaid attorneys' fees and costs had been added to the principal.

[End of Text. Signature Page Follows.]

[Signature Page for Consolidated, Amended and Restated Senior Promissory Note]

IN WITNESS WHEREOF, the undersigned, by its duly authorized and acting executive officer, has executed this Consolidated, Amended and Restated Senior Promissory Note effective as of the date first set forth above.

BORROWER:

LAREDO OIL, INC.,
a Delaware corporation

By: /s/ Mark See
Name: Mark See
Title: CEO

Acknowledged and agreed, with respect to Section 2(b) hereof:

COMPANY:

STRANDED OIL RESOURCES CORPORATION,
a Delaware corporation

By: /s/ Mark See
Name: Mark See
Title: CEO

BUYER:

SORC HOLDINGS LLC,
a Delaware limited liability company

By: /s/ Mark See
Name: Mark See
Title: CEO

EXHIBIT A

Existing Notes

1. Senior Promissory Note (Eighth Amended and Restated) made by Borrower in favor of ACC dated April 6, 2011 (" 2011 Eighth Amended Note"), which amended, restated and superseded in its entirety that certain Senior Promissory Note (Seventh Amended and Restated) dated April 6, 2011 ("2011 Seventh Amended Note"), that certain Senior Promissory Note (Sixth Amended and Restated) dated April 6, 2011 (" 2011 Sixth Amended Note"), that certain Senior Promissory Note (Fifth Amended and Restated) dated April 6, 2011 ("2011 Fifth Amended Note"), that certain Senior Promissory Note (Fourth Amended and Restated) dated April 6, 2011 ("2011 Fourth Amended Note"), that certain Senior Promissory Note (Third Amended and Restated) dated April 6, 2011 (" 2011 Third Amended Note"), that certain Senior Promissory Note (Second Amended and Restated) dated April 6, 2011 (" 2011 Second Amended Note"), that certain Senior Promissory Note (Amended and Restated) dated April 6, 2011 ("2011 First Amended Note") and that certain Senior Promissory Note dated April 6, 2011 ("2011 Note"') executed and delivered in connection with ACC's undertaking to fund to Borrower (the " 2011 Loan") the sum of One Hundred Thousand Dollars ($100,000.00) ("2011 Loan Amount") pursuant and subject to the terms and conditions of that certain Loan Agreement of even date therewith between Borrower and ACC (the "2011 Loan Agreement").

2. Senior Promissory Note (Eighth Amended and Restated) made by Borrower in favor of ACC dated November 22, 2010 (the " 2010 Eighth Amended Note"), which amended, restated and superseded in its entirety that certain Senior Promissory Note (Seventh Amended and Restated) dated November 22, 2010 ("2010 Seventh Amended Note"), that certain Senior Promissory Note (Sixth Amended and Restated) dated November 22, 2010 (" 2010 Sixth Amended Note"), that certain Senior Promissory Note (Fifth .Amended and Restated) dated November 22, 2010 (" 2010 Fifth Amended Note"), that certain Senior Promissory Note (Fourth Amended and Restated) dated November 22, 2010 ("2010 Fourth Amended Note"), that certain Senior Promissory Note (Third Amended and Restated) dated November 22, 2010 ("2010 Third Amended Note"), that certain Senior Promissory Note (Second Amended and Restated) dated November 22, 2010 ("2010 Second Amended Note"), that certain Senior Promissory Note (Amended and Restated) dated November 22, 2010 (" 2010 First Amended Note"), and that certain Senior Promissory Note dated November 22, 2010 (" 2010 Note") executed and delivered in connection with ACC's undertaking to fund to Borrower, in two installments (collectively, the "2010 Loans", and together with the 2011 Loans, the " Loans") in an aggregate maximum principal amount up to Two Hundred and Fifty Thousand Dollars ($250,000.00) ("2010 Maximum Loan Amount") pursuant and subject to the terms and conditions of that certain Loan Agreement of even date therewith between Borrower and ACC (the "2010 Loan Agreement", and together with the 2011 Loan Agreement, the "Loan Agreements").

EXHIBIT 10.4

SECURITY AGREEMENT

This SECURITY AGREEMENT, dated as of December 31, 2020 (together with all amendments, if any, from time to time hereto, this "Agreement"), by and among Stranded Oil Resources Corporation, a Delaware corporation (the "Grantor"), Laredo Oil, Inc., a Delaware corporation (the "Borrower"), and Alleghany Corporation, a Delaware corporation (the "Secured Party").

WHEREAS, the Grantor, Borrower, and Secured Party are parties to that certain Securities Purchase Agreement, dated as of December 31, 2020 (the "Purchase Agreement"), by and among the Secured Party, Grantor, SORC Holdings LLC, a Delaware limited liability company ("Buyer"), and Borrower;

WHEREAS, it is a condition to closing of the Purchase Agreement that the terms of the documents evidencing the Laredo Debt (as defined in the Purchase Agreement) be amended to effect the terms of Section 5.16 of the Purchase Agreement, and therefore, (i) the Borrower has executed that certain Consolidated, Amended and Restated Senior Promissory Note dated as of the date hereof in favor of the Secured Party (the "Note"), which Note evidences the Laredo Debt, and (ii) the Grantor has agreed to grant a continuing first priority perfected Security Interest (as hereinafter defined) in, and Lien (as hereinafter defined) on, the Collateral (as hereinafter defined) to secure all of the Secured Obligations (as hereinafter defined); and

WHEREAS, as a subsidiary of the Borrower, the Grantor will benefit from the Laredo Debt (which benefits are hereby acknowledged);

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. DEFINED TERMS. All terms not specifically defined herein which are defined in the Code (as defined herein) shall have the meanings as defined in the Code. In addition, as used herein:

(a) "Business Day" means any day except Saturday, Sunday or any other day on which commercial banks located in New York, New York are authorized or required by law to be closed for business.

(b) "Code" means the Uniform Commercial Code as the same may, from time to time, be enacted and in effect in the State of Delaware; provided, that to the extent that the Code is used to define any term herein and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of, or remedies with respect to, the Secured Party's Security Interest on any Collateral is governed by the Uniform Commercial Code as enacted and in effect from time to time in a jurisdiction other than the State of Delaware, the term "Code" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority or remedies and for purposes of definitions related to such provisions.

(c) "Collateral" has the meaning ascribed thereto in Section 2(a) hereof.

(d) "Event of Default" shall have the meaning ascribed thereto in the Note.

(e) "Lien" means any mortgage, pledge, security interest, lien, claim, encumbrance or other similar restrictions, of any kind or nature whatsoever.

(f) "Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, a governmental entity or any department, agency or political subdivision thereof and any other entity.

(g) "Proceeds" means "proceeds," as such term is defined in the Code, including (i) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to the Grantor from time to time with respect to any of the Fredonia Equipment (as hereinafter defined), (ii) any and all payments (in any form whatsoever) made or due and payable to the Grantor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Fredonia Equipment by any governmental authority (or any Person acting under color of governmental authority), (iii) any recoveries by the Grantor against third parties with respect to any litigation or dispute concerning any of the Fredonia Equipment including claims arising out of the loss or nonconformity of, interference with the use of, defects in, or infringement of rights in, or damage to, the Fredonia Equipment, (iv) all amounts collected on, or distributed on account of, the Fredonia Equipment, and (v) any and all other amounts, rights to payment or other property acquired upon the sale, lease, license, exchange or other disposition of the Fredonia Equipment and all rights arising out of the Fredonia Equipment.

(h) "Secured Obligations" means all obligations arising under or pursuant to the Note.

(i) "Security Interest" means the Liens in and the charges (fixed or floating, as the case may be) over the Collateral granted hereunder securing the Secured Obligations.

(j) "Termination Date" means the date on which all Secured Obligations are indefeasibly repaid in full, in cash to the Secured Party (or any other holder of the Note as the case may be).

(k) "Uniform Commercial Code Jurisdiction" means any jurisdiction that has adopted all or substantially all of Article 9 as contained in the 2017-2018 Official Text of the Uniform Commercial Code, as recommended by the National Conference of Commissioners on Uniform State Laws and the American Law Institute, together with any subsequent amendments or modifications to the Official Text.

2. GRANT OF LIEN.

(a) To secure the prompt and complete payment, performance and observance of all of the Secured Obligations, the Grantor hereby grants, assigns, conveys, mortgages, pledges, hypothecates and transfers to the Secured Party, a continuing first priority Security Interest and Lien upon all of its right, title and interest in, to and under (i) all of the assets listed on Schedule 2(a) hereto, regardless of where located (the "Fredonia Equipment"), (ii) all Proceeds, tort claims, insurance claims and other rights to payments and products of, the Fredonia Equipment and (iii) all accessions to, substitutions and replacements for, and rents and profits of, the Fredonia Equipment (all of the items listed in the preceding clauses (i), (ii) and (iii) being hereinafter collectively referred to as the

"Collateral").

(b) The aforementioned Security Interests are granted as security only and shall not subject the Secured Party or any of the Secured Party's successors or assigns to, or transfer or in any way affect or modify, any obligation of the Grantor with respect to any of the Collateral or any transaction connected therewith.

(c) To secure the prompt and complete payment, performance and observance of the Secured Obligations and in order to induce the Secured Party as aforesaid, the Grantor hereby grants to the Secured Party, a right of setoff against the property of the Grantor held by the Secured Party, consisting of property described above in Section 2(a) now or hereafter in the possession or custody of or in transit to the Secured Party, for any purpose, including safekeeping, collection or pledge, for the account of the Grantor, or as to which the Grantor may have any right or power.

3. REPRESENTATIONS AND WARRANTIES. The Grantor represents and warrants that:

(a) The Grantor has rights in and the power to transfer each item of the Collateral upon which it purports to grant a Security Interest hereunder free and clear of any and all Security Interests.

(b) No effective security agreement, financing statement, equivalent security or Lien instrument or continuation statement covering all or any part of the Collateral is on file or of record in any public office, except such as may have been filed by the Grantor in favor of the Secured Party pursuant to this Agreement.

(c) This Agreement is effective to create a valid and continuing Security Interest on and, upon the filing of the appropriate financing statements listed on Schedule 3(c) hereto, a perfected Security Interest in favor of the Secured Party, on the Collateral with respect to which a Security Interest may be perfected by filing pursuant to the Code. Such Security Interest is prior to all other Security Interests, and is enforceable as such as against any and all creditors of and purchasers from the Grantor. All action by the Grantor necessary or desirable to protect and perfect such Security Interest on each item of the Collateral has been duly taken.

(d) The Grantor's name as it appears in official filings in the state of its incorporation or other organization, the type of entity of the Grantor (including corporation, partnership, limited partnership or limited liability company), organizational identification number issued by the Grantor's state of incorporation or organization or a statement that no such number has been issued, the Grantor's state of organization or incorporation, the location of the Grantor's chief executive office, principal place of business, all warehouses and premises where Collateral is stored or located, and the locations of its books and records concerning the Collateral are set forth on Schedule 3(d) hereto. The Grantor has only one state of incorporation or organization.

(e) None of the Collateral constitutes a Fixture.

4 . COVENANTS. The Grantor covenants and agrees with the Secured Party that from and after the date of this Agreement and until the Termination Date:

(a) Further Assurances.

(i) At any time and from time to time, upon the written request of the Secured Party and at the sole expense of the Grantor, the Grantor shall promptly and duly execute and deliver any and all such further instruments and documents and take such further actions as the Secured Party may in good faith deem reasonable and appropriate to obtain the full benefits of this Agreement and of the rights and powers herein granted, including (A) using its commercially reasonable efforts to secure all consents and approvals necessary or appropriate for the assignment to or for the benefit of the Secured Party to enforce the Security Interests granted hereunder; and (B) filing any financing or continuation statements under the Code with respect to the Security Interests granted hereunder as to those jurisdictions that are not Uniform Commercial Code Jurisdictions.

(ii) The Grantor hereby irrevocably authorizes the Secured Party at any time and from time to time to file in any filing office in any Uniform Commercial Code Jurisdiction any initial financing statements and amendments thereto that contain any information required by part 5 of Article 9 of the Code for the sufficiency or filing office acceptance of any financing statement or amendment, including whether the Grantor is an organization, the type of organization and any organization identification number issued to the Grantor. The Grantor agrees to furnish any such information to the Secured Party promptly upon request. The Grantor also ratifies its authorization for the Secured Party to have filed in any Uniform Commercial Code Jurisdiction any initial financing statements or amendments thereto if filed prior to the date hereof

(iii) The Grantor shall use its commercially reasonable efforts to obtain any necessary waivers or subordinations of Security Interests from landlords and mortgagees.

(iv) The Grantor shall not permit any of the Collateral to become a Fixture to real estate or accession to other personal property.

(b) Maintenance of Records. The Grantor shall keep and maintain, at its own cost and expense, satisfactory and complete records of the Collateral, including a record of any and all payments received and any and all credits granted with respect to the Collateral and all other dealings with the Collateral. The Grantor shall mark its books and records pertaining to the Collateral to evidence this Agreement and the Security Interests granted hereby.

(c) Indemnification.

(i) The Grantor shall indemnify the Secured Party from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, costs of settlement, suits, costs, expenses or disbursements of any kind whatsoever (including, without limitation, reasonable fees and disbursements of counsel to the Secured Party) (collectively, "Losses"), which may at any time (including, without limitation, at any time following the payment of the Secured Obligations) be imposed on, incurred by, asserted against or due and owing to the Secured Party in any way relating to or arising out of actions taken or omitted to be taken by the Secured Party or as a result of the Secured Party's status as the Secured Party, all of which Losses shall periodically be reimbursed as incurred; provided, that the Grantor shall not be liable for any indemnification to the Secured Party to the extent that any such liabilities, obligations, losses, damages, penalties, actions, judgments, costs of settlement, suits, costs, expenses or disbursements result solely from the Secured Party's gross negligence or willful misconduct, as finally determined by a court of competent jurisdiction.

(ii) In any suit, proceeding or action brought by the Secured Party relating to any Collateral for any sum owing with respect thereto or to enforce any rights or claims with respect thereto, the Grantor will save, indemnify and keep the Secured Party harmless from and against all Losses suffered by reason of any defense, setoff, counterclaim, recoupment or reduction of liability whatsoever of the Person obligated on the Collateral, arising out of a breach by the Grantor of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to, or in favor of, such obligor or its successors from the Grantor. All such obligations of the Grantor shall be and remain enforceable against and only against the Grantor and shall not be enforceable against the Secured Party.

(iii) The agreements in this Section 4(c) shall survive (A) the payment of the Secured Obligations and all other amounts payable under the Note, and (B) the termination of the Note.

(iv) The Grantor shall have the right, but not the obligation, to conduct the defense of any action or claim and all negotiations for the settlement or compromise thereof; provided that (A) any settlement negotiated by the Grantor involves no cost or liability to the Secured Party and includes an unconditional release of the Secured Party from all liability with respect to such claim or action, (B) the Secured Party shall have the right to retain its own counsel, with the fees and expenses to be paid by the Grantor, if in the Secured Party's reasonable judgment there exists any actual or potential conflict of interest between the Secured Party and the Grantor and (C) if no such conflict exists, the Secured Party shall have the right at any time to participate in and join the defense of any action or claim at the Secured Party's expense.

(d) Compliance with Terms of Accounts, etc. In all material respects, the Grantor will perform and comply with all obligations in respect of the Collateral and all other agreements to which it is a party or by which it is bound relating to the Collateral.

(e) Location of Collateral. Without the prior written consent of the Secured Party, the Grantor will not move any assets constituting Collateral (other than Collateral that will be sold pursuant to a Permitted Sale) from the locations specified in Schedule 3(d) hereof.

(f) Limitation on Liens on Collateral. The Grantor will not create, permit or suffer to exist, and the Grantor will defend the Collateral against, and take such other action as is necessary to remove, any Liens or Security Interests on the Collateral, and will defend the right, title and interest of the Secured Party in and to any of the Grantor's rights under the Collateral against the claims and demands of all Persons whomsoever.

(g) Limitations on Disposition. The Grantor will not sell, license, lease, transfer or otherwise dispose of any of the Collateral or any interest therein, or attempt or contract to do so; provided, that notwithstanding anything herein to the contrary, the Grantor shall be allowed to sell the Collateral in one or more arm's length transactions in exchange for cash on the condition that all of the proceeds from the sale of any Collateral be applied in accordance with Section 2(b) of the Note (any such sale of Collateral made in accordance with this Section 4(g), a "Permitted Sale"); provided, further, that the Grantor will, at least ten (10) Business Days prior to any Permitted Sale, furnish copies of any material agreements entered into or proposed to be entered into by the Grantor and/or Borrower in connection with such Permitted Sale and all other information related to such Permitted Sale as reasonably requested by the Secured Party; provided, further, that following the application of the proceeds from any Permitted Sale in accordance with Section 2(b) of the Note, the Secured Party agrees to release its Lien on each specific item of Collateral that is subject to such Permitted Sale, and to take any further action required to release its Lien on each such specific item of Collateral, including by filing in any filing office in any applicable Uniform Commercial Code Jurisdiction any amendments to the applicable financing statement; provided, further, for the avoidance of doubt, that any item of Collateral that is not included in a Permitted Sale shall remain subject to the Secured Party's Security Interest hereunder and any Lien of the Secured Party thereon shall not be released until the Termination Date.

(h) Further Identification of Collateral. The Grantor will, if so requested by the Secured Party, furnish to the Secured Party, as often as the Secured Party reasonably requests, statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Secured Party may reasonably request, all in such detail as the Secured Party may specify.

(i) Notices. The Grantor will advise the Secured Party promptly, in reasonable detail, (i) of any Security Interest or claim made or asserted against any of the Collateral, and (ii) of the occurrence of any other event which would have a material adverse effect on the aggregate value of the Collateral or on the Security Interests created hereunder.

(j) Terminations; Amendments Not Authorized. The Grantor acknowledges and agrees that it is not authorized to file any financing statement or amendment or termination statement with respect to any financing statement without the prior written consent of the Secured Party and agrees that it will not do so without the prior written consent of the Secured Party, subject to the Grantor's rights under Section 9-509(d)(2) of the Code.

5. SECURED PARTY'S APPOINTMENT AS ATTORNEY-IN-FACT.

The Grantor shall execute and deliver to the Secured Party a power of attorney (the "Power of Attorney") substantially in the form attached hereto as Exhibit A. The power of attorney granted pursuant to the Power of Attorney is a power coupled with an interest and shall be irrevocable until the Termination Date. The powers conferred on the Secured Party under the Power of Attorney are solely to protect the Secured Party's interests in the Collateral and shall not impose any duty upon the Secured Party to exercise any such powers. The Secured Party agrees that (a) except for the powers granted in clause (g) of the Power of Attorney, it shall not exercise any power or authority granted under the Power of Attorney unless an Event of Default has occurred and is continuing, and (b) the Secured Party shall account for any moneys received by the Secured Party in respect of any foreclosure on or disposition of Collateral pursuant to the Power of Attorney provided that the Secured Party shall not have any duty as to any Collateral, and the Secured Party shall be accountable only for amounts that they actually receive as a result of the exercise of such powers. THE SECURED PARTY, ITS RESPECTIVE AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES SHALL NOT BE RESPONSIBLE TO THE GRANTOR FOR ANY ACT OR FAILURE TO ACT UNDER ANY POWER OF ATTORNEY OR OTHERWISE, OR FOR ANY PUNITIVE, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES.

6. REMEDIES: RIGHTS UPON DEFAULT.

(a) In addition to all other rights and remedies authorized or granted to it under this Agreement, the Purchase Agreement, the Note and under any other instrument or agreement securing, evidencing or relating to any of the Secured Obligations, if any Event of Default shall have occurred and be continuing, the Secured Party may exercise all rights and remedies of a secured party under the Code (whether or not in effect in the jurisdiction where such rights are exercised). Without limiting the generality of the foregoing, the Grantor expressly agrees that in any such event the Secured Party, without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon the Grantor or any other Person (all and each of which demands, advertisements and notices are hereby expressly waived to the maximum extent permitted by the Code and other applicable law), may forthwith enter upon the premises of the Grantor where any Collateral is located through self-help, without judicial process,

without first obtaining a final judgment or giving the Grantor or any other Person notice and opportunity for a hearing on the Secured Party's claim or action and may collect, receive, assemble, process, appropriate and realize upon the Collateral, or any part thereof, and, following the delivery of notice to the Grantor may forthwith sell, lease, license, assign, give an option or options to purchase, or sell or otherwise dispose of and deliver said Collateral (or contract to do so), or any part thereof, in one or more parcels at a public or private sale or sales, at such prices as it may deem acceptable, for cash or on credit or for future delivery without assumption of any credit risk. The Secured Party shall have the right upon any such public sale or sales and, to the extent permitted by law, upon any such private sale or sales, to purchase for the benefit of the Secured Party, the whole or any part of said Collateral so sold, free of any right whatsoever. Such sales may be adjourned and continued from time to time with or without notice. The Secured Party shall have the right to conduct such sales on the Grantor's premises or elsewhere and shall have the right to use the Grantor's premises without charge for such time or times as the Secured Party deems necessary or advisable.

If any Event of Default shall have occurred and be continued, the Grantor further agrees, at the Secured Party's request, to assemble the Collateral and make it available to the Secured Party at a place or places designated by the Secured Party which are reasonably convenient to the Secured Party and the Grantor, whether at the Grantor's premises or elsewhere. Until the Secured Party is able to effect a sale, lease, or other disposition of Collateral, the Secured Party shall have the right to hold or use the Collateral, or any part thereof, to the extent that it deems appropriate for the purpose of preserving the Collateral or its value or for any other purpose deemed appropriate by the Secured Party. The Secured Party shall have no obligation to the Grantor to maintain or preserve the rights of the Grantor as against third parties with respect to Collateral while Collateral is in the possession of the Secured Party. The Secured Party may, if it so elects, seek the appointment of a receiver or keeper to take possession of Collateral and to enforce any of the Secured Party's remedies, with respect to such appointment without prior notice or hearing as to such appointment. The Secured Party shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale to the Secured Obligations as provided in Section 2(b) of the Note, and only after so paying over such net proceeds, and after the payment by the Secured Party of any other amount required by any provision of law, need the Secured Party account for the surplus, if any, to the Grantor. To the maximum extent permitted by applicable law, the Grantor waives all claims, damages, and demands against the Secured Party arising out of the repossession, retention or sale of the Collateral. The Grantor agrees that ten (10) days prior notice by the Secured Party of the time and place of any public sale or of the time after which a private sale may take place is reasonable notification of such matters. The Grantor shall remain liable for any deficiency if the proceeds of any sale or disposition of the Collateral are insufficient to pay all Secured Obligations, including any reasonable attorneys' fees and other expenses incurred by the Secured Party to collect such deficiency.

(b) Except as otherwise specifically provided herein, the Grantor hereby waives presentment, demand, protest or any notice (to the maximum extent permitted by applicable law) of any kind in connection with this Agreement or any Collateral.

(c) To the extent that applicable law imposes duties on the Secured Party to exercise remedies in a commercially reasonable manner, the Grantor acknowledges and agrees that it is not commercially unreasonable for the Secured Party (i) to fail to incur expenses reasonably deemed significant by the Secured Party to prepare Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition, (ii) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (iii) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (iv) to contact other Persons, whether or not in the same business as the Grantor, for expressions of interest in acquiring all or any portion of such Collateral, (v) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the Collateral is of a specialized nature, (vi) to dispose of Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets, (vii) to dispose of assets in wholesale rather than retail markets, (viii) to disclaim disposition warranties, such as title, possession or quiet enjoyment, (ix) to purchase insurance or credit enhancements to insure the Secured Party against risks of loss, collection or disposition of Collateral or to provide to the Secured Party a guaranteed return from the collection or disposition of Collateral, or (x) to the extent deemed appropriate by the Secured Party, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Secured Party in the collection or disposition of any of the Collateral. The Grantor acknowledges that the purpose of this Section 6(c) is to provide non-exhaustive indications of what actions or omissions by the Secured Party would not be commercially unreasonable in the Secured Party's exercise of remedies against the Collateral and that other actions or omissions by the Secured Party shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 6(c). Without limitation upon the foregoing, nothing contained in this Section 6(c) shall be construed to grant any rights to the Grantor or to impose any duties on the Secured Party that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section 6(c).

(d) The Secured Party shall not be required to make any demand upon, or pursue or exhaust any of its rights or remedies against, the Grantor, any other obligor, guarantor, pledgor or any other Person with respect to the payment of the Secured Obligations or to pursue or exhaust any of its rights or remedies with respect to any Collateral therefor or any direct or indirect guarantee thereof. The Secured Party shall not be required to marshal the Collateral or any guarantee of the Secured Obligations or to resort to the Collateral or any such guarantee in any particular order, and all of its and its rights hereunder shall be cumulative. To the extent it may lawfully do so, the Grantor absolutely and irrevocably waives and relinquishes the benefit and advantage of, and covenants not to assert against the Secured Party, any valuation, stay, appraisement, extension, redemption or similar laws and any and all rights or defenses it may have as a surety now or hereafter existing which, but for this provision, might be applicable to the sale of any Collateral made under the judgment, order or decree of any court, or privately under the power of sale conferred by this Agreement, or otherwise.

7 . LIMITATION ON SECURED PARTY'S DUTY IN RESPECT OF COLLATERAL. The Secured Party shall use reasonable care with respect to the Collateral in its possession or under its control. The Secured Party shall not have any other duty as to any Collateral in its possession or control or in the possession or control of any agent or nominee of the Secured Party, or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto.

8 . REINSTATEMENT. This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against the Grantor for liquidation or reorganization, should the Grantor become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of the Grantor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

9 . NOTICES. Except as otherwise provided herein, all notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with

confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 9):

If to Secured Party:	Alleghany Corporation 1411 Broadway, 34th Floor New York, New York 10018 Facsimile: (212) 759-3295 E-mail: cdalrymple@alleghany.com and dvangeyzel@alleghanycc.com
with a copy to:	Olshan Frome Wolosky LLP 1325 Avenue of the Americas New York, NY 10019 E-mail: KSilverman@olshanlaw.com Facsimile: (212) 451-2222 Attention: Kenneth M. Silverman, Esq.
If to Grantor:	Stranded Oil Resources Corporation [ ][1] [ ] [ ] [ ] [ ]
with a copy to:	Laredo Oil, Inc. [ ][2] [ ] [ ] [ ] [ ]

10. EXPENSES. The Grantor hereby agrees to pay all reasonable fees and expenses of the Secured Party in connection with the performance of its duties under this Agreement.

11. SEVERABILITY. Whenever possible, each provision of this Agreement shall be interpreted in a manner as to be effective and valid under applicable law, but 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. This Agreement is to be read, construed and applied together with the Note and the Purchase Agreement which, taken together, set forth the complete understanding and agreement of the Secured Party and the Grantor with respect to the matters referred to herein and therein.

12. NO WAIVER; CUMULATIVE REMEDIES. The Secured Party shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder, and no waiver shall be valid unless in writing, signed by the Secured Party and then only to the extent therein set forth. A waiver by the Secured Party of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Secured Party would otherwise have had on any future occasion. Neither failure to exercise nor any delay in exercising on the part of the Secured Party, any right, power or privilege hereunder, shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or future exercise thereof or the exercise of any other right, power or privilege. The rights and remedies hereunder provided are cumulative and may be exercised singly or concurrently, and are not exclusive of any rights and remedies provided by law. None of the terms or provisions of this Agreement may be waived, altered, modified or amended except by an instrument in writing, duly executed by the Secured Party and the Grantor.

1 Confirm SORC notice address (post-closing).

2 Confirm Laredo Oil, Inc. notice address.

13. LIMITATION BY LAW. All rights, remedies and powers provided in this Agreement may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Agreement are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent necessary so that they shall not render this agreement invalid, unenforceable, in whole or in part, or not entitled to be recorded, registered or filed under the provisions of any applicable law.

14. TERMINATION. Subject to Section 8 hereof, this Agreement shall terminate upon the Termination Date.

15. SUCCESSORS AND ASSIGNS. This Agreement and all obligations of the Grantor hereunder shall be binding upon the successors and assigns of the Grantor (including any debtor-in-possession on behalf of the Grantor) and shall, together with the rights and remedies of the Secured Party hereunder, inure to the benefit of the Secured Party, all future holders of any instrument evidencing any of the Secured Obligations and its respective successors and assigns. No sales of participations, other sales, assignments, transfers or other dispositions of any agreement governing or instrument evidencing the Secured Obligations or any portion thereof or interest therein shall in any manner affect the Security Interest granted to the Secured Party hereunder. The Grantor may not assign, sell, hypothecate or otherwise transfer any interest in or obligation under this Agreement.

16. COUNTERPARTS. This Agreement may be executed in any number of separate counterparts, each of which shall collectively and separately constitute one agreement.

17. GOVERNING LAW. THIS AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND

CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THAT STATE, AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA.

18. JURISDICTION AND VENUE. THE GRANTOR HEREBY CONSENTS AND AGREES THAT THE STATE OR FEDERAL COURTS LOCATED IN NEW YORK COUNTY, CITY OF NEW YORK, NEW YORK, SHALL HAVE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN THE GRANTOR THE SECURED PARTY PERTAINING TO THIS AGREEMENT OR TO ANY MATTER ARISING OUT OF OR RELATING TO THIS AGREEMENT, PROVIDED, THAT THE SECURED PARTY AND THE GRANTOR ACKNOWLEDGE THAT ANY APPEALS FROM THOSE COURTS MAY HAVE TO BE HEARD BY A COURT LOCATED OUTSIDE OF NEW YORK COUNTY, AND, PROVIDED, FURTHER, NOTHING IN THIS AGREEMENT SHALL BE DEEMED OR OPERATE TO PRECLUDE THE SECURED PARTY FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION TO REALIZE ON THE COLLATERAL OR ANY OTHER SECURITY FOR THE SECURED OBLIGATIONS, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF THE SECURED PARTY. THE GRANTOR EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND THE GRANTOR HEREBY WAIVES ANY OBJECTION WHICH IT MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS AND HEREBY CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT. THE GRANTOR HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY SUCH ACTION OR SUIT AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINTS AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO THE GRANTOR AT THE ADDRESS SET FORTH IN THE PURCHASE AGREEMENT AND THAT SERVICE SO MADE SHALL BE DEEMED COMPLETED UPON THE EARLIER OF ACTUAL RECEIPT THEREOF OR THREE (3) DAYS AFTER DEPOSIT IN THE U.S. MAILS, PROPER POSTAGE PREPAID.

19. WAIVER OF JURY TRIAL. BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX FINANCIAL TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT DISPUTES ARISING HEREUNDER OR RELATING HERETO BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, THE PARTIES HERETO WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, AMONG THE SECURED PARTY AND THE GRANTOR ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED IN CONNECTION WITH, THIS AGREEMENT OR THE TRANSACTIONS RELATED HERETO.

20. SECTION TITLES. The Section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

21. NO STRICT CONSTRUCTION. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

22. ADVICE OF COUNSEL. Each of the parties represents to each other party hereto that it has discussed this Agreement and, specifically, the provisions of Section 17 and Section 18, with its counsel.

23. BENEFIT OF SUCCESSORS. All Security Interests granted or contemplated hereby shall be for the benefit of the Secured Party and the Secured Party's successors and assigns, and all proceeds or payments realized from Collateral in accordance herewith shall be applied to the Secured Obligations in accordance with the terms of the Note.

[End of Text. Signature Page Follows.]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

GRANTOR:

STRANDED OIL RESOURCES CORPORATION

By: /s/ Mark See
Name: Mark See
Title: CEO

SECURED PARTY:

ALLEGHANY CORPORATION

By: /s/ Christopher K. Dalrymple
Name: Christopher K. Dalrymple
Title: Senior Vice President

Acknowledged and agreed:

BORROWER:

LAREDO OIL, INC.

By: /s/ Mark See
Name: Mark See
Title: CEO

Schedule 2(a)

Fredonia Equipment[3]

Asset	Location as of December [ ], 2020
1. VLI Mining Drilling Rig w/ Directional Tools and Spare Parts	
2. SMC 3X5 Mining Triplex Mud pump w/950V Motor and Skid	
3. Mud Mixing Tank	
4. Mud Mixing Tank w/ hopper and pump	
5. All PLC Cabinents, HMI, MCC, Transformers, Switchgear, & VFD's	
6. All Valves, Acuators, Pumps, & Meters	
7. Sulair Air Compressor with Dryer	
8. All PC Pumps with Right Angle Drives and motors	

[3] NTD: to be updated to included itemized list of Fredonia equipment, if available.

Schedule 3(c)

Filing Jurisdictions

Delaware Secretary of State

Schedule 3(d)

Schedule of Offices, Locations of Collateral and Records Concerning Collateral

I. Grantor's official name: Stranded Oil Resources Corporation

II. Type of entity: corporation

III. Organizational identification number issued by Grantor's state of incorporation or organization: [__]

IV. State of Incorporation or Organization: Delaware

V. Chief Executive Office and principal place of business:

[ ]

VI. Warehouses:

[ ]

VII. Other Premises at which Collateral is Stored or Located:

[ ]

VIII. Locations of Records Concerning Collateral:

[ ]

EXHIBIT A

POWER OF ATTORNEY

This Power of Attorney is executed and delivered by Stranded Oil Resources Corporation, a Delaware corporation (the " Grantor"), to Alleghany Corporation, a Delaware corporation (hereinafter referred to as "Attorney"), as Secured Party under that certain Security Agreement dated as of December 31, 2020. No person to whom this Power of Attorney is presented, as authority for Attorney to take any action or actions contemplated hereby, shall be required (including in respect of clauses (d) and (e) in the next succeeding paragraph) to inquire into or seek confirmation from Grantor as to the authority of Attorney to

take any action described below, or as to the existence of or fulfillment of any condition to this Power of Attorney, which is intended to grant to Attorney unconditionally the authority to take and perform the actions contemplated herein, and Grantor irrevocably waives any right to commence any suit or action, in law or equity, against any person or entity which acts in reliance upon or acknowledges the authority granted under this Power of Attorney. The power of attorney granted hereby is coupled with an interest, and may not be revoked or canceled by Grantor without Attorney's written consent.

Grantor hereby irrevocably constitutes and appoints Attorney (and all officers, employees or agents designated by Attorney), with full power of substitution, as Grantor's true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Grantor and in the name of Grantor or in its own name, from time to time in Attorney's discretion, to take any and all appropriate action and to execute and deliver any and all documents and instruments which may be necessary or desirable to accomplish the purposes of the Security Agreement and, without limiting the generality of the foregoing, Grantor hereby grants to Attorney the power and right, on behalf of Grantor, without notice to or assent by Grantor, (other than in connection with a change of address as specified in clause (a), as to which Attorney shall use commercially reasonable efforts to give Grantor concurrent notice thereof provided that failure to do so will not affect Attorney's rights hereunder, and at any time, to do the following: (a) change the mailing address of Grantor, open a post office box on behalf of Grantor, open mail for Grantor, and ask, demand, collect, give acquittances and receipts for, take possession of, endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, and notices in connection with any of the Collateral (as defined in the Security Agreement); (b) effect any repairs to any item of Collateral, or continue or obtain any insurance and pay all or any part of the premiums therefor and costs thereof, and make, settle and adjust all claims under such policies of insurance, and make all determinations and decisions with respect to such policies; (c) pay or discharge any taxes, liens, security interests, or other encumbrances levied or placed on or threatened against Grantor or its Collateral; (d) defend any suit, action or proceeding brought against Grantor if Grantor does not defend such suit, action or proceeding or if Attorney believes that Grantor is not pursuing such defense in a manner that will maximize the recovery to Attorney, and settle, compromise or adjust any suit, action, or proceeding described above and, in connection therewith, give such discharges or releases as Attorney may deem appropriate; (e) file or prosecute any claim, litigation, suit or proceeding in any court of competent jurisdiction or before any arbitrator, or take any other action otherwise deemed appropriate by Attorney for the purpose of collecting any and all such moneys due to Grantor whenever payable and to enforce any other right in respect of Grantor's property provided, in the case of any such claim, litigation, suit or proceeding relating to product liability insurance Attorney shall act in a manner consistent with the terms of the Note to the extent explicitly covered thereby; (f) communicate in its own name with any party to any contract or other agreement with regard to the assignment of the right, title and interest of the Grantor in in the Collateral, and other matters relating thereto; (g) to file such financing statements with respect to the Security Agreement, with or without Grantor's signature, or to file a photocopy of the Security Agreement in substitution for a financing statement, as the Secured Party may deem appropriate and to execute in Grantor's name such financing statements and amendments thereto and continuation statements which may require the Grantor's signature; and (h) execute, in connection with any sale provided for in the Security Agreement, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral and to otherwise direct such sale or resale, all as though Attorney were the absolute owner of the property of Grantor for all purposes, and to do, at Attorney's option and Grantor's expense, at any time or from time to time, all acts and other things that Attorney reasonably deems necessary to perfect, preserve, or realize upon Grantor's Collateral and Attorney's Liens thereon, all as fully and effectively as Grantor might do. Grantor hereby ratifies, to the extent permitted by law, all that said Attorney shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, this Power of Attorney is executed by Grantor pursuant to the authority of its board of directors this 31st day of December 2020.

GRANTOR:

Stranded Oil Resources Corporation

By: _____
Name: _____
Title: _____

ACKNOWLEDGED AND AGREED:

SECURED PARTY:

Alleghany Corporation

By: _____
Name: Christopher K. Dalrymple
Title: Senior Vice President

NOTARY PUBLIC CERTIFICATE

On this ____ day of December, 2020, _____ who is personally known to me appeared before me in his/her capacity as the _____ of Stranded Oil Resources Corporation ("Grantor") and executed on behalf of Grantor the Power of Attorney in favor of Alleghany Corporation to which this Certificate is attached.

_____
Notary Public

NOTARY PUBLIC CERTIFICATE

On this 31st day of December, 2020, Christopher K. Dalrymple who is personally known to me appeared before me in his/her capacity as the Senior Vice Presdient of Alleghany Corporation ("Secured Party") and executed on behalf of Secured Party the Power of Attorney in favor of Secured Party to which this Certificate is attached.

_____

Notary Public

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECURITIES EXCHANGE ACT OF 1934
RULE 13a-14(a) OR 15d-14(a)

I, Mark See, Chief Executive Officer of Laredo Oil, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended November 30, 2020 of Laredo Oil, Inc., the registrant;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 14, 2021

/s/ Mark See
Mark See
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECURITIES EXCHANGE ACT OF 1934
RULE 13a-14(a) OR 15d-14(a)

I, Bradley E. Sparks, Chief Financial Officer and Treasurer of Laredo Oil, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended November 30, 2020 of Laredo Oil, Inc., the registrant;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 14, 2021

/s/ Bradley E. Sparks
Bradley E. Sparks
Chief Financial Officer and Treasurer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Laredo Oil, Inc. on Form 10-Q for the period ended August 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark See, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Mark See
Mark See
Chief Executive Officer

Date: January 14, 2021

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Laredo Oil, Inc. on Form 10-Q for the period ended August 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Bradley E. Sparks, Chief Financial Officer and Treasurer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Bradley E. Sparks
Bradley E. Sparks
Chief Financial Officer and Treasurer

Date: January 14, 2021