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NEWS RELEASE

For Immediate Release

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STATE OBTAINS SANCTIONS AND REFUNDS FROM TEXAS COMPANIES

Boise, Idaho . . . The Idaho Department of Finance today announced that the Honorable Gregory S. Andersen, District Judge of the Seventh Judicial Court in Blackfoot, recently entered judgments against two Texas companies, their CEO and one securities salesman in connection with the offer and sale of stock to Idaho residents.

Judgments were entered against Sundance Resources, Inc., Sundance Systems, Inc., Michael E. Patman (CEO of both companies) and Ghassan "Gus" Assi, a Sundance securities salesman. Sundance Resources, as identified in the complaint filed by the Department, was the former name of the still-existing Sundance Systems. Sundance Systems and Patman operate from Dallas, Texas, while Assi resides in California. None of the defendants are affiliated with Rainbow Farms or Sundance Resources of Burley, Idaho.

Without admitting any wrongdoing, the Sundance defendants and Patman consented to a judgment that includes a) findings that violations of an anti-fraud provision of the Idaho Securities Act occurred, as well as violations of the securities registration and securities salesman provisions of the Act, b) a court order that the defendants repay affected Idaho investors, c) payment to the State of a \$10,000 fine, and d) restrictions on the defendants' future securities activities in Idaho. Without admission of wrongdoing, Assi also consented to a judgment that a) requires him to compensate one Idaho resident, b) orders Assi not to apply for licensure as a securities salesman in Idaho for a period of three years, and c) requires Assi to comply with the law in any future securities dealings in Idaho.

The State's lawsuit arose from the defendants' offer and sale of stock and limited partnership interests to Idaho residents between 1991 and 1996. During this time, the Sundance companies were primarily engaged in the oil and gas industry. As originally filed, the State's lawsuit alleged a) various misrepresentations regarding the profitability of an investment in certain Sundance securities, b) that the Sundance defendants failed to advise Idaho investors of multiple regulatory disciplinary actions taken against various of the defendants and their officers and employees, c) omitting to inform investors that the Sundance defendants had previously sought, but never

received, the State's approval to offer their securities in Idaho, and d) the offer and sale of unregistered securities by unlicensed salespersons in violation of Idaho securities laws.

The Department advises all individuals to invest only with licensed investment professionals. Investors can check on the registration status of individuals, firms and investment offerings by calling the Department of Finance at (208) 332-8004 or toll-free within Idaho at 1-888-346-3378.