Saga Energy, Inc.
Form PRE 14C
February 04, 2014

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

SCHEDULE 14C INFORMATION

Information Statement Pursuant to Section 14(c)
of the
Securities Exchange Act of 1934

Check the appropriate box:

x Preliminary Information Statement

o Confidential, for Use of the Commission Only (as permitted by Rule 14c-5(d)(2))

o Definitive Information Statement

SAGA ENERGY, INC.
(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Information Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

o Fee computed on table below per Exchange Act Rules 14c-5(g)

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

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Form or Schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule, or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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SAGA ENERGY, INC.
710 N. Post Oak Road, Suite 550
Houston, Texas 77024

February [ ], 2014

Dear Shareholders:

The enclosed Information Statement is being furnished to the holders of record of shares of the common stock, no par value per share (the "Common Stock") of Saga Energy, Inc., a Florida corporation (the "Company" or "Saga Energy"), as of the close of business on the record date, February [ ], 2014. The purpose of the Information Statement is to notify our shareholders that on February [ ], 2014, the Company's majority shareholder, K&M LLC (the "Majority Shareholder"), which entity holds 50,000,000 shares of the Company's Common Stock or 50.5% of the Company's total issued and outstanding shares of Common Stock (50.5% of the Company's voting shares), and which entity is controlled by J. Michael Myers, the Company's Chief Executive Officer, interim Chief Financial Officer, interim President and Chairman, took action via a written consent in lieu of a special meeting (the "Written Consent") and approved:

1) The entry by the Company in to an Agreement and Plan of Merger, pursuant to which (a) the Company's state of incorporation will be changed from Florida to Nevada by the merger of Saga Energy with and into its newly formed wholly-owned subsidiary, Gulf E&P Company, a Nevada corporation ("Gulf E&P"); (b) the Company's authorized shares of common stock will be increased from 100,000,000 shares of no par value per share common stock to 500,000,000 shares of $0.001 par value per share common stock (the "Increase in Authorized Shares"); and (c) and the Company's name will be changed from "Saga Energy, Inc." to "Gulf E&P Company" (the "Merger");

2) The Company's 2014 Stock Incentive Plan (the "Stock Plan"); and

3) The authority of our Board of Directors, in their sole discretion, without further shareholder approval, to affect a reverse stock split of the Company's Common Stock at any time prior to February [ ], 2015, in a reverse split range of 1-for-2 to 1-for-10, which specific ratio will be determined by our Board of Directors in their sole discretion (the "Reverse Split"), without further approval or authorization of the Company's shareholders, upon a determination by our Board of Directors that such a reverse stock split is in the best interests of our company and our shareholders (the "Reverse Split Authorization"). In lieu of any fractional share of Common Stock to which a shareholder would otherwise be entitled, the Company shall issue that number of shares of Common Stock as rounded up to the nearest whole share. The Board was also provided the right, in its sole discretion, without further shareholder approval or consent, to round each stockholder's total shares up to a minimum of 100 shares, also called a "round lot" (the "Round Lot Rounding"). As a result, in the event the Round Lot Rounding is implemented, no shareholder will hold less than 100 shares, no matter how many total shares of Common Stock that they held prior to the Reverse Split.

Our Board of Directors (the "Board") unanimously approved the Merger and Stock Plan on February [ ], 2014. Section 607.0704 of the Florida Business Corporation Act provides that any action required or permitted to be taken at an annual or special meeting of shareholders may be taken without a meeting, without prior notice, and without a vote if the action is taken by the holders of outstanding stock of each voting group entitled to vote thereon having not less than the minimum number of votes with respect to each voting group that would be necessary to authorize or take such action at a meeting at which all voting groups and shares entitled to vote thereon were present and voted. As such, subsequent to our Board of Directors approval of the Merger and Stock Plan, on February [ ], 2014, the Merger and Stock Plan was approved via the Written Consent of our Majority Shareholder.

Under applicable federal securities laws, although the Majority Shareholder has approved the proposals described above, the proposals above (including the Merger, name change and Increase in Authorized Shares) are not able to become effective until at least 20 calendar days after this Information Statement is sent or given to our shareholders. Therefore, following the expiration of the twenty-day (20) period mandated by Rule 14c of the Securities Exchange Act of 1934, as amended, the Company will file Articles of Merger with the Secretary of State of Nevada and the Department of State of Florida, to give effect to the Merger.

You are urged to read the Information Statement in its entirety for a description of the actions taken by the Majority Shareholder of the Company.

The Merger will become effective upon the filing of the Articles of Merger (described above) with the states of Nevada and Florida, which shall not occur before the twentieth (20) calendar day after this Statement is first mailed to our shareholders and the Stock Plan and the Reverse Split Authorization will be deemed to be effective automatically on the twentieth (20) calendar day after this Information Statement is first mailed to our shareholders.

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

No action is required by you. The enclosed Information Statement is being furnished to you to inform you that the foregoing actions have been approved by a holder of a majority of the outstanding shares of all voting stock of the Company. Because the shareholder holding a majority of the voting rights of our outstanding Common Stock has voted in favor of the foregoing actions, and has sufficient voting power to approve such actions through its ownership of Common Stock, no other shareholder consents will be solicited in connection with the transactions described in this Information Statement. The Board is not soliciting your proxy in connection with the adoption of these resolutions, and proxies are not requested from shareholders.

We are a corporation organized under the laws of Florida (provided we are changing our domicile to Nevada in connection with the Merger). We are a reporting company with securities registered pursuant to Section 12(g) of the Securities Exchange Act of 1934, as amended, quoted on the OTCQB market under the symbol “SAGA”. Further information pertaining to us may be inspected without charge at the public reference facilities of the Securities and Exchange Commission (the “SEC”) at 100 F Street, NE., Room 1580, Washington, D.C. 20549, as may the other reports, statements and information we file with the SEC. Copies of all or any portion of filings with the SEC may be obtained from the SEC at prescribed rates. Information on the public reference facilities may be obtained by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains a website that contains reports, proxy and information statements and other information that is filed through the SEC’s EDGAR System. The website can be accessed at http://www.sec.gov.

This Information Statement is being mailed on or about February [ ], 2014 to shareholders of record on February [ ], 2014.

Sincerely,

J. Michael Myers
President

SAGA ENERGY, INC.
710 N. Post Oak Road, Suite 550
Houston, Texas 77024

INFORMATION STATEMENT
PURSUANT TO SECTION 14(C)
OF THE SECURITIES EXCHANGE ACT OF 1934
AND RULE 14C-2 THEREUNDER

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NO VOTE OR OTHER ACTION OF THE COMPANY'S SHAREHOLDERS IS REQUIRED IN CONNECTION WITH THIS INFORMATION STATEMENT.

We are sending you this Information Statement solely for the purpose of informing our shareholders of record as of February [ ], 2014 (the "Record Date") in the manner required under Regulation 14(c) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), of the actions taken by a majority of our shareholders by written consent in lieu of a special meeting. No action is requested or required on your part.

WE ARE NOT ASKING YOU FOR A PROXY AND
YOU ARE REQUESTED NOT TO SEND US A PROXY

This Information Statement has been filed with the U.S. Securities and Exchange Commission (the ("Commission" or the "SEC") and is being furnished to the holders of the outstanding and voting shares of stock of Saga Energy, Inc., a Florida corporation (the "Company" or "Saga Energy"), as of the close of business on the record date, February [ ], 2014. The purpose of this Information Statement is to provide notice that a shareholder holding a majority of our outstanding voting shares has executed a written consent in lieu of a special meeting on February [ ], 2014, approving (1) the entry by the Company into an Agreement and Plan of Merger, pursuant to which (a) the Company's state of incorporation will be changed from Florida to Nevada by the merger of Saga Energy with and into its newly formed wholly-owned subsidiary, Gulf E&P Company, a Nevada corporation ("Gulf E&P"); (b) the Company's authorized shares of common stock will be increased from 100,000,000 shares of no par value per share common stock to 500,000,000 shares of $0.001 par value per share common stock (the "Increase in Authorized Shares"); and (c) the Company's name will be changed from "Saga Energy, Inc." to "Gulf E&P Company" (the "Merger"); (2) the Company's 2014 Stock Incentive Plan (the "Stock Plan"); and (3) authorization for our Board of Directors (the "Board"), in their sole discretion, without further approval or authorization of the Company's shareholders, to affect a reverse stock split of the Company's Common Stock at any time prior to February [ ], 2015, in a reverse split range of 1-for-2 to 1-for-10 (the "Reverse Split Ratio"), which specific ratio will be determined by our Board of Directors in their sole discretion (the "Reverse Split" and the "Reverse Split Authorization"), upon a determination by our Board of Directors that such a Reverse Split is in the best interests of our company and our shareholders. In lieu of any fractional share of Common Stock to which a shareholder would otherwise be entitled, the Company shall issue that number of shares of Common Stock as rounded up to the nearest whole share. As part of the Reverse Split Authorization, the Board was also provided the right, in its sole discretion, without further shareholder approval or consent, to round each stockholder's total shares up to a minimum of 100 shares, also called a "round lot" (the "Round Lot Rounding"). As a result, in the event the Round Lot Rounding is implemented, no shareholder will hold less than 100 shares, no matter how many total shares of Common Stock that they held prior to the Reverse Split.

As of the Record Date, there were 99,100,000 shares of the Company's common stock ("Common Stock") outstanding. The holders of all outstanding shares of Common Stock are entitled to one (1) vote per share on all shareholder matters on the Record Date.

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Our Board of Directors (the "Board") unanimously approved the Merger and Stock Plan on February [ ], 2014. Section 607.0704 of the Florida Business Corporation Act provides that any action required or permitted to be taken at an annual or special meeting of shareholders may be taken without a meeting, without prior notice, and without a vote if the action is taken by the holders of outstanding stock of each voting group entitled to vote thereon having not less than the minimum number of votes with respect to each voting group that would be necessary to authorize or take such action at a meeting at which all voting groups and shares entitled to vote thereon were present and voted. The Company's majority shareholder, K&M LLC (the "Majority Shareholder"), which entity holds 50,000,000 shares of the Company's Common Stock or 50.5% of the Company's total issued and outstanding shares of Common Stock (50.5% of the Company's voting shares), and which entity is controlled by J. Michael Myers, the Company's Chief Executive Officer, interim Chief Financial Officer, interim President and Chairman, took action via a written consent in lieu of a special meeting (the "Written Consent") and approved the Merger, Stock Plan and the grant of the Reverse Split Authorization on February [ ], 2014.

The purpose of the Information Statement is to notify our shareholders of the approval of the Merger, Stock Plan and Reverse Split Authorization by our Majority Shareholder and the Board.

Under applicable federal securities laws, although our Majority Shareholder has approved the proposals described above, we are not entitled to effect such proposals until at least 20 calendar days after this Information Statement is sent or given to our shareholders. Therefore, following the expiration of the twenty-day (20) period mandated by Rule 14(c) of the Exchange Act, the Company will file Articles of Merger with the Secretary of State of Nevada and the Department of State of Florida, to give effect to the Merger (including the name change and Increase in Authorized Shares), which shall not become effective until at least twenty (20) calendar days after this Information Statement is first mailed to our shareholders. The 2014 Stock Incentive Plan and Reverse Split Authorization will be deemed automatically approved effective February [ ], 2014. The Reverse Split will become effective at such time as the Board of Directors determines the Reverse Split Ratio in its sole discretion and decides that such Reverse Split is in the best interests of the Company, subject to the timing of the effectiveness of such Reverse Split under state law, which will not occur prior to at least 20 calendar days after this Information Statement is sent or given to shareholders, if ever.

Because a shareholder holding a majority of the voting rights of our outstanding Common Stock has voted in favor of the foregoing actions, and has sufficient voting power to approve such actions through its ownership of Common Stock, no other shareholder consents will be solicited in connection with the transactions described in this Information Statement. The Board is not soliciting proxies in connection with the adoption of these resolutions, and proxies are not requested from shareholders.

In accordance with our Bylaws, our Board of Directors has fixed the close of business on February [ ], 2014 as the record date for determining the shareholders entitled to notice of the above noted actions. This Information Statement is being mailed on or about February [ ], 2014 to shareholders of record on the record date.

## DISTRIBUTION AND COSTS

We will pay all costs associated with the distribution of this Information Statement, including the costs of printing and mailing. In addition, we will only deliver one Information Statement to multiple security holders sharing an address, unless we have received contrary instructions from one or more of the security holders. Also, we will promptly deliver a separate copy of this Information Statement and future shareholder communication documents to any security holder at a shared address to which a single copy of this Information Statement was delivered, or deliver a single copy of this Information Statement and future shareholder communication documents to any security holder or holders sharing an address to which multiple copies are now delivered, upon written request to us at our address noted above.

Security holders may also address future requests regarding delivery of information statements by contacting us at the address noted above.

PLEASE NOTE THAT THIS IS NOT A REQUEST FOR YOUR VOTE OR A PROXY STATEMENT, BUT RATHER AN INFORMATION STATEMENT DESIGNED TO INFORM YOU OF THE APPROVAL OF THE MERGER, STOCK PLAN AND REVERSE SPLIT AUTHORIZATION.

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

VOTE REQUIRED; MANNER OF APPROVAL

Approval (a) to change the Company's state of incorporation from Florida to Nevada by the merger of Saga Energy with and into its wholly-owned subsidiary, Gulf E&P, to increase the Company's authorized shares of Common Stock from 100,000,000 shares of no par value per share Common Stock to 500,000,000 shares of $0.001 par value per share Common Stock, and to change the name of the Company from "Saga Energy, Inc." to "Gulf E&P Company" ; (b) of the Company's 2014 Stock Incentive Plan; and (c) of the Reverse Split Authorization, requires the affirmative vote of the holders of a majority of the voting power of the Company. Because a shareholder holding a majority of the voting rights of our outstanding Common Stock has voted in favor of the foregoing actions, and has sufficient voting power to approve such actions through its ownership of Common Stock, no other shareholder consents will be solicited in connection with the transactions described in this Information Statement. The Board is not soliciting proxies in connection with the adoption of these proposals, and proxies are not requested from shareholders.

In addition, the Florida Business Corporation Act provides in substance that shareholders may take action without a meeting of the shareholders and without prior notice if a consent or consents in writing, setting forth the action so taken, is signed by the holders of the outstanding voting shares holding not less than the minimum number of votes that would be necessary to approve such action at a shareholders meeting. This action is effective when written consents from holders of record of a majority of the outstanding shares of voting stock are executed and delivered to the Company.

The Company has no class of voting stock outstanding other than the Common Stock. There are currently 99,100,000 shares of Common Stock issued and outstanding, and each share of Common Stock is entitled to one vote on all shareholder matters. Accordingly, the vote or written consent of a shareholder holding at least 49,550,001 shares of the Common Stock issued and outstanding is necessary to (a) change the Company's state of incorporation from Florida to Nevada by the merger of Saga Energy with and into its wholly-owned subsidiary, Gulf E&P (the "Reincorporation Merger", the "Reincorporation" or the "Merger"), (b) to increase the number of authorized shares of Common Stock of the Company from 100,000,000 shares of no par value per share Common Stock to 500,000,000 shares of $0.001 par value per share Common Stock (the "Increase in Authorized Shares"); (c) to change the name of the Company from "Saga Energy, Inc." to "Gulf E&P Company" in connection with the merger; (d) to approve the Company's 2014 Stock Incentive Plan; and (e) to provide our Board of Directors authority to affect the Reverse Split in the Reverse Split Ratio in their sole discretion at any time prior to February [ ], 2015. In accordance with our Bylaws, our Board of Directors has fixed the close of business on February [ ], 2014 as the record date for determining the shareholders entitled to vote or give written consent.

On February [ ], 2014, the Company's Majority Shareholder, which entity holds 50,000,000 shares of the Company's Common Stock (representing 50.5% of the Company's voting shares), executed and delivered to the Company the Written Consent. Accordingly, in compliance with the Florida Business Corporation Act, a shareholder holding a majority of the outstanding voting shares of the Company has approved (a) the change of the Company's state of incorporation from Florida to Nevada by the merger of Saga Energy with and into its wholly-owned subsidiary, Gulf E&P, (b) the Increase in Authorized Shares, (c) the change of the name of the Company from "Saga Energy, Inc." to "Gulf E&P Company", (d) the 2014 Stock Incentive Plan of the Company, and (e) the Reverse Split Authorization. As a result, no vote or proxy is required by the shareholders to approve the adoption of the foregoing actions.

Under Rule 14c-2 promulgated under the Securities Exchange Act of 1934, as amended (the "Act"), the Agreement and Plan of Merger and the Articles of Merger associated therewith may not become effective with the Florida Department of State or Nevada Secretary of State and the merger, Increase in Authorized Shares and name change may not be implemented until and the adoption of the 2014 Stock Incentive Plan and Reverse Split Authorization may not be effective until at least twenty (20) calendar days after this Information Statement is first mailed to our shareholders. As mentioned earlier, the merger, the name change and the Increase in Authorized Shares will become effective upon the filing of the relevant documents with the Secretary of State of Nevada and the Department of State of Florida,

which is anticipated to be on or about February [ ], 2014, twenty (20) days after the mailing of this Information Statement. The 2014 Stock Incentive Plan and Reverse Split Authorization will be deemed approved effective February [ ], 2014. The Reverse Split will become effective at such time as the Board of Directors determines the Reverse Split Ratio in its sole discretion and decides that such Reverse Split is in the best interests of the Company, subject to the timing of the effectiveness of such Reverse Split under state law, which will not occur prior to at least 20 calendar days after this Information Statement is sent or given to shareholders, if ever.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table lists, as of February [ ], 2014 (the "Record Date"), the number of shares of Common Stock beneficially owned by (i) each person or entity known to the Company to be the beneficial owner of more than 5% of the outstanding Common Stock; (ii) each officer and director of our Company; and (iii) all officers and directors as a group.

Information relating to beneficial ownership of Common Stock by our principal shareholders and management is based upon information furnished by each person using "beneficial ownership" concepts under the rules of the Securities and Exchange Commission. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and includes voting and/or investing power with respect to securities. We believe that, except as otherwise noted and subject to applicable community property laws, each person named in the following table has sole investment and voting power with respect to the shares of Common Stock shown as beneficially owned by such person. Additionally, shares of Common Stock subject to options, warrants or other convertible securities that are currently exercisable or convertible, or exercisable or convertible within 60 days of the Record Date, are deemed to be outstanding and to be beneficially owned by the person or group holding such options, warrants or other convertible securities for the purpose of computing the percentage ownership of such person or group, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person or group.

The percentages below are calculated based on 99,100,000 issued and outstanding shares of Common Stock. Unless otherwise indicated, the business address of each such person is c/o Saga Energy, Inc., 710 N. Post Oak Road, Suite 550, Houston, Texas 77024.

| Name and Address | Number of Shares of Common Stock Beneficially Owned | Percentage of Common Stock Owned |
|---|---|---|
| Executive Officers and Directors | | |
| J. Michael Myers (1) | 50,000,000 | 50.4% |
| Ilyas Chaudhary (2) | 30,570,833 | 30.8% |
| Lisa Waun | -0- | -% |
| All of the officers and Directors as a group (three persons) | 80,570,833 | 81.3% |
| | | |
| 5% Stockholders | | |
| Danyal Chaudhary Foundation (2)<br>10441 Villa Del Cerro<br>Santa Ana, California 92705 | 30,520,833 | 30.8% |
| Faisal Chaudhary (2)<br>8603 Foutainblue St.<br>Houston, Texas 77024 | 31,322,708 | 31.6% |
| Aamna Virk (2)<br>8591 Via Mallorca<br>La Jolla, California 92037 | 31,322,708 | 31.6% |

* Represents ownership of less than 1%.

(1) Shares indirectly beneficially owned by Mr. Myers, through his control of K&M LLC, a Texas limited liability company, which he beneficially owns and controls 50,000,000 shares of the Company's Common Stock.

(2) Includes 4,718,958 shares held in the name of Blue Sky Energy and Power, Inc. ("Blue Sky"), over which Ilyas Chaudhary, Aamna Virk and Faisal Chaudhary share voting power and control of Board of Directors. Blue Sky is wholly-owned by Blue Sky International, which is wholly-owned by the Danyal Chaudhary Foundation. Additionally, Ilyas Chaudhary, Aamna Virk and Faisal Chaudhary are trustees of and are therefore beneficial owners of the shares held by the Danyal Chaudhary Foundation.

REASONS FOR THE REINCORPORATION MERGER

Our Board of Directors believes that it is in the best interests of the Company and its shareholders to change the domicile and the state of incorporation of the Company from Florida to Nevada and has received the consent of the holder of 50,000,000 shares of the issued and outstanding shares of Common Stock of the Company (representing 50.5% of the total voting shares) approving such actions.

The primary purposes of the move are to accomplish the following:

There is no corporate income tax (provided there are annual fees for state business licenses) for corporations incorporated in Nevada but not transacting business in the state. At the present time, we do not anticipate conducting operations in Nevada. The State of Florida has a corporate income tax.

Also, reincorporating to Nevada may help us attract and retain qualified management by reducing the risk of lawsuits being filed against the Company and its directors. The Nevada Revised Statutes ("NRS") will enable us to provide greater protection to our directors and the Company than the Florida Business Corporation Act ("FBCA"). The amount of time and money required to respond to these claims and to defend this type of litigation can be substantial.

Reincorporation in Nevada will enable limitation of the personal liability of directors of the Company. Nevada law permits a broader exclusion of liability of both officers and directors to the Company and its shareholders, providing for an exclusion of all monetary damages for breach of fiduciary duty unless they arise from acts or omissions which involve intentional misconduct, fraud or a knowing violation of law. The reincorporation will result in the elimination of any potential liability of an officer or director for a breach of the duty of loyalty unless arising from intentional misconduct, fraud, or a knowing violation of law.

In general, reincorporation in Nevada will give the Company a greater measure of flexibility and simplicity in corporate governance than is available under Florida law. The State of Nevada is recognized for adopting comprehensive modern and flexible corporate laws which are periodically revised to respond to the changing legal and business needs of corporations. For this reason, many major corporations have initially incorporated in Nevada or have changed their corporate domiciles to Nevada in a manner similar to that proposed by Saga Energy. Consequently, the Nevada judiciary has become particularly familiar with corporate law matters and a substantial body of court decisions has developed construing the NRS. The NRS, accordingly, has been and is likely to continue to be, interpreted in many significant judicial decisions, a fact which may provide greater clarity and predictability with respect to Saga Energy's corporate legal affairs.

For these reasons, the Board believes that Saga Energy's business and affairs can be conducted more advantageously if Saga Energy is able to operate under the NRS. A copy of the Articles of Incorporation of the Gulf E&P in Nevada, which will become the Articles of Incorporation of the Company following the effectiveness of the Reincorporation Merger, are included as Appendix E attached to this Information Statement. The Bylaws of Gulf E&P, which will become the Bylaws of the Company following the effectiveness of the Reincorporation Merger are included as Appendix F hereto.

PRINCIPAL FEATURES OF THE REINCORPORATION MERGER

In order to effect the change of domicile described above, Saga Energy, Inc., the Florida corporation, will merge with and into its recently formed wholly-owned Nevada subsidiary, Gulf E&P Company, with Gulf E&P Company being the surviving entity in the merger (the "Reincorporation Merger", "Reincorporation" or "Merger"). Although the Articles of Incorporation and Bylaws of both corporations are similar in many respects, in many respects there are substantive differences between the Articles of Incorporation and Bylaws of both corporations. There are also certain substantive differences between the Florida and Nevada Law, which are discussed in greater detail below. As a result of these differences, the Reincorporation Merger will have a material effect on the rights of shareholders. See the information under "Significant Changes in the Company's Charter and Bylaws as a Result of the Reincorporation Merger" and "Comparative Rights of Shareholders under Florida and Nevada Law" for a summary of the differences between the Articles of Incorporation and Bylaws of Saga Energy and the laws of the State of Florida and the Articles of Incorporation and Bylaws of Gulf E&P and the laws of the State of Nevada. Until further notice, the Company's business operations will continue at the offices located at 710 N. Post Oak Road, Suite 550, Houston, Texas 77024.

Under the FBCA and the NRS, when the Reincorporation Merger takes effect:

- Saga Energy, will merge into Gulf E&P, a Nevada corporation and the surviving entity, and the separate existence of Saga Energy shall cease;
- The surviving corporation will retain the name "Gulf E&P Company";
- The surviving corporation's authorized shares of common stock will be 500,000,000 shares of $0.001 par value per share common stock;
- Gulf E&P will continue to be governed by its Articles of Incorporation and Bylaws under the NRS;
- The surviving corporation will immediately assume title to all property owned by Saga Energy immediately prior to the Reincorporation Merger; and
- The surviving corporation will assume all of the liabilities of Saga Energy.

The Reincorporation Merger will be consummated in accordance with the Plan of Merger, attached hereto as Appendix A, under which Saga Energy, Inc., a Florida corporation, will merge with and into Gulf E&P Company, a Nevada corporation.

Shareholders who oppose the Reincorporation Merger have dissenters' or appraisal rights. See the information under "Appraisal Rights" and "Comparative Rights of Shareholders under Florida and Nevada Law" for a summary of the dissenting shareholders' rights under the FBCA.

We have summarized the material terms of the Plan of Merger below.

The Reincorporation Merger will cause:

- a change in our legal domicile from Florida to Nevada; and
- affect other changes of a legal nature, the material aspects of which are described herein.

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SUMMARY TERM SHEET

Parties: Saga Energy, Inc., a Florida corporation initially incorporated in Florida on May 11, 1999 ("Saga Energy"), focuses on oil and gas exploration and production. Saga Energy owns certain properties in the Gulf of Mexico and focuses on offshore production.

Gulf E&P Company, a Nevada corporation ("Gulf E&P") and wholly-owned subsidiary of the Company, prior to the Reincorporation Merger will not have engaged in any activities except in connection with the Reincorporation Merger.

Approval: The Reincorporation Merger and the terms of the Plan of Merger were approved by written consent of the holder of a majority of the issued and outstanding shares of Common Stock of Saga Energy pursuant to a Consent to Action Without Meeting on February [ ], 2014.

Transaction Structure: To affect the Reincorporation Merger, the Company will merge with and into its subsidiary, Gulf E&P, and thereafter the Company will cease to exist as a separate entity. Gulf E&P will be the surviving entity.

Exchange of Stock: Each share of Common Stock of Saga Energy will automatically be converted into one (1) share of common stock of Gulf E&P Company at the effective time of the Reincorporation Merger without any action required by the shareholders.

Purpose: The purpose of the Reincorporation Merger is to change the Company's state of incorporation from Florida to Nevada and is intended to permit the Company to be governed by the NRS rather than by the FBCA.

Effective Time: The Reincorporation Merger will become effective upon the filing of the Articles of Merger with the Secretary of State of Nevada and the Articles of Merger with the Department of State of Florida. These filings are anticipated to be made as soon as practicable after fulfilling the notice requirements of the Exchange Act and FBCA.

Effect of Merger: At the effective time of the Reincorporation Merger:

- the Company will cease to exist as a separate entity;
- the shareholders of the Company will become shareholders of the surviving corporation;
- the surviving corporation shall possess all of the assets, liabilities, rights, privileges, and powers of the Company and Gulf E&P;
- the surviving corporation shall be governed by the applicable laws of Nevada and Gulf E&P's Articles of Incorporation (the "Nevada Articles") and Bylaws (the "Nevada Bylaws") in effect at the effective time of the Reincorporation Merger; a copy of the Nevada Articles may be found as Appendix E, and a copy of the Nevada Bylaws

may be found as Appendix F, to this Information Statement;

- the officers and directors in office of Gulf E&P at the effective time of the Reincorporation Merger shall be the members of the Board of Directors and the officers of the surviving corporation, all of whom shall hold their directorships and offices until the election and qualification of their respective successors or until their tenure is otherwise terminated in accordance with the Bylaws of the surviving corporation'

- the surviving corporation's authorized shares of common stock will be 500,000,000 shares of $0.001 par value per share common; and

- the surviving corporation will continue to operate under the name Gulf E&P Company.

Filing of the Articles of Merger

The Reincorporation Merger will not be effective until the Articles of Merger are filed with the offices of the Secretary of State of Nevada and Department of State of Florida, respectively. This will occur no sooner than twenty (20) days after the mailing of this Information Statement.

Some Implications of the Reincorporation

The Plan of Merger provides that Saga Energy will merge with and into Gulf E&P, with Gulf E&P being the surviving corporation. Under the Plan of Merger, Gulf E&P will assume all of Saga Energy's assets and liabilities, and Saga Energy, Inc. will cease to exist as a corporate entity. The surviving corporation will retain the name "Gulf E&P Company". The directors of Gulf E&P will continue as the directors of the surviving corporation.

At the effective time of the Reincorporation Merger, each outstanding share of Saga Energy's Common Stock, no par value per share, will be automatically converted into one share of common stock of Gulf E&P, $0.001 par value per share. Shareholders may, but will not be required to exchange their existing stock certificates for stock certificates of Gulf E&P Company. Upon request, we will issue new certificates to any shareholder that holds old Saga Energy, Inc. stock certificates, provided that such holder has surrendered the certificates representing Saga Energy's shares in accordance with the Plan of Merger. Any request for new certificates will be subject to normal requirements including proper endorsement, signature guarantee and payment of any applicable fees and taxes.

An increase in the Company's authorized but unissued shares of common stock will effectively occur as a result of the Reincorporation Merger as Gulf E&P Company's total authorized shares of common stock total 500,000,000 shares of $0.001 par value per share common stock versus Saga Energy's currently authorized 100,000,000 shares of no par value per share common stock.

Shareholders whose shares of Common Stock were freely tradable before the Reincorporation Merger will own shares of the surviving corporation that are freely tradable after the Reincorporation Merger. Similarly, any shareholders holding securities with transfer restrictions before the Reincorporation Merger will hold shares of the surviving corporation that have the same transfer restrictions after the Reincorporation Merger. For purposes of computing the holding period under Rule 144 of the Securities Act of 1933, as amended, shares issued pursuant to the reincorporation will be deemed to have been acquired on the date the holder thereof originally acquired Saga Energy's shares.

Reincorporation will be effected by the merger of Saga Energy with and into Gulf E&P pursuant to an Agreement and Plan of Merger (the "Plan of Merger"). Gulf E&P Company is a wholly-owned subsidiary of Saga Energy, incorporated under the NRS for the sole purpose of effectuating the Reincorporation. Gulf E&P Company has no operations and no assets or liabilities. At the effective time of the merger, all the assets and liabilities of Saga Energy will become the assets and liabilities of Gulf E&P Company. The Reincorporation will become effective upon the filing of the requisite merger documents with Nevada and Florida, or as soon as practicable thereafter (the "Effective Date"), which will take place at least twenty (20) calendar days after this Information Statement is first mailed to our shareholders. As a result of the Reincorporation, we will cease our corporate existence in the State of Florida. This summary does not include all of the provisions of the Plan of Merger, a copy of which is attached hereto as Appendix A.

On the Effective Date of the Reincorporation Merger, (i) any fractional shares of Gulf E&P common stock that a holder of shares of the Company's Common Stock would otherwise be entitled to receive upon exchange of his Saga Energy Common Stock will be canceled with the holder thereof being entitled to receive one whole share of Gulf E&P common stock, and (ii) each outstanding share of Gulf E&P's common stock held by Saga Energy shall be retired and canceled and shall resume the status of authorized and unissued Gulf E&P common stock.

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After the reincorporation, the surviving corporation will continue to be a publicly-held corporation, with its common stock quoted on the OTCQB Market under a symbol to be determined by Financial Industry Regulatory Authority ("FINRA") and to be disclosed by the Company in a Form 8-K filing following the effectiveness of the Merger. The surviving corporation will also file with the Securities and Exchange Commission and provide to its shareholders the same type of information that Saga Energy has previously filed and provided.

The Articles of Incorporation of Gulf E&P differ in a number of respects from the Articles of Incorporation of Saga Energy. Accordingly, the approval by the shareholder holding at least a majority of the voting rights of our outstanding Common Stock of the Plan of Merger did not represent the adoption by such majority shareholder of the Articles of Incorporation of Gulf E&P. The adoption of the Articles of Incorporation of Gulf E&P was a separate action distinct from the approval of the Plan of Merger, and each of the material differences between the Articles of Incorporation of Saga Energy and the Articles of Incorporation of Gulf E&P were presented as separate proposals which were approved separately by the holder of the majority of our issued and outstanding shares of Common Stock. The approval to reincorporate was also separate from the approval to change the name of the Company and to affect the Increase in Authorized Shares. Despite the material differences between the Articles of Incorporation of Saga Energy and the laws of the State of Florida which govern Saga Energy, and the Articles of Incorporation of Gulf E&P and the laws of the State of Nevada which govern Gulf E&P, your rights as shareholders will not be materially affected by the Reincorporation Merger. See the information under "Significant Changes in the Company's Charter and Bylaws as a Result of the Reincorporation" and "Comparative Rights of Shareholders under Florida and Nevada Law", for a summary of the differences between the Articles of Incorporation of Saga Energy and the laws of the State of Florida and the Articles of Incorporation of Gulf E&P Company and the laws of the State of Nevada.

As discussed below, under the FBCA, dissenting holders of Common Stock who follow prescribed statutory procedures are entitled to appraisal rights in certain circumstances, including in the case of a merger or consolidation, a sale or exchange of all of substantially all the assets of a corporation or amendments to the Articles of Incorporation that adversely affect the rights or preferences of the shareholders. As a result of the Reincorporation Merger, under the NRS dissenting shareholders will not have appraisal rights in the case of a sale of assets of the Company.

After the effective time of the Reincorporation Merger, the removal of directors will be governed by the NRS which requires the votes of two-thirds of the shares of capital stock of the corporation entitled to vote at any meeting of the shareholders of the corporation to remove from office any or all of the directors, with or without cause. This is significantly different than the removal of directors under the FBCA, which only requires a majority vote to remove directors.

Under the NRS, the Board of Directors of a corporation may fix in advance, a record date of not more than sixty (60) nor less than ten (10) days before the date of any meeting or any other corporate action for the purpose of determining the shareholders entitled to vote. While a corporation formed under the FBCA has the discretion to set a record date of not more than seventy (70) days before the meeting or action requiring shareholder approval, the organizational documents of Saga Energy requires a record date of not more than sixty (60) days prior to the date set for a meeting or action requiring the approval of shareholders, and as such there will be no effective change associated with the required record date notice of the Company under the NRS.

Effective Date of Reincorporation Merger

Pursuant to Rule 14c-2 under the Exchange Act and the FBCA, the Reincorporation Merger shall not occur until a date at least twenty (20) days after the date on which this Information Statement has been mailed to shareholders.

ABANDONMENT

Pursuant to the terms of the Plan of Merger, the Merger may be abandoned by the Board of Directors of Saga Energy and Gulf E&P at any time prior to the Effective Date. In addition, the Board of Saga Energy may amend the Plan of Merger at any time prior to the Effective Date provided that any amendment made may not, without approval by the shareholders of Saga Energy, alter or change the amount or kind of Gulf E&P common stock to be received in exchange for or upon conversion of all or any of Saga Energy Common Stock, alter or change any term of the Articles of Incorporation of Gulf E&P or alter or change any of the terms and conditions of the Plan of Merger if such alteration or change would adversely affect the holders of Saga Energy's Common Stock. The Board has made no determination as to any circumstances which may prompt a decision to abandon the Reincorporation Merger. The approval by the holder of the majority of issued and outstanding shares of Common Stock of the Company for the Reincorporation Merger constitutes approval of the Plan of Merger, but not necessarily the adoption of the Articles of Incorporation and the Bylaws of Gulf E&P. However, each of the differences between the Articles of Incorporation and Bylaws of Saga Energy and the Articles of Incorporation and Bylaws of Gulf E&P, including the name change and Increase in Authorized Shares affected by the Merger, were separately affirmatively adopted by the holder of the majority of the issued and outstanding shares of Common Stock of the Company.

MATERIAL TAX CONSEQUENCES FOR SHAREHOLDERS

The following description of federal income tax consequences is based on the Internal Revenue Code of 1986, as amended (the "Code"), and applicable Treasury regulations promulgated thereunder. This summary does not address the tax treatment of special classes of shareholders, such as banks, insurance companies, tax-exempt entities and foreign persons. Shareholders desiring to know their individual federal, state, local and foreign tax consequences should consult their own tax advisors.

The Reincorporation Merger is intended to qualify as a tax-free reorganization under Section 368(a)(1)(F) or 368(a)(1)(A) of the Code. Assuming such tax treatment, no taxable income, gain or loss will be recognized by Saga Energy or the shareholders as a result of the exchange of shares of Saga Energy Common Stock for shares of Gulf E&P's common stock upon consummation of the transaction. The Reincorporation Merger and change of each share of Saga Energy's Common Stock into one share of Gulf E&P common stock will be a tax-free transaction, and the holding period and tax basis of Saga Energy's Common Stock will be carried over to Gulf E&P's common stock received in exchange therefor.

Because of the complexity of the capital gain and loss provisions of the Code and because of the uniqueness of each individual's capital gain or loss situation, shareholders contemplating exercising statutory appraisal rights should consult their own tax advisor regarding the federal income tax consequences of exercising such rights. State, local or foreign income tax consequences to shareholders may vary from the federal income tax consequences described above. SHAREHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISOR AS TO THE CONSEQUENCES TO THEM OF THE REINCORPORATION UNDER ALL APPLICABLE TAX LAWS.

ACCOUNTING TREATMENT OF THE REINCORPORATION

For U.S. accounting purposes, the Reincorporation Merger of the Company from a Florida corporation to a Nevada corporation represents a transaction between entities under common control. Assets and liabilities transferred between entities under common control are accounted for at historical cost, in accordance with the guidance for transactions between entities under common control in Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 805, Business Combinations. The historical comparative figures of Saga Energy will be those of Gulf E&P.

PRICE VOLATILITY

We cannot predict what effect, if any, the Reincorporation Merger will have on our market price prevailing from time to time or the liquidity of our shares.

SIGNIFICANT CHANGES IN THE COMPANY‘S CHARTER AND BYLAWS TO BE IMPLEMENTED BY THE REINCORPORATION

The following chart summarizes the material differences between the Articles of Incorporation and Bylaws of Saga Energy and Gulf E&P. This chart does not address each difference but focuses on all material differences the Company believes will impact the rights of shareholders.

| CHANGE | FLORIDA | NEVADA |
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| Name | Saga Energy, Inc. | Gulf E&P Company* |
| Authorized Capital | The total authorized capital stock of the corporation is One Hundred Million and Ten Million (110,000,000) shares, consisting of One Hundred Million (100,000,000) shares of common stock with no par value and Ten Million (10,000,000) shares of preferred stock with no par value. | The total number of shares of stock that corporation shall have authority to issue is 510,000,000, consisting of 500,000,000 shares of common stock, par value $0.001 per share, and 10,000,000 shares of “blank check” preferred stock par value $0.001 per share. |
| | The preferred stock may be issued from time to time in one or more series. The corporation’s Board of Directors is authorized to determine and alter the rights, preferences, privileges and restrictions granted to or imposed upon the preferred stock or any series thereof with respect to any wholly-unissued series of preferred stock, and to fix the number of shares constituting any such series and the designation thereof. | Shares of preferred stock of the corporation may be issued from time to time in one or more series, each of which shall have such distinctive designation or title as shall be determined by the Board prior to the issuance of any shares thereof. Preferred stock shall have such voting powers, full or limited, or no voting powers, and such preferences and relative, participating, optional or other special rights and such qualifications, limitations or restrictions thereof, as shall be stated in such resolution or resolutions providing for the issue of such class or series of preferred stock as may be adopted from time to time by the Board prior to the issuance of any shares thereof. The number of authorized shares of |

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| | preferred stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of all the then outstanding shares of the capital stock of the corporation entitled to vote generally in the election of the directors, voting together as a single class, without a separate vote of the holders of the preferred stock, or any series thereof, unless a vote of any such holders is required pursuant to any preferred stock designation.* |

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| Number of Directors | The Articles of Incorporation of the Company specified that the number of directors of the Company may be increased or diminished from time to time by the Bylaws, but may never be less than one.<br><br>The Bylaws of the Company provide that the number of directors of the corporation shall be not less than one nor more than ten until changed by a duly adopted amendment to the Articles of Incorporation or the Bylaws. | Pursuant to the Articles of Incorporation, the number of directors of the corporation may be increased or decreased in the manner provided in the Bylaws of the corporation; provided, that the number of directors shall never be less than one. In the interim between elections of directors by shareholders entitled to vote, all vacancies, including vacancies caused by an increase in the number of directors and including vacancies resulting from the removal of directors by the shareholders entitled to vote which are not filled by said shareholders, may be filled by the remaining directors, though less than a quorum.<br><br>The Bylaws provided that the number of directors who shall constitute the Board shall equal not less than 1 nor more than 10, as the Board or majority shareholders may determine by resolution from time to time.* |
| Appointment of Directors | Directors shall be elected at each annual meeting of the shareholders to hold office until the next annual meeting. If any such annual meeting of shareholders is not held or the directors are not elected thereat, the directors may be elected at any special meeting of shareholders held for that purpose. Each director, including a director elected to fill a vacancy, shall hold office until the expiration of the term for | The stockholders of the Company shall elect the directors at the annual or adjourned annual meeting (except as otherwise provided herein for the filling of vacancies). Directors are elected by a plurality of the votes cast at a meeting at which a quorum is present.<br><br>Each director shall hold office until his death, |

which elected and until a successor has been elected and qualified.

Except as may otherwise be provided in the Bylaws, or in the Articles of Incorporation by way of cumulative voting rights, the members of the Board of Directors, who need not be shareholders, shall be elected by a majority of the votes cast at a meeting of shareholders, by the holders of shares of stock present in person or by proxy, entitled to vote in the election

Vacancies on the Board of Directors, except for a vacancy created by the removal of a director, may be filled by a majority of the remaining directors, or, if the number of directors then in office is less than a quorum, by (1) the unanimous written consent of the directors then in office, (2) the affirmative vote of a majority of the directors then in office at a meeting held pursuant to notice or waivers of notice complying with Section 607.0823 of the FBCA, or (3) a sole remaining director. Each director so elected shall hold office until the next annual meeting of the shareholders and until a successor has been elected and qualified.

A vacancy in the Board of Directors created by the removal of a director may only be filled by the vote of a majority of the shares entitled to vote represented at a duly held meeting at which a quorum is present, or by the written consent of the holders of a majority of the outstanding shares.

resignation, retirement, removal, or disqualification, or until his successor shall have been elected and qualified.

Any vacancy on the Board, whether because of death, resignation, disqualification, an increase in the number of directors, or any other cause may be filled by a majority of the remaining directors, a sole remaining director, or the majority stockholders. Any director elected to fill a vacancy shall hold office until his death, resignation, retirement, removal, or disqualification, or until his successor shall have been elected and qualified.*

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| Annual Meetings | The Bylaws state that the annual meeting of shareholders shall be held on the first Monday of March of each year; however, if such day falls on a legal holiday, then on the next business day following at the same time, the shareholders shall elect a Board and transact such other business as may properly come before the meeting. | The Bylaws state that the shareholders of the Company shall hold their annual meetings for the purpose of electing directors and for the transaction of such other proper business as may come before such meetings at such time, date and place as the Board shall determine by resolution.* |
| Special Meetings | Special meetings of the shareholders for any purpose or purposes whatsoever, may be called at any time by the Board, the Chairman of the Board, the President, or by one or more shareholders holding shares in the aggregate entitled to cast not less than 50% of the votes at any such meeting.<br><br>If a special meeting is called by any person or persons other than the Board, the request shall be in writing, specifying the time of such meeting and the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the Chairman of the Board, the President, any Vice President or the Secretary of the corporation. The officer receiving such request shall forthwith cause notice to be given to the shareholders entitled to vote, that a meeting will be held at the time requested by the person or persons calling the meeting, not less than 10 nor more than 60 days after the receipt of the request. If the notice is not given within 20 days after receipt of the request, | The Board, the Chairman of the Board, the President or a committee of the Board duly designated and whose powers and authority include the power to call meetings may call special meetings of the shareholders of the Company at any time for any purpose or purposes. Special meetings of the shareholders of the Company may also be called by the holders of at least 30% of all shares entitled to vote at the proposed special meeting.<br><br>If any person(s) other than the Board or the Chairman call a special meeting, the request shall:<br><br>(i) be in writing;<br><br>(ii) specify the general nature of the business proposed to be transacted; and<br><br>(iii) be delivered personally or sent by registered mail or by facsimile transmission to the Secretary of the Company.<br><br>(iv) additionally, if the special meeting is called by |

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| the person or persons requesting the meeting may give the notice in the manner provided in the Bylaws or upon application to the Superior Court as provided in Section 607.0705 of the FBCA. | shareholders as provided above, the request shall include documentation sufficient to confirm the shareholder(s) total ownership of shares entitled to vote at the proposed special meeting.<br><br>Upon receipt of such a request, the Board shall determine the date, time and place of such special meeting, which must be scheduled to be held on a date that is within ninety (90) days of receipt by the Secretary of the request therefor, and the Secretary of the Company shall prepare a proper notice thereof. No business may be transacted at such special meeting other than the business specified in the notice to shareholders of such meeting.* |

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| Shareholder Proposals | Not referenced in current organizational documents. | Stockholders who intend to propose any action at an annual meeting of stockholders must timely notify the Secretary of the Company of such intent. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Company not earlier than the close of business on the day which falls 120 days prior to the one year anniversary of the Company's last annual meeting of stockholders and not later than the close of business on the day which falls 90 days prior to the one year anniversary of the Company's last annual meeting of stockholders, together with written notice of the shareholder's intention to present a proposal for action at the meeting, unless the Company's annual meeting date occurs more than 30 days before or 30 days after the one year anniversary of the Company's last annual meeting of stockholders. In that case, the Company must receive proposals not earlier than the close of business on the 120th day prior to the date of the annual meeting and not later than the close of business on the later of the 90th day prior to the date of the annual meeting or, if the first public announcement of the date of the annual meeting is less than 100 days prior to the date of the meeting, the 10th day following the day on which the Company first makes a |

public announcement of the date of the annual meeting. Such notice must be in writing and must include (a) the name and record address of the stockholder who intends to propose the business and the class or series and number of shares of capital stock of the Company which are owned beneficially or of record by such stockholder; (b) a representation that the stockholder is a holder of record of stock of the Company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to introduce the business specified in the notice; (c) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting; (d) any material interest of the stockholder in such business; and (e) any other information that is required to be provided by the stockholder pursuant to Regulation 14A of the Exchange Act. Notwithstanding the foregoing, in order to include information with respect to a stockholder proposal in the proxy statement and form of proxy for a stockholder's meeting, stockholders must provide notice as required by, and otherwise comply with the requirements of, the Exchange Act and the regulations promulgated thereunder. The Board of Directors reserves the right to refuse to submit any such proposal to stockholders at an annual meeting if, in its

judgment, the information provided in the notice is inaccurate or incomplete.

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| Director Nominations | Not referenced in current organizational documents. | Nominations of persons for election to the Board of Directors may be made at any annual meeting of stockholders, or at any special meeting of stockholders called for the purpose of electing directors, (a) by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (b) by any stockholder of the Company (i) who is a stockholder of record on the date of the giving of the notice and on the record date for the determination of stockholders entitled to notice of and to vote at such meeting and (ii) who complies with the notice procedures set forth in the Bylaws.<br><br>In addition to any other applicable requirements, for a nomination to be made by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the Company.<br><br>To be timely, a stockholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the Company (a) in the case of an Annual Meeting, not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary date of the immediately preceding Annual Meeting of stockholders; provided, however, that in the event |

that the Annual Meeting is called for a date that is not within thirty (30) days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the Annual Meeting was mailed or such public disclosure of the date of the Annual Meeting was made, whichever first occurs; and (b) in the case of a special meeting of stockholders called for the purpose of electing directors, not later than the close of business on the tenth (10th) day following the day on which notice of the date of the special meeting was mailed or public disclosure of the date of the special meeting was made, whichever first occurs.

To be in proper written form, a stockholder's notice to the Secretary must set forth (a) as to each person whom the stockholder proposes to nominate for election as a director (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class or series and number of shares of capital stock of the Company which are owned beneficially or of record by the person and (iv) any other information relating to the person that would be required to be disclosed in a proxy statement or other

filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act, and the rules and regulations promulgated thereunder; and (b) as to the stockholder giving the notice (i) the name and record address of such stockholder, (ii) the class or series and number of shares of capital stock of the Company which are owned beneficially or of record by such stockholder, (iii) a description of all arrangements or understandings between such stockholder and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such stockholder, (iv) a representation that such stockholder intends to appear in person or by proxy at the meeting to nominate the persons named in its notice and (v) any other information relating to such Stockholder that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

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| Adjournments | When any meeting of shareholders, either annual or special, is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at a meeting at which the adjournment is taken, unless a new record date for the adjourned meeting is fixed, or unless the adjournment is for more than 45 days from the date set for the original meeting, in which case the Board shall set a new record date. Notice of any adjourned meeting shall be given to each shareholder of record entitled to vote at the adjourned meeting. At any adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting. | When the shareholders adjourn a meeting to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the shareholders may transact any business which they may have transacted at the original meeting. If the adjournment is for more than 30 days or, if after the adjournment, the Board or a committee of the Board fixes a new record date for the adjourned meeting, the Board or a committee of the Board shall give notice of the adjourned meeting to each shareholder of record entitled to vote at the meeting.* |
| Uncertificated Certificates | Not referenced in current organizational documents. | Shares of the capital stock of the Company may be certificated or uncertificated, as provided under Nevada Law.* |
| Electronic Notice to Shareholders | Not referenced in current organizational documents. | Without limiting the manner by which notice otherwise may be given effectively to stockholders pursuant to the Nevada Law, the Articles or the Bylaws, any notice to stockholders given by the Company under any provision of Nevada Law, the Articles or the Bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given.* |
| Undeliverable Notices | Not referenced in current organizational documents. | Whenever notice is required to be given, under any provision of the Nevada Law, the Articles or the Bylaws, to any stockholder |

to whom (a) notice of two (2) consecutive annual meetings, or (b) all, and at least two (2) payments (if sent by first-class mail) of dividends or interest on securities during a twelve (12) month period, have been mailed addressed to such person at such person's address as shown on the records of the Company and have been returned undeliverable, the giving of such notice to such person shall not be required. Any action or meeting which shall be taken or held without notice to such person shall have the same force and effect as if such notice had been duly given. If any such person shall deliver to the Company a written notice setting forth such person's then current address, the requirement that notice be given to such person shall be reinstated. In the event that the action taken by the Company is such as to require the filing of an amendment to the Articles with the Secretary of State of Nevada, the amendment need not state that notice was not given to persons to whom notice was not required to be given pursuant to Nevada Law.*

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| Review of Company Records | A shareholder or shareholders of the corporation holding at least 5% in the aggregate of the outstanding voting shares of the corporation may (i) inspect, and copy the records of shareholders' names and addresses and shareholdings during usual business hours upon five days prior written demand upon the corporation, and/or (ii) obtain from the transfer agent by paying such transfer agent's usual charges for such a list, a list of the shareholders' names and addresses who are entitled to vote for the election of directors, and their shareholdings, as of the most recent record date for which such list has been compiled or as of a date specified by the shareholders subsequent to the day of demand. Such list shall be made available by the transfer agent on or before the later of five days after the demand is received or the date specified therein as the date as of which the list is to be compiled. The record of shareholders shall also be open to inspection upon the written demand of any shareholder or holder of a voting trust certificate, at any time during usual business hours, for a purpose reasonably related to such holder's interest as a shareholder or as a holder of a voting trust certificate. Any inspection and copying may be made in person or by an agent or attorney of such shareholder or holder of a voting trust certificate making such demand. | At least 10 days before every meeting of shareholders, the Secretary shall prepare a list of the shareholders entitled to vote at the meeting or any adjournment thereof, arranged in alphabetical order, showing the address of each shareholder and the number of shares registered in the name of each shareholder. The Company shall make the list available for examination by any shareholder for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting, either at a place within the city where the meeting will take place or at the place designated in the notice of the meeting.<br><br>The Secretary shall produce and keep the list at the time and place of the meeting during the entire duration of the meeting, and any shareholder who is present may inspect the list at the meeting. The list shall constitute presumptive proof of the identity of the shareholders entitled to vote at the meeting and the number of shares each shareholder holds.<br><br>Any person who has been a shareholder of record of a corporation for at least 6 months immediately preceding the demand, or any person holding, or thereunto authorized in writing by the holders of, at least 5 percent of all of its outstanding shares, upon at least 5 days' written demand is entitled to inspect in person or by agent or attorney, during usual business hours, (a) a copy certified by the |

Secretary of State of the corporation's Articles of Incorporation, and all amendments thereto; (b) a copy certified by an officer of the corporation of its bylaws and all amendments thereto; and (c) a stock ledger or a duplicate stock ledger, revised annually, containing the names, alphabetically arranged, of all persons who are shareholders of the corporation, showing their places of residence, if known, and the number of shares held by them respectively, and make copies therefrom.

Additionally, under the NRS any person who has been a shareholder of record of any corporation and owns not less than 15 percent of all of the issued and outstanding shares of the stock of such corporation or has been authorized in writing by the holders of at least 15 percent of all its issued and outstanding shares, upon at least 5 days' written demand, is entitled to inspect in person or by agent or attorney, during normal business hours, the books of account and all financial records of the corporation, to make copies of records, and to conduct an audit of such records. The right of shareholders to inspect the corporate records may not be limited in the articles or bylaws of any corporation.*

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| Proxies | The Bylaws states that at any shareholders' meeting or any adjournment thereof, any shareholder of record having the right and entitled to vote thereat may be represented and vote by proxy appointed in an instrument. | A shareholder may exercise any voting rights in person or by his proxy appointed by an instrument in writing, which he or his authorized attorney-in-fact has subscribed and which the proxy has delivered to the Secretary of the meeting pursuant to the manner prescribed by law.<br><br>A proxy is not valid after the expiration of 13 months after the date of its execution (subject in all cases to Section 78.355 of the NRS), unless the person executing it specifies thereon the length of time for which it is to continue in force (which length may exceed 13 months) or limits its use to a particular meeting. Each proxy is irrevocable if it expressly states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power.<br><br>The attendance at any meeting of a shareholder who previously has given a proxy shall not have the effect of revoking the same unless he notifies the Secretary in writing prior to the voting of the proxy. * |
| Director Removal | Any or all of the directors may be removed with or without cause by a vote of a majority of all the stock outstanding and entitled to vote at a special meeting of shareholders called for that purpose, provided that no director may be removed (unless the entire Board is removed) when the votes cast against removal or not consenting in writing to such removal would be sufficient to | At any meeting of shareholders of the corporation called for that purpose, the holders of two-thirds of the shares of capital stock of the corporation entitled to vote at such meeting may remove from office any or all of the Directors, with or without cause.† |

elect such director if voted cumulatively at an election at which the same total number of votes were cast (or, if such action is taken by written consent, all shares entitled to vote, were voted) and the entire number of directors authorized at the time of the directors most recent election were then being elected; and when by the provisions of the Articles of Incorporation the holders of the shares of any class or series voting as a class or series are entitled to elect one or more directors, any director so elected may be removed only by the applicable vote of the holders of the shares of that class or series.

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| Record Date | The Board of Directors may fix, in advance, a date not exceeding 60 days, nor less than ten days, as the record date for the determination of shareholders entitled to receive notice of, or to vote at, any meeting of shareholders, or to consent to any proposal without a meeting, or for the purpose of determining shareholders entitled to receive payment of any dividends or allotment of any rights, or for the purpose of any other action. If no record date is fixed, the record date for the determination of shareholders entitled to notice of, or to vote at, a meeting of shareholders is the close of business on the day next preceding the day on which the notice is given, or, if no notice is given, the day preceding the day on which the meeting is held. The record date for determining shareholders for any other purpose is the close of business on the day on which the resolution of the directors relating thereto is adopted. When a determination of shareholders of record entitled to notice of, or to vote at, any meeting of shareholders has been made such determination shall apply to any adjournment thereof, unless the directors fix a new record date for the adjourned meeting. | For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or shareholders entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose, the Board or a committee of the Board may fix in advance a date as the record date for any such determination of shareholders. However, the Board shall not fix such date, in any case, more than 60 days nor less than 10 days prior to the date of the particular action.<br><br>If the Board or a committee of the Board does not fix a record date for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, the record date shall be at the close of business on the day next preceding the day on which notice is given or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held or the date on which the Board adopts the resolution declaring a dividend. † |
| Registered Agent | Registered Agent Solutions, Inc.<br>155 Office Plaza Drive, Suite A<br>Tallahassee, FL 32301 | InCorp Services, Inc.<br>2360 Corporate Circle Ste 400<br>Henderson, NV 89074-7722† |

* This change was made at the discretion of the Company and not as a result of statutory requirements of the NRS.

† This change was made pursuant to the statutory requirements of the NRS.

COMPARATIVE RIGHTS OF SHAREHOLDERS UNDER FLORIDA AND NEVADA LAW

Despite the differences between the Articles of Incorporation and Bylaws of Saga Energy (attached hereto as Appendix C and Appendix D, respectively) and the Articles of Incorporation and Bylaws of Gulf E&P (Attached hereto as Appendix E and Appendix F, respectively), the voting rights, votes required for the election of directors and other matters, material indemnification provisions, procedures for amending the Articles of Incorporation and Bylaws, and dividend and liquidation rights will not change in any material way. This chart does not address each difference between the FBCA and the NRS but focuses on all differences which the Company believes will materially impact shareholders' rights. This chart is qualified in its entirety by reference to the FBCA and the NRS.

| FLORIDA | NEVADA |
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| TRANSACTIONS WITH OFFICERS AND DIRECTORS | |
| Under the FBCA, no contract or other transaction between a corporation and one or more of its directors or any other corporation, firm, association, or entity in which one or more of its directors are directors or officers or are financially interested shall be either void or voidable if:<br><br>(a) The fact of such relationship or interest is disclosed or known to the Board of Directors or committee which authorizes, approves, or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested directors;<br><br>(b) The fact of such relationship or interest is disclosed or known to the shareholders entitled to vote and they authorize, approve, or ratify such contract or transaction by vote or written consent; or<br><br>(c) The contract or transaction is fair and reasonable as to the corporation at the time it is authorized by the board, a committee, or the shareholders. | Under Nevada law, such transactions are not automatically void or voidable if:<br><br>(i) the fact of the common directorship, office or financial interest is known to the Board or committee, and the Board or committee authorizes, approves or ratifies the contract or transactions in good faith by a vote sufficient for the purpose, without counting the vote or votes of the common or interested director or directors, or<br><br>(ii) the fact of the common directorship, office or financial interest is known by the shareholders, and the contract or transaction, is in good faith, ratified or approved by the holders of a majority of the voting power, or<br><br>(iii) the fact of common directorship, office or financial interest known to the director or officer at the time of the transactions is brought before the Board of Directors for actions, or<br><br>(iv) the contract or transaction is fair to the corporation at the time it is authorized or approved.<br><br>Common or interested directors may be counted to determine presence of a quorum and if the votes of the common or interested directors are not counted at the meeting, then a majority of directors may authorize, approve or ratify a |

contract or transactions.

CLASSIFIED BOARD OF DIRECTORS

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| The FBCA permits classification of a corporation's Board of Directors into one, two or three classes, with each class composed of as equal a number of directors as is possible, if provided for in a corporation's Articles of Incorporation, in its initial bylaws or in subsequent bylaws adopted by a vote of the shareholders. | The NRS also permits corporations to classify boards of directors provided that at least one-fourth of the total number of directors is elected annually. |

## ELECTION AND REMOVAL OF DIRECTORS

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| The FBCA provides that directors are to be elected by a plurality of the votes cast by the shares entitled to vote in the election at a meeting at which a quorum is present, unless the articles provide otherwise (the Company's current Bylaws provide that directors are to be appointed by a majority of the votes cast, which is amended by the adoption of the Nevada Bylaws pursuant to the Merger, described above under "Significant Changes in the Company's Charter and Bylaws to be Implemented by the Reincorporation"). | The NRS provides that unless provided otherwise in the NRS, the Articles of Incorporation or the Bylaws require more than a plurality of the votes cast, directors of every corporation must be elected at the annual meeting of the stockholders by a plurality of the votes cast at the election. |
| Under the FBCA, shareholders may remove a director with or without cause, unless the articles provide otherwise. The FBCA also provides that if a director is elected by a voting group of shareholders, only the shareholders of that group may participate in the vote to remove the director. A director may be removed only if the number of votes cast to remove the director exceeds the number of votes cast not to remove him or her. Shareholders may remove a director of a Florida corporation at a meeting called for the purpose of such removal. | In Nevada, a director will hold office until the next annual meeting of shareholders and until his or her successor is elected and qualified, and a director may be removed during his or her term with or without cause. Such removal must be approved by the vote of not less than two thirds of the voting power of the corporation at a meeting called for that purpose. |
| Under the FBCA, unless the articles provide otherwise, a vacancy on the board may be filled the affirmative vote of a majority of directors remaining in office or by the shareholders. | Vacancies on the Board may be filled under the NRS by the directors. |

## INSPECTION OF BOOKS AND RECORDS

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| Under the FBCA, Florida corporations are required to maintain the following records, which any shareholder of record may, after at least five business days' prior written notice, inspect and copy: (1) the articles and bylaws, (2) certain board and shareholder resolutions, (3) certain written communications to shareholders, (4) names and addresses of current directors and officers and (5) the most recent | In Nevada certain shareholders have the right to inspect certain books and records of the Corporation.<br><br>In Nevada, such a right is available to any shareholder of record of a corporation for at least six months immediately preceding the demand, or any person holding at least 5% of all of its outstanding shares. |

annual report. In addition, shareholders of a Florida corporation are entitled to inspect and copy other books and records of the corporation during regular business hours if the shareholder gives at least five business days' prior written notice to the corporation and (a) the shareholder's demand is made in good faith and for a proper purpose, (b) the demand describes with particularity its purpose and the records to be inspected or copied and (c) the requested records are directly connected with such purpose.

Under the NRS, the books and records that may be inspected are the company's stock ledger, a list of its shareholders, and its other books and records.

Under the NRS, the inspection is to take place during normal business hours and copies of the inspected documents may be made by the shareholder.

Additionally, any person who has been a shareholder of record of any corporation and owns not less than 15 percent of all of the issued and outstanding shares of the stock of such corporation or has been authorized in writing by the holders of at least 15 percent of all its issued and outstanding shares, upon at least 5 days' written demand, is entitled to inspect in person or by agent or attorney, during normal business hours, the books of account and all financial records of the corporation, to make copies of records, and to conduct an audit of such records.

## LIMITATION ON LIABILITY OF DIRECTORS; INDEMNIFICATION OF OFFICERS AND DIRECTORS

Under the FBCA, a director is not personally liable for monetary damages to the corporation or any other person for any statement, vote, decision or failure to act, regarding corporate management or policy, by a director unless the director breached or failed to perform his duties as a director under certain circumstances, including: a violation of criminal law, a transaction from which the director derived an improper personal benefit, conscious disregard for the best interests of the corporation, willful misconduct, bad faith or disregard of human rights, safety, or property.

Under the FBCA, a Florida corporation may generally indemnify its officers, directors, employees and agents against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement of any proceedings (other than derivative actions), if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful. A similar standard is applicable in derivative actions, except that indemnification may be made only for (a) expenses (including attorneys' fees) and certain amounts paid in settlement and (b) in the event the person seeking indemnification has been adjudicated liable, amounts deemed proper, fair and reasonable by the appropriate court upon application thereto. The FBCA provides that to the extent that such persons have been successful in defense of any proceeding, they must be indemnified by the corporation against expenses actually and reasonably incurred in connection therewith. The FBCA also provides that, unless a corporation's Articles of Incorporation provide

Nevada law provides for discretionary indemnification made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances. The determination must be made either:

(i) by the shareholders;

(ii) by the Board by majority vote of a quorum consisting of directors who were not parties to the action, suit or proceeding;

(iii) if a majority vote of a quorum consisting of directors who were not parties to the actions, suit or proceeding so orders, by independent legal counsel in a written opinion; or

(iv) If a quorum consisting of directors who were not parties to the action, suit or proceeding cannot be obtained, by independent legal counsel in a written opinion.

The Articles of Incorporation, the bylaws or an agreement made by the corporation may provide that the expenses of officers and directors incurred in defending a civil or criminal action, suit or proceeding must be paid by the corporation as they are incurred and in advance of the final disposition of the actions, suit or proceeding, upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that he is not entitled to be indemnified by the corporation. The provisions do not affect any right to advancement of expenses to which corporate personnel other than directors or officers may be entitled

otherwise, if a corporation does not so indemnify such persons, they may seek, and a court may order, indemnification under certain circumstances even if the Board of Directors or shareholders of the corporation have determined that the persons are not entitled to indemnification.

under any contract or otherwise by law.

The indemnification and advancement of expenses authorized in or ordered by a court pursuant to Nevada law does not exclude any other rights to which a person seeking indemnification or advancement of expenses may be entitled under the Articles of Incorporation or any bylaw, agreement, vote of shareholders or disinterested directors or otherwise, for either an action in his or her official capacity or an action in another capacity while holding office, except that indemnification, unless ordered by a court or for the advancement of expenses, may not be made to or on behalf of any director or officer if his or her acts or omissions involved intentional misconduct, fraud or a knowing violation of the law and were material to the cause of action. In addition, indemnification continues for a person who has ceased to be a director, officer, employee or agent and inures to the benefit of the heirs, executors and administrators of such a person.

VOTING RIGHTS WITH RESPECT TO EXTRAORDINARY CORPORATE TRANSACTIONS

Under the FBCA, a merger, consolidation or sale of all or substantially all of the assets of a corporation requires (a) approval by the Board of Directors and (b) the affirmative vote of a majority of the outstanding stock of the corporation entitled to vote thereon. The FBCA allows the Board of Directors or the Articles of Incorporation to establish a higher vote requirement.

The FBCA does not require shareholder approval from the shareholder of a surviving corporation if:

· the articles of the surviving corporation will not differ, with certain exceptions, from its articles before the merger; and

· each shareholder of the surviving corporation whose shares were outstanding immediately prior to the merger will hold the same number of shares, with identical designations, preferences, limitations and relative rights, immediately after the transaction.

Under the FBCA, a parent corporation owning at least 80 percent of the outstanding shares of each class of a subsidiary corporation may merge the subsidiary into itself, may merge itself into the subsidiary, or may merge the subsidiary into and with another subsidiary in which the parent corporation owns at least 80 percent of the outstanding shares of each class of the subsidiary without the approval of the shareholders of the parent or subsidiary. In a merger of a parent corporation into its subsidiary corporation, the approval of the shareholders of the parent corporation shall be required if the Articles of Incorporation of the surviving corporation will differ, except for amendments enumerated therein, from the Articles of Incorporation of the parent corporation

Approval of mergers and consolidations and sales, leases or exchanges of all or substantially all of the property or assets of a corporation, whether or not in the ordinary course of business, requires the affirmative vote or consent of the holders of a majority of the outstanding shares entitled to vote, except that, unless required by the Articles of Incorporation, no vote of shareholders of the corporation surviving a merger is necessary if:

(i) the merger does not amend the Articles of Incorporation of the corporation;

(ii) each outstanding share immediately prior to the merger is to be an identical share after the merger, and

(iii) either no common stock of the corporation and no securities or obligations convertible into common stock are to be issued in the merger, or the common stock to be issued in the merger, plus that initially issuable on conversion of other securities issued in the merger does not exceed 20% of the common stock of the corporation outstanding immediately before the merger.

before the merger, and the required vote shall be the greater of the vote required to approve the merger and the vote required to adopt each change to the Articles of Incorporation as if each change had been presented as an amendment to the Articles of Incorporation of the parent corporation.

RECORD DATE

Under the FBCA (1) the bylaws may fix or provide the manner of fixing the record date for one or more voting groups in order to determine the shareholders entitled to notice of a shareholders' meeting, to demand a special meeting, to vote, or to take any other action. If the bylaws do not fix or provide for fixing such a record date, the Board of Directors of the corporation may fix the record date. In no event may a record date fixed by the Board of Directors be a date preceding the date upon which the resolution fixing the record date is adopted.

(2) If not otherwise provided by or pursuant to the bylaws, the record date for determining shareholders entitled to demand a special meeting is the date the first shareholder delivers his or her demand to the corporation.

(3) If not otherwise provided by or pursuant to the bylaws and no prior action is required by the Board of Directors pursuant to this act, the record date for determining shareholders entitled to take action without a meeting is the date the first signed written consent is delivered to the corporation. If not otherwise fixed, and prior action is required by the Board of Directors, the record date for determining shareholders entitled to take action without a meeting is at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(4) If not otherwise provided by or pursuant to the bylaws, the record date for determining shareholders entitled to notice of and to vote at an annual or special shareholders' meeting is the close of business on the day before the first notice is delivered to shareholders.

Unless a period of more than 60 days or a period of less than 10 days is prescribed or fixed in the Articles of Incorporation, the directors may prescribe a period not exceeding 60 days before any meeting of the shareholders during which no transfer of stock on the books of the corporation may be made, or may fix, in advance, a record date not more than 60 or less than 10 days before the date of any such meeting as the date as of which shareholders entitled to notice of and to vote at such meetings must be determined. Only shareholders of record on that date are entitled to notice or to vote at such a meeting. If a record date is not fixed, the record date is at the close of business on the day before the day on which the first notice is given or, if notice is waived, at the close of business on the day before the meeting is held. A determination of shareholders of record entitled to notice of or to vote at a meeting of shareholders applies to an adjournment of the meeting unless the Board of Directors fixes a new record date for the adjourned meeting. The Board of Directors must fix a new record date if the meeting is adjourned to a date more than 60 days later than the date set for the original meeting.

(5) A record date may not be more than 70 days before the meeting or action requiring a determination of shareholders.

DIVIDENDS

Under the FBCA, no distribution may be made if, after giving it effect: (a) The corporation would not be able to pay its debts as they become due in the usual course of business; or (b) the corporation‘s total assets would be less than the sum of its total liabilities plus (unless the Articles of Incorporation permit otherwise) the amount that would be needed, if the corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those receiving the distribution.

A corporation is prohibited from making a distribution to its shareholders if, after giving effect to the distribution, the corporation would not be able to pay its debts as they become due in the usual course of business or the corporation’s total assets would be less than its total liabilities (plus any amounts necessary to satisfy any preferential rights).

APPRAISAL RIGHTS; DISSENTERS‘ RIGHTS

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| Under the FBCA, dissenting holders of common stock who follow prescribed statutory procedures are entitled to appraisal rights in certain circumstances, including in the case of a merger or consolidation, a sale or exchange of all of substantially all the assets of a corporation or amendments to the Articles of Incorporation that adversely affect the rights or preferences of the shareholders. These rights are not provided when the dissenting shareholders are shareholders of a corporation surviving a merger or consolidation where no vote of the shareholders is required for the merger or consolidation, or if the shares of the corporation are listed on a national securities exchange, designated as a national market system security by the Financial Industry Regulatory Authority nor held of record by more than 2,000 shareholders. | Unlike the FBCA, the NRS does not provide for dissenters’ rights in the case of a sale of assets. Like the FBCA, the NRS similarly limits dissenters rights, when the shares of the corporation are listed on a national securities exchange included in the National Market System established by the Financial Industry Regulatory Authority or are held by at least 2,000 shareholders of record, unless the shareholders are required to accept in exchange for their shares anything other than cash or (i) shares in the surviving corporation, (ii) shares in another entity that is publicly listed or held by more than 2,000 shareholders, or (iii) any combination of cash or shares in an entity described in (i) or (ii). |

SPECIAL MEETINGS OF SHAREHOLDERS

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| Under the FBCA, a special meeting of shareholders may be called by the Board of Directors or by the holders of at least 10 percent of the shares entitled to vote at the meeting, unless a greater percentage (not to exceed 50 percent) is required by the Articles of Incorporation, or by such other persons or groups as may be authorized in the Articles of Incorporation or the bylaws of the Florida corporation. | The NRS provides that a special meeting of shareholders may be called by: (i) a corporation‘s Board of Directors; (ii) any two members of the Board of Directors; or (iii) the President of the corporation, provided that the Company’s Bylaws (described above under “Significant Changes in the Company’s Charter and Bylaws to be Implemented by the Reincorporation”) provided that special meetings of the shareholders of the Company may be called by the holders of at least 30% of all shares entitled to vote at the proposed special meeting. |

DISSOLUTION

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| Under FBCA, the Board of Directors of a corporation may submit a proposal of voluntary dissolution to the shareholders. The Board of Directors must recommend dissolution to the shareholders as part of | Similarly, under Nevada law, a Board of Directors may adopt a resolution that the corporation be dissolved. The directors must recommend the dissolution proposal to the shareholders. The |

the dissolution proposal, unless the Board of Directors determines that because of a conflict of interest or other special circumstances, it should make no recommendation and communicates the basis for its determination to the shareholders. The Board of Directors may condition the dissolution proposal on any basis. The shareholders must then approve the voluntary dissolution proposal by a majority vote of all votes entitled to be cast on that proposal, unless the Articles of Incorporation, bylaws adopted by the shareholders or the Board of Directors in making the dissolution proposal require a greater vote.

Alternatively, FBCA also provides that shareholders, without any action on the part of the Board of Directors, may decide to dissolve a corporation by written consent. In this case, the action must be approved by a majority vote of all votes entitled to be cast on that proposal. Within 10 days of obtaining the written consent of the shareholders, the corporation must notify all other shareholders who did not so consent concerning the nature of the action authorized. This notice is required to be sent to shareholders regardless of whether or not they were entitled to vote on the action.

corporation must notify each shareholder entitled to vote on the dissolution proposal and the shareholders entitled to vote must approve the dissolution by a majority vote, unless the Articles of Incorporation or bylaws requires a greater percentage.

MERGER WITH SUBSIDIARY

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| The FBCA allows a merger with a subsidiary without shareholder approval if the parent owns 80% of each class of capital stock of the subsidiary and there is no material change to the Articles of Incorporation of the parent company as they existed before the merger. | Under the NRS, a parent corporation may merge with its subsidiary, without shareholder approval, where the parent corporation owns at least 90% of the outstanding shares of each class of capital stock of its subsidiary and will be the surviving entity. |

SHAREHOLDERS' CONSENT WITHOUT A MEETING

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| Under the FBCA, any action required or permitted to be taken at a meeting of shareholders may be taken without a meeting if the action is taken by holders of at least the minimum number of votes necessary to authorize the action at a meeting and these shareholders execute a written consent setting forth the action. | The NRS permits corporate action without a meeting of shareholders upon the written consent of the holders of that number of shares necessary to authorize the proposed corporate action being taken, unless the Articles of Incorporation expressly provide otherwise. |

AMENDMENT TO CHARTER

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| The FBCA requires approval by a majority of directors and by holders of a majority of the shares entitled to vote on any amendment to a Florida corporation's Articles of Incorporation. In addition, the amendment must be approved by a majority of the votes entitled to be cast on the amendment by any class or series of shares with respect to which the amendment would create dissenters' rights. A Florida corporation's Board of Directors must recommend the amendment to the shareholders, unless such Board of Directors determines that because of conflict of interest or other special circumstances it should make no recommendation and communicates the basis for its determination to the shareholders with the amendment. | Nevada law requires the approval of the holders of a majority of all outstanding shares entitled to vote to approve proposed amendments to a corporation's charter.<br><br>Nevada law does not require shareholder approval for the Board of Directors of a corporation to fix the voting powers, designation, preferences, limitations, restrictions and rights of a class of stock provided that the corporation's charter documents grant such power to its Board of Directors. The holders of the outstanding shares of a particular class are entitled to vote as a class on a proposed amendment if the amendment would alter or change the power, preferences or special rights of one or more series of any class so to affect them adversely. |

CONTROL-SHARE ACQUISITION TRANSACTIONS

The FBCA has a “control-share” acquisition statute. It is an effective anti-takeover provision because it limits the voting rights of shares owned above a threshold. It can be waived by a vote of the shareholders, without the control-shares voting.

A corporation is subject to this provision if it has 100 or more shareholders, its principal place of business, principal office, or substantial assets within Florida, and either: (i) more than 10% of its shareholders reside in Florida; (ii) more than 10% of its shares are owned by residents of Florida; or (iii) 1,000 shareholders reside in Florida. Florida enacted the act to deter and hinder takeovers of Florida corporations. The FBCA generally provides that shares acquired in a control-share acquisition will not possess any voting rights unless such voting rights are approved by a majority of the corporation’s disinterested shareholders. A control-share acquisition is an acquisition, directly or indirectly, by any person of ownership of, or the power to direct the exercise of voting power with respect to, issued and outstanding control-shares of a publicly-held Florida corporation.

Control-shares are shares, which, except for the FBCA, would have voting power that, when added to all other shares owned by a person or in respect to which such person may exercise or direct the exercise of voting power, would entitle such person, immediately after acquisition of such shares, directly or indirectly, alone or as a part of a group, to exercise or direct the exercise of voting power in the election of directors within any of the following ranges: (i) 20% or more but less than 331/3% of all voting power; (ii) 331/3% or more but less than a majority of all voting power; or (iii) a

Nevada’s “Acquisition of Controlling Interest Statute” applies to Nevada corporations that have at least 200 shareholders, with at least 100 shareholders of record being Nevada residents, and that do business directly or indirectly in Nevada.

Where applicable, the statute prohibits an acquiror from voting shares of a target company’s stock after exceeding certain threshold ownership percentages, until the acquiror provides certain information to the company and a majority of the disinterested shareholders vote to restore the voting rights of the acquiror’s shares at a meeting called at the request and expense of the acquiror. If the voting rights of such shares are restored, shareholders voting against such restoration may demand payment for the “fair value” of their shares (which is generally equal to the highest price paid in the transaction subjecting the shareholder to the statute).

The NRS also restricts a “business combination” with “interested stockholders”, unless certain conditions are met, with respect to corporations which are not listed on a national securities exchange included in the National Market System established by the Financial Industry Regulatory Authority or are held by at least 2,000 shareholders of record and a market value of at least $20,000,000, exclusive of the value of such shares held by the corporation’s subsidiaries, senior executives, directors and beneficial shareholders owning more than 10 percent of such shares.

A “business combination“ includes (a) any merger with an “interested stockholder,” or any other corporation which is or after the merger would be, an affiliate or

majority or more of all voting power.

Florida's "control share" acquisition statute does not apply to us because we do not have our principal place of business or our principal office, or have substantial assets, within the state of Florida, and we also do not meet the other requirements described above in regards to total number and/or percentage of shareholders located in Florida.

associate of the interested stockholder, (b) any sale, lease, exchange, mortgage, pledge, transfer or other disposition of assets, to an "interested stockholder," having (i) an aggregate market value equal to 5% or more of the aggregate market value of the corporation's assets; (ii) an aggregate market value equal to 5% or more of the aggregate market value of all outstanding shares of the corporation; or (iii) representing 10% or more of the earning power or net income of the corporation, (c) any issuance or transfer of shares of the corporation or its subsidiaries, to the "interested stockholder," having an aggregate market value equal to 5% or more of the aggregate market value of all the outstanding shares of the corporation, (d) the adoption of any plan or proposal for the liquidation or dissolution of the corporation proposed by the "interested stockholder," (e) certain transactions which would result in increasing the proportionate percentage of shares of the corporation owned by the "interested stockholder," or (f) the receipt of benefits, except proportionately as a shareholder, of any loans, advances or other financial benefits by an "interested stockholder."

An "interested stockholder" is a person who, together with affiliates and associates, beneficially owns (or within the prior three years, did beneficially own) 10% or more of the corporation's voting stock.

A corporation to which this statute applies may not engage in a "combination" within three years after the interested stockholder acquired its shares, unless the combination or the interested stockholder's acquisition of shares was approved by the Board of Directors before the interested stockholder acquired the shares. If this approval was not obtained, then after the three year period expires, the combination may be consummated if all applicable statutory requirements are met and either (a) (i)

the Board of Directors of the corporation approves, prior to such person becoming an “interested stockholder”, the combination or the purchase of shares by the “interested stockholder” or (ii) the combination is approved by the affirmative vote of holders of a majority of voting power not beneficially owned by the “interested stockholder” at a meeting called no earlier than three years after the date the “interested stockholder” became such or (b) (i) the aggregate amount of cash and the market value of consideration other than cash to be received by holders of common shares and holders of any other class or series of shares meets certain minimum requirements set forth in the statutes and (ii) prior to the consummation of the “combination”, except in limited circumstances, the “interested stockholder” will not have become the beneficial owner of additional voting shares of the corporation.

The Company has elected not to be governed by the “interested stockholder” combination rules of the NRS.

Regulatory Requirements

To our knowledge, the only required regulatory or governmental approval or filings necessary in connection with the consummation of the Merger are the filing of Articles of Merger with the Department of State of Florida and the filing of Articles of Merger with the Secretary of State of Nevada, provided that we are required to provide FINRA ten days advance notice of the Merger.

Securities Act Consequences

The shares of Gulf E&P to be issued in exchange for our shares of common stock are not being registered under the Securities Act of 1933, as amended (the "Securities Act"). In that respect, Gulf E&P is relying on Rule 145(a)(2) under the Securities Act, which provides that a merger which has as its sole purpose a change in the domicile of the corporation does not involve the sale of the securities for purposes of the Securities Act. After the Reincorporation Merger, Gulf E&P will be a publicly held company, its common stock will be traded on the OTCQB, and it will file with the SEC and provide to its stockholders the same type of information that we have previously filed and provided. Shareholders whose stock in the Company is freely tradable before the Reincorporation Merger will continue to have freely tradable shares of Gulf E&P. Shareholders holding restricted securities of the Company will be subject to the same restrictions on transfer as those to which their present shares of stock in the Company are subject. In summary, Gulf E&P and its stockholders will be in the same respective positions under the federal securities laws after the Reincorporation Merger as were the Company and its shareholders prior to the Merger.

Accounting Treatment

The Reincorporation Merger will be accounted for as a reverse merger under which, for accounting purposes, Gulf E&P would be considered the acquirer and would be treated as the successor to Saga Energy's historical operations. Accordingly, Saga Energy's historical financial statements would be treated as the financial statements of Gulf E&P.

APPRAISAL RIGHTS

Shareholders of Saga Energy will have appraisal rights under Florida law as a result of the Reincorporation Merger. Shareholders who oppose the Reincorporation Merger ("Dissenting Shareholders") will have the right to receive payment for the value of their shares as set forth in Sections 607.1301 through 607.1333 of the FBCA (the "Florida Dissent Provisions"). A copy of these sections is attached as Appendix B to this Information Statement. The material requirements for a shareholder to properly exercise his or her rights are summarized below. However, these provisions are very technical in nature, and the following summary is qualified in its entirety by the actual statutory provisions that should be carefully reviewed by any shareholder wishing to assert such rights.

Under Section 607.1321 of the FBCA, such appraisal rights will be available only to those shareholders who comply with the following procedures: (i) the Dissenting Shareholder must file with Saga Energy within twenty (20) days after receiving this Information Statement, written notice of the intent to demand payment for the fair value of his or her shares of Saga Energy capital stock; and (ii) the Dissenting Shareholder must refrain from voting in favor of the Reincorporation (provided that because the Company's majority shareholder has approved the Reincorporation Merger, no further vote is requested or needed).

Thereafter, the Company must deliver, no later than ten (10) days after the Effective Date, a written appraisal notice and form required by Section 607.1322 of the FBCA, to all shareholders who satisfied the requirements of Section 607.1321 (summarized above). The appraisal notice must provide for the shareholder to state: (1) the shareholder's name and address; (2) the number, classes, and series of shares as to which the shareholder asserts appraisal rights; (3) that the shareholder did not vote for the transaction; (4) whether the shareholder accepts the corporation's estimated fair value for the shares (which must be included with the appraisal notice and form as described below); and (5) if the offer is not accepted, the shareholder's estimated fair value of the shares and a demand for payment of the shareholder's estimated value plus interest. The appraisal notice and form must also state: where the form must be sent and where certificates for certificated shares must be deposited; a date by which the corporation must receive the form, which date may not be fewer than 40 nor more than 60 days after the date the appraisal notice and form are sent to Dissenting Shareholders; that the shareholder shall have waived the right to demand appraisal with respect to the shares unless the form is received by the corporation by such specified date; the date by which certificates evidencing the shares held by Dissenting Shareholder's must be deposited with the corporation; the corporation's estimate of the fair value of the shares; an offer to each shareholder who is entitled to appraisal rights to pay the corporation's estimate of fair value; that, if requested in writing, the corporation will provide to the shareholder so requesting, within ten (10) days after the date specified for return of the written appraisal notice and form, the number of shareholders who return the forms by the specified date and the total number of shares owned by them; and the date by which the notice to withdraw appraisal rights under Section 607.1323 of the FBCA must be received, which date must be within twenty (20) days after the date the corporation has set for receiving the appraisal notice and form. The form must also be accompanied by financial statements of the corporation that issued the shares to be appraised, consisting of a balance sheet as of the end of the fiscal year ending not more than 15 months prior to the date of the corporation's appraisal notice, an income statement for that year, a cash flow statement for that year, and the latest available interim financial statements, if any.

A shareholder who wishes to exercise appraisal rights must return the form by the date specified in the notice. Alternatively, a shareholder who is dissatisfied with our offer of estimated fair value as set forth in the notice must notify us of his or her estimate of the fair value of shares by the due date for the form and demand payment of that estimate plus interest. Failure to return the form and, if applicable, share certificates, or notify us of his or her estimate of fair value by the due date will cause the shareholder to waive the right to demand payment.

A shareholder may withdraw its exercise of appraisal rights by notifying us, in writing, by the date designated in the appraisal notice. A shareholder who fails to withdraw in this manner may not thereafter withdraw without our written consent.

If the Dissenting Shareholder accepts our offer for payment of the estimated fair value for the shares, payment will be made within 90 days after our receipt of the form. However, if, we and the Dissenting Shareholder are unable to agree on a fair value for the Dissenting Shareholder's shares, then we must within sixty (60) days after receiving the shareholder's demand for payment file an action in a court of competent jurisdiction in Florida requesting that the fair value of the shares be found and determined. If we fail to institute such proceedings, any Dissenting Shareholder may do so in our name.

The costs and expenses of any dissent proceeding will be determined by the court and will ordinarily be assessed against us, but costs and expenses may be assessed against all or some of the dissenting shareholders, in such amounts as the court deems equitable, to the extent the court finds such dissenting shareholders acted "arbitrarily, vexatiously or not in good faith" in demanding payment after receiving an offer of payment from us. The court may also assess the reasonable fees and expenses of counsel and experts for the respective parties, in amounts the court finds equitable:

- against us and in favor of any or all dissenting shareholders if the court finds that we did not substantially comply with the relevant

requirements of Florida law;

- against us or a dissenting shareholder, in favor of any other party, if the court finds that the party against whom the fees and expenses are assessed acted “arbitrarily, vexatiously or not in good faith” with respect to the rights provided by the Florida law; or

- If the court finds that the services of counsel for any dissenting shareholder were of substantial benefit to the other dissenting shareholders similarly situated, and that the fees for the services should not be assessed against us, the court may award such counsel reasonable fees to be paid out of the amounts awarded to dissenting shareholders who were benefited.

The foregoing discussion only summarizes certain provisions of the Florida Dissent Provisions. Saga Energy shareholders are urged to review such provisions in their entirety, which are included as Appendix B to this Information Statement. Any Saga Energy shareholder who intends to dissent from the Reincorporation Merger should review the text of the Florida Dissent Provisions carefully and also should consult with his or her attorney. Any shareholders who fail to strictly follow the procedures set forth in such statutes will forfeit appraisal rights.

IF YOU FAIL TO COMPLY STRICTLY WITH THE PROCEDURES DESCRIBED ABOVE, YOU WILL LOSE YOUR APPRAISAL RIGHTS. CONSEQUENTLY, IF YOU WISH TO EXERCISE YOUR APPRAISAL RIGHTS, WE STRONGLY URGE YOU TO CONSULT A LEGAL ADVISOR BEFORE ATTEMPTING TO EXERCISE YOUR APPRAISAL RIGHTS.

## CHANGE IN CORPORATE NAME

Immediately following the merger, Gulf E&P will be the surviving corporation, and our name shall be changed from "Saga Energy, Inc." to "Gulf E&P Company". The Company believes that the name Gulf E&P Company more adequately defines the new business of the Company following the closing of the Share Exchange Agreement entered into on January 2, 2014 with Gulf E&P Ltd, a Texas corporation ("Gulf") and its sole shareholder, K&M LLC, a Texas limited liability company beneficially owned and controlled by J. Michael Myers, who subsequently became the Chairman, Chief Executive Officer and interim President and interim Chief Financial Officer of the Company, which transaction closed on January 4, 2014. Pursuant to the Share Exchange Agreement, Saga Energy acquired 100% of the outstanding shares of common stock of Gulf (which became a wholly-owned subsidiary of Saga Energy as a result of the transaction) in consideration for an aggregate of 50,000,000 shares of the Company's Common Stock which were issued to K&M LLC. Concurrent with the closing of the Share Exchange Agreement, we changed our business focus to that of Gulf, oil and gas exploration and production. Gulf owns certain properties in the Gulf of Mexico and focuses on offshore production.

## INCREASE IN AUTHORIZED SHARES

The principal purpose for the Increase in Authorized Shares is to enhance flexibility in the event the Board determines that it is necessary or appropriate to raise additional capital through the sale of securities, to acquire other companies or their businesses or assets, to establish strategic relationships with corporate partners, to attract, retain and motivate key employees, or to prevent a takeover. Currently the Company only has a total of 900,000 shares of authorized but unissued shares of Common Stock available for future issuance. We believe that it is in our best interests to affect the Increase in Authorized Shares in order to have additional authorized but unissued shares available for issuance to meet the aforementioned business needs as they arise. The availability of such shares will provide us with the flexibility to issue Common Stock for proper corporate purposes. It is impracticable to describe the transaction(s) in which the Common Stock will be issued because we are not contemplating an issuance in the proximate future.

## PROCEDURE FOR EXCHANGE OF STOCK CERTIFICATES

The Company anticipates that the Reincorporation Merger (and consequently, the name change and Increase in Authorized Shares) will become effective on [_____], 2014, or as soon thereafter as is practicable, which we will refer to as the "effective time."

Our transfer agent, VStock Transfer, LLC, 77 Spruce Street, Suite 201, Cedarhurst, New York 11516 -Phone: (212) 828-8436 - Facsimile: (646) 536-3179, will act as exchange agent for purposes of implementing the exchange of stock certificates. We refer to such person as the "exchange agent." Holders of shares with the former corporate name are asked to surrender to the exchange agent those certificates representing the former corporate name for certificates with

the new corporate name, new CUSIP number and new state of formation. No new certificates will be issued to a shareholder until that shareholder has surrendered the shareholder's outstanding certificate(s) together with a properly completed and executed letter of transmittal (which will be available from the exchange agent following the effective time) and has complied with such other requirements as set forth in the letter of transmittal. You will not receive a new stock certificate representing your post-Reincorporation Merger/name change shares until you surrender your outstanding certificate(s) representing your pre- Reincorporation Merger/name change shares.

SHAREHOLDERS SHOULD NOT DESTROY ANY STOCK CERTIFICATE. THEY NEED TO BE EXCHANGED FOR CERTIFICATES WITH THE NEW CORPORATE NAME AND NEW CUSIP NUMBER.

## RATIFICATION OF THE COMPANY'S 2014 STOCK INCENTIVE PLAN

On February [ ], 2014, the Company's Board of Directors adopted, subject to the ratification of the shareholders, the Company's 2014 Stock Incentive Plan (the "Plan") in the form of the attached Appendix G (note that the Plan is in the name of Gulf E&P Company, the Company's name following effectiveness of the Reincorporation Merger described above, is governed by Nevada law and reflects the Company's state or organization as Nevada in contemplation of the Merger). The Plan was ratified on February [ ], 2014, pursuant to the Written Consent, by the Majority Shareholder, and will be effective twenty calendar days after this Information Statement is sent or given to our shareholders.

The following is a summary of the material features of the Plan:

What is the purpose of the Plan?

The Plan is intended to secure for the Company the benefits arising from ownership of the Company's Common Stock by the employees, officers, directors and consultants of the Company, all of whom are and will be responsible for the Company's future growth. The Plan is designed to help attract and retain for the Company, qualified personnel for positions of exceptional responsibility, to reward employees, officers, directors and consultants for their services to the Company and to motivate such individuals through added incentives to further contribute to the success of the Company.

Who is eligible to participate in the Plan?

The Plan will provide an opportunity for any employee, officer, director or consultant of the Company, subject to any limitations provided by federal or state securities laws, to receive (i) incentive stock options (to eligible employees only); (ii) nonqualified stock options; (iii) restricted stock; (iv) stock awards; (v) shares in performance of services; or (vi) any combination of the foregoing. In making such determinations, the Board of Directors (or the Compensation Committee) may take into account the nature of the services rendered by such person, his or her present and potential future contribution to the Company's success, and such other factors as the Board of Directors (or the Compensation Committee) in its discretion shall deem relevant. Incentive stock options granted under the Plan are intended to qualify as "incentive stock options" within the meaning of Section 422 of the Code. Nonqualified (non-statutory stock options) granted under the Plan are not intended to qualify as incentive stock options under the Code. See "Federal Income Tax Consequences?" below for a discussion of the principal federal income tax consequences of awards under the Plan.

No incentive stock option may be granted under the Plan to any person who, at the time of the grant, owns (or is deemed to own) stock possessing more than 10% of the total combined voting power of our Company or any affiliate of our Company, unless the exercise price is at least 110% of the fair market value of the stock subject to the option on the date of grant and the term of the option does not exceed five years from the date of grant.

Who will administer the Plan?

The Plan shall be administered by the Board of Directors of the Company and/or the Company's Compensation Committee (if the Company has such a Committee and such Committee is provided the power and authority to administer such Plan). The Board shall have the exclusive right to interpret and construe the Plan, to select the eligible persons who shall receive an award, and to act in all matters pertaining to the grant of an award and the determination and interpretation of the provisions of the related award agreement, including, without limitation, the determination of the number of shares subject to stock options and the option period(s) and option price(s) thereof, the number of shares of restricted stock or shares subject to stock awards or performance shares subject to an award, the vesting periods (if any) and the form, terms, conditions and duration of each award, and any amendment thereof consistent with the provisions of the Plan.

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How much Common Stock is subject to the Plan?

Subject to adjustment in connection with the payment of a stock dividend, a stock split or subdivision or combination of the shares of Common Stock, or a reorganization or reclassification of the Company's Common Stock, the maximum aggregate number of shares of Common Stock which may be issued pursuant to awards under the Plan is 5,000,000 shares. Such shares of Common Stock shall be made available from the authorized and unissued shares of the Company.

If shares of Common Stock subject to an option or performance award granted under the Plan expire or otherwise terminate without being exercised (or exercised in full), such shares shall become available again for grants under the Plan. If shares of restricted stock awarded under the Plan are forfeited to us or repurchased by us, the number of shares forfeited or repurchased shall again be available under the Plan. Where the exercise price of an option granted under the Plan is paid by means of the optionee's surrender of previously owned shares of Common Stock, or our withholding of shares otherwise issuable upon exercise of the option as may be permitted under the Plan, only the net number of shares issued and which remain outstanding in connection with such exercise shall be deemed "issued" and no longer available for issuance under the Plan.

How many securities have been granted pursuant to the Plan since its approval by the Board of Directors?

No shares of Common Stock, options, or other securities have been issued under the Plan since approved by the Board of Directors.

Does the Company have any present plans to grant or issue securities pursuant to the Plan?

The Company cannot determine the amounts of awards that will be granted under the Plan or the benefits of any awards to the executive officers, directors or employees who are not executive officers. Under the terms of the Plan, the number of awards to be granted is within the discretion of the Board of Directors.

The Board may issue options, shares of restricted stock or other awards under the Plan for such consideration as determined in their sole discretion, subject to applicable law.

What will be the exercise price, vesting terms and expiration date of options and awards under the Plan?

The Board, in its sole discretion, shall determine the exercise price of any Options granted under the Plan which exercise price shall be set forth in the agreement evidencing the option, provided however that at no time shall the exercise price be less than $0.001 par value per share of the Company's Common Stock following the Merger. Also, the exercise price of incentive stock options may not be less than the fair market value of the Common Stock subject to the option on the date of the grant and, in some cases (see "Who is eligible to participate in the Plan?" above), may not be less than 110% of such fair market value. The exercise price of non-statutory options also may be less than the fair market value of the Common Stock on the date of grant. The exercise price of options granted under the Plan must be paid either in cash at the time the option is exercised or, at the discretion of our Board, (i) by delivery of already-owned shares of our Common Stock, (ii) pursuant to a deferred payment arrangement, (iii) pursuant to a net exercise arrangement, or (iv) pursuant to a cashless exercise as permitted under applicable rules and regulations of the Securities and Exchange Commission.

Options and other awards granted under the Plan may be exercisable in cumulative increments, or "vest," as determined by our Board. Our Board has the power to accelerate the time as of which an option may vest or be exercised. Shares of restricted stock acquired under a restricted stock purchase or grant agreement may, but need not, be subject to forfeiture to us or other restrictions that will lapse in accordance with a vesting schedule to be determined by the Board. In the event a recipient's employment or service with our Company terminates, any or all of the shares of

Common Stock held by such recipient that have not vested as of the date of termination under the terms of the restricted stock agreement may be forfeited to our Company in accordance with such restricted stock agreement.

The expiration date of options and other awards granted under the Plan will be determined by our Board. The maximum term of options and performance shares under the Plan is ten years, except that in certain cases the maximum term is five years.

What equitable adjustments will be made in the event of certain corporate transactions?

Upon the occurrence of:

(i) the adoption of a plan of merger or consolidation of the Company with any other corporation or association as a result of which the holders of the voting capital stock of the Company as a group would receive less than 50% of the voting capital stock of the surviving or resulting corporation;

(ii) the approval by the Board of an agreement providing for the sale or transfer (other than as security for obligations of the Company) of substantially all of the assets of the Company; or

(iii) in the absence of a prior expression of approval by the Board, the acquisition of more than 20% of the Company's voting capital stock by any person within the meaning of Rule 13d-3 under the Securities Act of 1933, as amended (other than the Company or a person that directly or indirectly controls, is controlled by, or is under common control with, the Company);

and unless otherwise provided in the award agreement with respect to a particular award, all outstanding stock options shall become immediately exercisable in full, subject to any appropriate adjustments, and shall remain exercisable for the remaining option period, regardless of any provision in the related award agreement limiting the ability to exercise such stock option or any portion thereof for any length of time. All outstanding performance shares with respect to which the applicable performance period has not been completed shall be paid out as soon as practicable; and all outstanding shares of restricted stock with respect to which the restrictions have not lapsed shall be deemed vested and all such restrictions shall be deemed lapsed and the restriction period ended.

Additionally, after the merger of one or more corporations into the Company, any merger of the Company into another corporation, any consolidation of the Company and one or more corporations, or any other corporate reorganization of any form involving the Company as a party thereto and involving any exchange, conversion, adjustment or other modification of the outstanding shares of the Common Stock, each participant shall, at no additional cost, be entitled, upon any exercise of such participant's stock option, to receive, in lieu of the number of shares as to which such stock option shall then be so exercised, the number and class of shares of stock or other securities or such other property to which such participant would have been entitled to pursuant to the terms of the agreement of merger or consolidation or reorganization, if at the time of such merger or consolidation or reorganization, such participant had been a holder of record of a number of shares of Common Stock equal to the number of shares as to which such stock option shall then be so exercised.

What happens to options upon termination of employment or other relationships?

The incentive stock options shall lapse and cease to be exercisable upon the termination of service of an employee or director as defined in the Plan, or within such period following a termination of service as shall have been determined by the Board and set forth in the related award agreement; provided, further, that such period shall not exceed the period of time ending on the date three (3) months following a termination of service. Non-incentive stock options are

governed by the related award agreements.

Will adjustments be made for tax withholding?

To the extent provided by the terms of an option or other award, a participant may satisfy any federal, state or local tax withholding obligation relating to the exercise of such option, or award by a cash payment upon exercise, or in the discretion of our Board, by authorizing our Company to withhold a portion of the stock otherwise issuable to the participant, by delivering already-owned shares of our Common Stock or by a combination of these means.

Federal income tax consequences?

The following is a summary of the principal United States federal income tax consequences to the recipient and our Company with respect to participation in the Plan. This summary is not intended to be exhaustive, and does not discuss the income tax laws of any city, state or foreign jurisdiction in which a participant may reside.

Incentive Stock Options

There will be no federal income tax consequences to either us or the recipient upon the grant of an incentive stock option. Upon exercise of the option, the excess of the fair market value of the stock over the exercise price, or the "spread," will be added to the alternative minimum tax base of the recipient unless a disqualifying disposition is made in the year of exercise. A disqualifying disposition is the sale of the stock prior to the expiration of two years from the date of grant and one year from the date of exercise. If the shares of Common Stock are disposed of in a disqualifying disposition, the recipient will realize taxable ordinary income in an amount equal to the spread at the time of exercise, and we will be entitled (subject to the requirement of reasonableness, the provisions of Section 162(m) of the Code and the satisfaction of a tax reporting obligation) to a federal income tax deduction equal to such amount. If the recipient sells the shares of Common Stock after the specified periods, the gain or loss on the sale of the shares will be long-term capital gain or loss and we will not be entitled to a federal income tax deduction.

Non-statutory Stock Options and Restricted Stock Awards

Non-statutory stock options and restricted stock awards granted under the Plan generally have the following federal income tax consequences.

There are no tax consequences to the participant or us by reason of the grant. Upon acquisition of the stock, the recipient will recognize taxable ordinary income equal to the excess, if any, of the stock's fair market value on the acquisition date over the purchase price. However, to the extent the stock is subject to "a substantial risk of forfeiture" (as defined in Section 83 of the Code), the taxable event will be delayed until the forfeiture provision lapses unless the recipient elects to be taxed on receipt of the stock by making a Section 83(b) election within 30 days of receipt of the stock. If such election is not made, the recipient generally will recognize income as and when the forfeiture provision lapses, and the income recognized will be based on the fair market value of the stock on such future date. On that date, the recipient's holding period for purposes of determining the long-term or short-term nature of any capital gain or loss recognized on a subsequent disposition of the stock will begin. If a recipient makes a Section 83(b) election, the recipient will recognize ordinary income equal to the difference between the stock's fair market value and the purchase price, if any, as of the date of receipt and the holding period for purposes of characterizing as long-term or short-term any subsequent gain or loss will begin at the date of receipt.

With respect to employees, we are generally required to withhold from regular wages or supplemental wage payments an amount based on the ordinary income recognized. Subject to the requirement of reasonableness, the provisions of Section 162(m) of the Code and the satisfaction of a tax reporting obligation, we will generally be entitled to a business expense deduction equal to the taxable ordinary income realized by the participant.

Upon disposition of the stock, the recipient will recognize a capital gain or loss equal to the difference between the selling price and the sum of the amount paid for such stock plus any amount recognized as ordinary income with respect to the stock. Such gain or loss will be long-term or short-term depending on whether the stock has been held for more than one year.

Potential Limitation on Company Deductions

Section 162(m) of the Code denies a deduction to any publicly held corporation for compensation paid to certain senior executives of our Company (a "covered employee") in a taxable year to the extent that compensation to such employees exceeds $1,000,000. It is possible that compensation attributable to awards, when combined with all other types of compensation received by a covered employee from our company, may cause this limitation to be exceeded in any particular year.

Certain kinds of compensation, including qualified "performance-based compensation," are disregarded for purposes of the deduction limitation. In accordance with Treasury Regulations issued under Section 162(m), compensation attributable to stock options will qualify as performance-based compensation if the award is granted by a committee solely comprising "outside directors" and, among other things, the plan contains a per-employee limitation on the number of shares for which such awards may be granted during a specified period, the per-employee limitation is approved by the shareholders, and the exercise price of the award is no less than the fair market value of the stock on the date of grant. Awards to purchase restricted stock under the Plan will not qualify as performance-based compensation under the Treasury Regulations issued under Section 162(m).

May the Plan be modified, amended or terminated?

The Board may adopt, establish, amend and rescind such rules, regulations and procedures as it may deem appropriate for the proper administration of the Plan, make all other determinations which are, in the Board's judgment, necessary or desirable for the proper administration of the Plan, amend the Plan or a stock award as provided in Article XI of the Plan, and/or terminate or suspend the Plan as provided in Article XI. Our Board may also amend the Plan at any time, and from time to time. However, except as relates to adjustments upon changes in Common Stock, no amendment will be effective unless approved by our shareholders to the extent shareholder approval is necessary to preserve incentive stock option treatment for federal income tax purposes. Our Board may submit any other amendment to the Plan for shareholder approval if it concludes that shareholder approval is otherwise advisable.

Unless sooner terminated, the Plan will terminate ten years from the date of its adoption by our Board, i.e., in January 2024.

The description of the Plan is qualified in all respects by the actual provisions of the Plan, which is attached to this Information Statement as Appendix G.

## APPROVAL FOR OUR BOARD OF DIRECTORS TO EFFECT, IN THEIR SOLE DISCRETION AND WITHOUT FURTHER SHAREHOLDER APPROVAL, A REVERSE STOCK SPLIT OF OUR OUTSTANDING COMMON STOCK IN A RANGE OF 1-FOR-2 TO 1-FOR-10

On February [ ], 2014, pursuant to the Written Consent, the Majority Shareholder authorized our Board of Directors, in their sole discretion, without further approval or authorization of the Company's shareholders, to affect a reverse stock split of the Company's Common Stock at any time prior to February [ ], 2015, in a reverse split range of 1-for-2 to 1-for-10 (the "Reverse Split Ratio"), which specific ratio will be determined by our Board of Directors in their sole discretion (the "Reverse Split" and the "Reverse Split Authorization"), upon a determination by our Board of Directors that such a Reverse Split is in the best interests of our company and our shareholders. In lieu of any fractional share of Common Stock to which a shareholder would otherwise be entitled, the Company shall issue that number of shares of Common Stock as rounded up to the nearest whole share. The Reverse Split Authorization, also provided the Board the right, in its sole discretion, without further shareholder approval or consent, to affect the Round Lot Rounding and in the event the Round Lot Rounding is implemented, no shareholder will hold less than 100 shares, no matter how many total shares of Common Stock that they held prior to the Reverse Split. In no event will the Board of Directors authorize the Reverse Split less than twenty calendar days after this Information Statement is sent or given to our shareholders.

The proposed Reverse Split would combine a whole number of outstanding shares of our Common Stock into one (1) share of Common Stock, thus reducing the number of outstanding shares without any corresponding change in our par value or market capitalization. As a result, the number of shares of our Common Stock owned by each shareholder would be reduced in the same proportion as the reduction in the total number of shares outstanding, so that the percentage of the outstanding shares owned by each shareholder would remain unchanged.

In connection with the Reverse Split, we will also re-authorize 500,000,000 shares of Common Stock (the total number of authorized shares of Common Stock we will have following the Reincorporation Merger), $0.001 par value per share and 10,000,000 shares of preferred stock, $0.001 par value per share. The Common Stock and preferred stock will be re-authorized, to make it clear that such number of authorized shares of Common Stock and preferred stock will not be affected by the Reverse Split.

Due to the approval by our Majority Shareholder, our Board of Directors, without further shareholder approval or notice, has the authority, in its sole discretion, to determine whether or not to proceed with the Reverse Split of our issued and outstanding Common Stock in a ratio between 1-for-2 to 1-for-10 at any time prior to the one year anniversary of the Written Consent, February [ ], 2015. If the Board of Directors determines, based on factors such as prevailing market and other relevant conditions and circumstances and the trading price of our Common Stock at that time, that the Reverse Split is in our best interests and in the best interests of our shareholders, it will, in its sole discretion, affect the Reverse Split, without any further shareholder approval or notice, in a ratio between 1-for-2 to 1-for-10. Following such determination, our Board of Directors will affect the Reverse Split by directing management to file a Certificate of Amendment to our Articles of Incorporation with the Nevada Secretary of State at such time as the Board has determined is appropriate to effect the Reverse Split in a form substantially similar to the attached Appendix H. The Reverse Split will become effective at the time specified in the amendment to our Articles of Incorporation after its filing with the Nevada Secretary of State, which we refer to as the "Effective Time". The text of the proposed amendment to our Articles of Incorporation is subject to modification to include such changes as may be required by the office of the Nevada Secretary of State or as our Board of Directors deems necessary and advisable to affect the Reverse Split, provided that in no case may the Reverse Stock Ratio be other than in a ratio of between 1-for-2 to 1-for-10.

Our Board of Directors reserves the right, even after approval by our Majority Shareholder, to forego or postpone the filing of the Certificate of Amendment to our Articles of Incorporation in connection with the Reverse Split, if it

determines such action is not in our best interests or the best interests of our shareholders. If the Reverse Split is not implemented by our Board of Directors and effected by the one year anniversary of the Written Consent, February [ ], 2015, the Reverse Split will be deemed abandoned, without any further effect. In this case, our Board of Directors may seek shareholder approval again, at a future date, for a reverse stock split if it deems a reverse stock split to be advisable at that time, but will in any case take no further action in connection with the current proposed Reverse Split, without further shareholder approval.

What Will The Purpose Of The Reverse Split Be?

The Board of Directors believes that reducing the number of outstanding shares of the Company's Common Stock may increase the per share trading value of the Company's Common Stock and position the Company more favorably for (a) uplisting to a national securities exchange such as NASDAQ or the NYSE MKT, which we believe would increase liquidity and unlock additional value for shareholders, assuming the listing requirements for such exchange(s) are met in the future; (b) future equity financings; and/or (c) an acquisition or development of an operating company or assets for the Company's future development and growth. The Board also believes that by having the shareholders approve the Board's right to affect a Reverse Split in the range of 1-for-2 to 1-for-10, without further shareholder approval in the future, it will give the Board enhanced flexibility moving forward to affect such Reverse Split based on several factors, including the trading value of the Company's Common Stock and the current market conditions at the time the Board approves such Reverse Split, if ever.

In addition to the above, our Board will consider that as a matter of policy, many institutional investors are prohibited from purchasing stocks below certain minimum price levels or stocks that have a limited number of shares available to trade. For the same reason, brokers may be reluctant to recommend lower-priced or low liquidity stocks to their clients, or may discourage their clients from purchasing such stocks. Other investors may be dissuaded from purchasing lower-priced stocks because the commissions, as a percentage of the total transaction, tend to be higher for such stocks. The combination of lower transaction costs and increased interest from investors could also have the effect of increasing the liquidity of our Common Stock. The Reverse Split, if implemented, may increase the per share trading value of our Common Stock.

The Board does not intend for the Reverse Split to be the first step in a series of plans or proposals of a "going private transaction" within the meaning of Rule 13e-3 of the Exchange Act. If the Board ultimately determines to affect the Reverse Split, no action on the part of the stockholders is required. The Board may determine to delay any split or determine not to affect any split at all.

The actual number of shares issued after giving effect to a forward or reverse split, if implemented, will depend on the stock split ratio that is ultimately determined by our Board of Directors.

We currently have no plans, proposals or arrangements, written or otherwise, regarding the issuance of the shares of Common Stock which will be authorized but unissued after the consummation of the Reverse Split.

How Will A Reverse Split Affect My Rights?

The completion of the Reverse Split will not affect any shareholder's proportionate equity interest in our Company and will affect all Common Stockholders uniformly, except in connection with the Round Lot Rounding, discussed below, and except for the effect of rounding up fractional shares to a nearest whole share. For example, notwithstanding the Round Lot Rounding, a shareholder who owns a number of shares that prior to the Reverse Split represented one percent (1%) of the outstanding shares of the Company would continue to own one percent (1%) of our outstanding shares after the Reverse Split. However, the Reverse Split will have the effect of increasing the number of shares available for future issuance because of the reduction in the number of shares that will be outstanding after giving effect to the Reverse Split and because the amendment will also re-authorize 500,000,000 shares of Common Stock, $0.001 par value per share and 10,000,000 shares of preferred stock, $0.001 par value per share.

The Board has the right, in its sole discretion, without further shareholder approval or consent, to round each stockholder's total shares up to a minimum of 100 shares, also called a "round lot" (the "Round Lot Rounding"). As a result, in the event the Round Lot Rounding is implemented, no shareholder will hold less than 100 shares, no matter how many total shares of Common Stock that they held prior to the Reverse Split. For example, if a shareholder owns 102 shares of Common Stock, prior to a 1 for 2 Reverse Split, that shareholder will own 100 shares of Common Stock, not 51 shares (102 divided by 2), after the Reverse Split if Round Lot Rounding is implemented. The issuance of shares of Common Stock in connection with the Round Lot Rounding will disproportionately benefit shareholders who hold less than 100 shares after the Reverse Split (who will have their percentage ownership in the Company increase slightly due to the rounding of their ownership up to 100 minimum shares), and shareholders holding more than 100 shares after the Reverse Split, whose holdings will not be affected by the Round Lot Rounding will have their percentage ownership in the Company diluted by the issuance of additional shares of Common Stock in connection with the Round Lot Rounding.

Also, because the Reverse Split will result in fewer shares of our Common Stock outstanding, the per share income/(loss), per share book value and other "per share" calculations in our quarterly and annual financial statements will be increased proportionately with the Reverse Split.

What Are Some Of The Potential Disadvantages Of The Reverse Split?

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| Reduced Market Capitalization. | While we expect that the reduction in our outstanding shares of Common Stock will increase the market price of our Common Stock, we cannot assure you that the Reverse Split will increase the market price of our Common Stock by a factor equal to the Reverse Split itself (from between 2 and 10 times, depending on what ratio of Reverse Split our Board believes is in our best interests), or that such Reverse Split will result in any permanent increase in the market price of our Common Stock, which can be dependent upon many factors, including our business and financial performance and prospects. Should the market price of our Common Stock decline after the Reverse Split, the percentage decline may be greater, due to the smaller number of shares outstanding, than it would have been prior to the Reverse Split. In some cases the stock price of companies that have affected Reverse Splits has subsequently declined back to pre-reverse split levels. Accordingly, we cannot assure you that the market price of our Common Stock immediately after the effective date of the Reverse Split will be maintained for any period of time or that the ratio of post- and pre-split shares will remain the same after the Reverse Split is effected, or that the Reverse Split will not have an adverse effect on our stock price due to the reduced number of shares outstanding thereafter. Furthermore, a Reverse Split is often viewed negatively by the market and, consequently, can lead to a decrease in our overall market capitalization. If the per share price does not increase proportionately as a result of the Reverse Split, then our overall market capitalization will be reduced. |

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| Increased Transaction Costs; Round Lot Rounding. | The number of shares held by each individual stockholder will be reduced if the Reverse Split is implemented. In the event the Round Lot Rounding is not implemented, this will increase the number of stockholders who hold less than a “round lot”, or 100 shares. Typically, the transaction costs to stockholders selling “odd lots” are higher on a per share basis. Consequently, the Reverse Split could increase the transaction costs to existing stockholders in the event they wish to sell all or a portion of their shares and the Round Lot Rounding is not implemented with the Reverse Split. |

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| Possible Dilution | The issuance of shares of Common Stock in connection with the Round Lot Rounding will disproportionately benefit shareholders who hold less than 100 shares after the Reverse Split (who will have their percentage ownership in the Company increase slightly due to the rounding of their ownership up to 100 minimum shares), and shareholders holding more than 100 shares after the Reverse Split, whose holdings will not be affected by the Round Lot Rounding will have their percentage ownership in the Company diluted by the issuance of additional shares of Common Stock in connection with the Round Lot Rounding. |
| Liquidity. | Although our Board of Directors believes that the decrease in the number of shares of our Common Stock outstanding as a consequence of the Reverse Split and the anticipated resulting increase in the price of our Common Stock could encourage interest in our Common Stock and possibly promote greater liquidity for our shareholders, such liquidity could also be adversely affected by the reduced number of shares outstanding after the Reverse Split. |