

SHAKESPEARE OIL COMPANY, INC. SALEM, ILLINOIS

Shakespeare Oil Company, Inc., was formed in 1950 by J. A. McCarty, Harry C. Temple, and John W. Shakespeare. The company engages in the purchase of oil and gas production properties, the further development thereof by waterflooding, and the drilling and exploration for oil and gas.

Before the formation of the company, J. A. McCarty, a petroleum engineer, and Harry C. Temple, a lawyer, were employed by Ashland Oil and Refinery Company. McCarty was Production Superintendent in charge of all of Ashland's oil and gas production in Illinois, Indiana and Kentucky, and Temple was manager of the Central Pipeline Division, located in Salem, Illinois.

In 1950, McCarty and Temple decided to start their own company. Since neither had sufficient funds to do this, Temple contacted John Shakespeare, son of the president of the fishing tackle company, Shakespeare Company of Kalamazoo, Michigan. Temple had met John while Temple was employed with central Pipeline Company. They had done business together and from time to time had fished together.

When John was approached about forming the company, he agreed to join and to finance the company for a period of one to two years until the company could carry its own overhead. The company was to be owned 1/3 by each of the parties, and properties purchased were to be financed by bank loans, with John loaning the company the necessary down payments.

The company was formed in June 1950 with a capital of \$1,000.00. So that they could start from scratch, John loaned McCarty and Temple \$333.33 each for their share of the initial capital of Shakespeare Oil Company.

The first office was located at 206-A West Main Street, Salem, Illinois, moving to 202-A West Main Street in Salem in 1972 when the children of J. A. McCarty and Harry C. Temple acquired the building located there.

By 1960, John Shakespeare had developed various other pursuits, so his interest in the Company and in the leases was bought by McCarty and Temple.

J. A. McCarty, who was in charge of all of the exploration and production operations of the Company, died in 1974. All of his interest in the Company was bought by Temple.

Shakespeare Oil Company now operates approximately 250 oil and/or gas wells and participates as non-operator in approximately 100 additional wells located in 13 states.

In 1968, Shakespeare diversified into the aggregate business, purchasing Covington Stone Company at Covington, Illinois, and later acquiring Iola Quarry, in Iola, Illinois, both limestone producers, and also Athens Quarry in Athens, Illinois. It leased land at Tuscola, Illinois and started Tuscola Stone Company. It no longer owns an interest in the Tuscola or Athens quarries.

Covington Stone Company (now a wholly owned subsidiary of Shakespeare) bought the Munie Gravel Pit at

Keyesport, Illinois, and when that quarry's reserves were depleted they opened and developed a new quarry located just west of the Keyesport turnoff on IL 127 north of Carlyle, Illinois, called Keyesport Sand and Gravel.

Shakespeare, through its subsidiary, Covington Stone, also owns and operates a limestone quarry in Alabama, the Fort Payne Quarry which mines limestone from Lookout Mountain. The Brush Creek Quarry in Shelby County, Illinois, was opened in 1995 through its subsidiary, Iola Quarry, Inc.

All of these quarries and many of the oil and gas properties have key employees as partners.

Shakespeare has been blessed with what we believe to be an exceptionally talented group of people. For this historical record, we list them with their positions, as follows: J. Edward Barger - Area Supervisor; Ann Beavin - Executive Secretary and Lease Records Administrator; Bill Cash - Accountant, Secretary and Assistant Treasurer of Shakespeare; Karen Charlton - Accounting Clerk; Tony J. DiPrimo - Petroleum Engineer and President; Joe Gillespie - General Superintendent of Quarries, President of Iola and Covington; Leymone Hardcastle - Vice President, Treasurer and Controller of Shakespeare, Vice President and Assistant Secretary of Covington, Vice President, Assistant Secretary and Assistant Treasurer of Iola; Dale Helpingstine - Geologist; Bryan Hood - Assistant to the Chairman and Vice President of Shakespeare, Iola and Covington; James Koerkenmeier - Production Foreman of Keyesport; Ross Luther - Production Foreman of Fort Payne; Beth Mensen - Production Clerk; Bill Mercer - Assistant Operations Coordinator; Danny Neaville - Roustabout; Harry C. Temple - Chairman of the Board of Shakespeare, Secretary and Treasurer of Iola and Covington, Chairman and Assistant Secretary of T & T Oil Company; Janis Temple - President of T & T Oil Company, Becky Weber - CPL/Land Manager, Assistant Secretary of Shakespeare, and Vice President of Iola and Covington; Don Williams - Petroleum Engineer and Production Manager; Gary Frank - Roustabout.

Shakespeare Oil Company, Inc. from its beginning has been most fortunate to receive the support and participation in its many ventures by the following, whom I would like to acknowledge:

1. John Hassler of Mohawk Drilling Company who introduced me to Charles Scott of Central Pipe Line Company and thus was responsible for my switch from general law practice to a business career.
2. F. R. Newman and W. W. Vandever, co-owners of Allied Oil Company, parent company of Central Pipe Line Company.
3. James A. Weeks, attorney with Thompson, Hine & Flory, Cleveland, Ohio, and attorney for Allied Oil Company.
4. Charles Weeks and Mary Weeks Goodwin, son and daughter of James A. Weeks, loyal supporters and participants since the inception of the Company to the present.

5. J. V. Boxell, former President of Calvert Drilling Producing Company, (later known as Bomac Co., and later merged with W. R. Grace Corp.) Now J. V. Boxell operates as Boxell Company, and we have been privileged to be associated with him since our beginning in June, 1950, to the present.

6. Howard Brockman, who operates as Brockman Oil Company, Stuart, Florida, has been a partner since our beginning and still participates in the majority of our deals.

7. Worth Loomis and Walt Spear (deceased), both formerly with Medusa Corp., and Bob Fort, President of Medusa, through whom we participated in many deals in Ohio, Michigan, Colorado and Kansas. Worth Loomis is still associated with us.

8. Walter Temple, former stock owner of Shakespeare, who helped us particularly in unraveling our connection with Medusa after they were acquired by Crane Company and in the acquisition of their interest in all properties in which we were jointly involved. He was also responsible for the substantial sale of certain of our Colorado oil and gas leases to Amoco, resulting in a substantial profit at a time when we needed it.

9. Charles Scott, Vice President of Central Pipe Line Company, who taught this lawyer many things and used to express it, "Harry, I pay you to help me make deals, not keep me from it", or "Harry, you make money with your friends, not your enemies."

10. Keith Walker, petroleum engineer and mining engineer, and Joe Gillespie, who got us into the quarry business - producing aggregates, sand and gravel and limestone.

11. John Shakespeare, who was a good partner and did everything he said he would do. He was a man of his word.

12. J. A. McCarty, who was an exceptionally well-qualified engineer, a graduate of the Colorado School of Mines (Valedictorian of his class), and a Colonel in the Army Reserves. One of his first jobs in the Army had been the building of the Alaskan highway. In Europe during World War II, he was a combat engineer. We miss him.

Without the help, support and participation of all of the above people, companies and others, we would not be where we are today. We thank you all.

We are blessed with an exceptionally well-qualified and experienced group of employees, including a grandson who is learning the business (Bryan Temple Hood), and three daughters, Harriet T. Hood, Sally Jane Berg, and Janis Ann Temple, stockholders, who will see that he does.

With the prospect of 3-D seismic improving the drilling odds and with the base that we've established, we look forward to more rapid growth in the future.


HARRY C. TEMPLE
Chairman of the Board
Shakespeare Oil Company, Inc.



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