

Gulf Coast Western Helps Protect Oil and Gas Investors from Fraud, Scams

DALLAS – In today's tough economic climate, investors are rightly concerned about the safety and security of their investments. As the Managing Venturer for oil and gas partnerships throughout the Gulf Coast region and southwest, Dallas-based Gulf Coast Western recognizes those concerns and complaints, and has taken definite steps to help potential investor partners make smart decisions with their money.

"Education and awareness are always an investor's first line of defense against potential fraud," says Matthew H. Fleeger, President and CEO of Gulf Coast Western. "We work hard to make sure our partners understand the risks and benefits of investing in oil and gas exploration."

In the joint ventures sponsored by Gulf Coast Western, individual investor partners maintain an active role in the management decisions of their partnerships, which permits them to use federal tax benefits associated with the domestic exploration for oil and gas.

Gulf Coast Western provides investors with suggestions on how to avoid scams and recognize potential investment fraud, including the addition of a Due Diligence section to the company's website (<http://www.gulfcoastwestern.com>). The site provides information from the U.S. Securities and Exchange Commission to help deter fraud and answer common investor complaints. Although the company doesn't offer or sell securities, they still believe the SEC recommendations are strong, common sense guidelines for any potential oil and gas investor.

In addition to helping educate potential investor partners, Gulf Coast Western goes to great lengths to help protect its joint venture partners. The company is even willing to take government agencies to court, as it did late last year when it countersued the Colorado Division of Securities to help protect its joint venture partners.

In the 2009 case *Fred J. Joseph, Securities Commissioner for the State of Colorado v. Gulf Coast Western, et al.*, No. 09CV7181, the state's regulators alleged that the oil and gas joint venture interests were securities, which would have substantial negative tax implications for investor partners. Colorado regulators made virtually identical claims in 2002 against HEI Resources, Inc, formerly Heartland Energy, Inc., a company whose assets were acquired by Gulf Coast Western in 2008. The state lost that case after the Colorado Securities Board found that regulators failed to prove that the joint venture interests sold by the company were securities.

In an effort to protect its investor partners, Gulf Coast Western filed the August 2009 countersuit in Colorado seeking a definitive ruling that its joint ventures are not securities.

"Recent headlines of financial fraud and investment scams are no doubt worrisome, but overzealous regulators too often make knee jerk decisions leading to attacks on innocent investments," says Mr. Fleeger. "We do everything we can to protect our joint venture partners, so that the tax benefits associated with oil and gas exploration are not jeopardized by attacks on legitimate companies, partnerships and long standing legal precedent."

About Us:

Gulf Coast Western was founded in 1970 for the purpose of exploring, developing and acquiring domestic oil and gas reserves, primarily in the Gulf Coast region of the United States. Historically, operations have focused on that area with some activity in Kansas and Oklahoma. With a new generation of leadership and dynamic strategic partners, Gulf Coast Western also is capitalizing on opportunities in other areas of the southwest in addition to core exploration and lease acquisition activities in the oil and gas rich Gulf Coast region, where the company has access to thousands of acres to be developed in the coming years. To learn more, visit the company's Web site at <http://www.gulfcoastwestern.com>.

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