

**ASSIGNMENT AND ASSUMPTION AGREEMENT**

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT ("Agreement") is made and entered into this the 4 day of August, 2004, by and between STEAMPORT LLC, a Kentucky limited liability company, 12410 Hanson Road, Slaughters, Kentucky 42456 ("Assignor"), and ALLIED RESOURCES, INC., a Kentucky corporation, 12410 Hanson Road-Suite B, Slaughters, Kentucky 42456 ("Assignee");

**WHEREAS:**

(1) Assignor entered into an Agreement for Electric Service with Kenergy Corp. on October 14, 2003, with a service address at Highway 370, Onton, Kentucky;

(2) Said Agreement for Electric Service was accepted as a special contract by the Kentucky Public Service Commission in Filing No. C-64-1377.

(3) Assignor now desires to assign its rights and obligations under said Agreement for Electric Service to Assignee;

NOW, therefore, the premises considered and for valuable consideration, including the mutual promises and covenants of the Assignor and Assignee, IT IS AGREED as follows:

1. Assignor hereby transfers and assigns to Assignee all of Assignor's rights and obligations under the aforementioned Agreement for Electric Service with Kenergy Corp. dated October 14, 2003. This assignment shall be effective as of September 1, 2004, provided that it shall not become effective unless approved or accepted in writing by the Kentucky Public Service Commission.

2. Assignee accepts such assignment and assumes all obligations of Assignor thereunder.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE  
9/1/2004  
PURSUANT TO 807 KAR 5:011  
SECTION 9 (1)

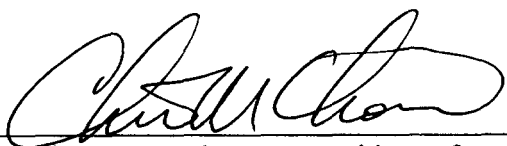
By   
Executive Director

3. This Agreement shall inure to the benefit of and be binding upon the Assignor, Assignee and respective successors and permitted assigns.

IN TESTIMONY WHEREOF, witness the hands of the parties hereto this the day and date first above written.


ASSIGNOR:

STEAMPORT LLC

By   
Chester M. Thomas, President of  
Milpat Financial, Inc., Manager

ASSIGNEE:

ALLIED RESOURCES, INC.

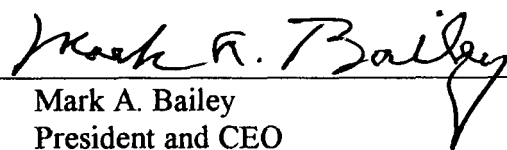
By   
Chester M. Thomas, President

CONSENT

KENERGY CORP. hereby consents to the foregoing assignment and assumption and releases Steamport LLC from all obligations under the Electric Service Agreement dated October 14, 2003.

This 4<sup>th</sup> day of August, 2004.

KENERGY CORP.

By   
Mark A. Bailey  
President and CEO

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