

Silverhawk Capital Partners Invests in Paloma Resources

August 18th, 2006 – Silverhawk Capital Partners (“Silverhawk”), a private investment firm based in Greenwich, Connecticut today announced that it has invested in Paloma Resources (“Paloma”), through Paloma Partners I, LLC, a newly formed oil & gas exploration and production company.

As part of the transaction, Silverhawk and Macquarie Bank (“Macquarie”) invested with management to fund expansion opportunities, acquisition of leases, drilling and production. Detailed financial terms of this transaction were not disclosed.

Paloma is focused on exploration, exploitation, acquisition, and production of oil and gas reserves. Paloma's focus areas are; (i) The Lobo / Expanded Wilcox trend in Webb and Zapata Counties, TX, (ii) The Gulf of Mexico Shelf, (iii) The Barnett Shale trend in North Texas, and (iv) various other areas within the Tertiary section of the Texas and Louisiana Gulf Coast. The company's owners have an extensive and successful track record of creating value for its stakeholders.

The Silverhawk principals previously invested successfully with Paloma Co-Founder & President Chris O’Sullivan in San Juan Partners. San Juan Partners was an oil and gas production company formed in 1998 to develop gas wells in the Northeast Blanco Unit of the San Juan Basin in New Mexico. In 1999, San Juan Partners was sold to Dominion Resources generating an attractive return for its investors.

“We are excited to partner again with the Silverhawk team. We have had great success with them in the past, and look forward to another great chapter with both Silverhawk and Macquarie.” says Paloma’s Co-Founder & President Chris O’Sullivan.

Paloma is based in Houston, Texas, and is led by Chris O’Sullivan, John Hastings (Vice-President of Exploration), and John Whiting (Vice-President of Operations).

About Silverhawk Capital Partners Silverhawk Capital Partners is an independent investment firm established in 2005 to investment in middle market transactions in the Growth Industrial, Energy/Natural Resources and Business Services sectors. Silverhawk typically invests between \$10 million and \$50 million of equity capital in growth oriented businesses with revenues typically ranging from \$25 million to \$250 million. Silverhawk currently manages \$150 million as the result of an initial close on its debut fund. Silverhawk expects capital under management for Fund I to be approximately \$200 million. Silverhawk has offices in Greenwich, Connecticut and Charlotte, North Carolina.

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