

## LETTER OF INTENT

### General

This Letter of Intent shall serve as written documentation that ENGlobal Construction Resources (ECR) and Salahdeen Investment Holding Company, herein collectively referred to as "parties" wish to enter into a mutually agreeable contract for the services as defined below. More specifically the parties wish to commence negotiating a definitive written contract to perform Engineering, Procurement, and Construction of two 12,000 Barrel Per Day Modular Refineries, herein referred to as Project, for Salahdeen Investment Holding Company, to be located in Kurdistan.

### Notice to Proceed

By signing below, Salahdeen Investment Holding Company is hereby authorizing ECR to begin work on said Project. ECR will in turn mobilize a project team and begin work immediately, thus incurring expenses. ECR will begin work on September 4, 2007.

### Payment

Salahdeen Investment Holding Company shall be responsible for paying ECR all expenses incurred in the execution of said work. Costs shall be reimbursed in accordance with the Proposal submitted on August 17, 2007. Payment for said work will be paid by wire transfer, 30 days in advance of incurring said costs. Monthly costs shall be estimated by ECR for the forthcoming monthly activities. Reconciliation of costs shall be made at the closing of each month.

ECR will begin work immediately after receipt of first wire transfer and will continue working concurrently with each additional wire transfer. ECR will cease work immediately in the event that a wire transfer is not completed.

Initial down payment expenditures have been estimated at \$25,000,000. This initial down payment covers expenditures to complete Class A Engineering Package, all Technology fees and License fees, and all associated labor and equipment costs. A wire transfer in this amount shall be made to: ENGlobal Construction Resources, Inc.

Comerica Bank, 1508 W. Mockingbird Lane, Dallas, Tx 75235

ABA/Routing Number: 111000753

Account Name: ENGlobal Corporation

Account Number: 1880982176

Swift Code: MNBDUS33

ACH Format: CTX

RE: Salahdeen Investment Holding Company Project

The first wire transfer shall be received no later than August 31, 2007 for work to commence as scheduled.

### Services

Services included in this agreement are as follows:

- Engineering – to include all Process and detail Engineering, as well as all Management and all other support and support facilities and supplies required for the Project.
- Procurement – to include the Procurement of all permanent equipment and bulk materials required for the Project as well as all Subcontract services required

- Construction – to include all Construction supervision, labor, supplies, consumables, materials, construction equipment, temporary facilities, and all other items required for the Construction of the Project
- Commissioning and Startup – to include all supervision, labor, supplies, consumables, materials, construction equipment, temporary facilities, and all other items required for the Commissioning and Startup of the Project

### **Confidentiality**

Neither Party will release, publish, reveal or disclose, directly or intently, any business or technical information (or both) of the other Party that is made available by the other Party in connection with the discussions contemplated by this Letter of Intent, including, but not limited to, computer programs, know-how, designs, inventions, new products, marketing and advertising methods, supplier agreements, customer lists, pricing policies, financial information, employee information, strategies or other information related to its business or its customers (all of the foregoing referred to as “Evaluation Material”) except to such Party’s directors, officers, employees, financial advisors, legal counsel, independent public accountants or other agents, advisors or representatives as will require access thereto on a need-to-know basis for the purpose of any discussion or negotiation that may occur between ECR and Salahdeen Investment Holding Company and who agree to be bound by the terms of this paragraph, (ii) as may be required by applicable law or by a governmental authority or regulatory agency, (the disclosing Party agreeing to give notice by telephone or facsimile to the other Party and, where practicable, the opportunity to comment on such disclosure), and (iii) with the prior written consent of the other Party and then only to the extent specified in such consent, except Jefferson Refining may use this information to pursue financing for the resulting project without violating the terms of this agreement.

Each Party agrees to take all reasonable precautions to safeguard the confidentiality of the Evaluation Material provided by the other Party. Neither Party will make, or permit to be made, except in discussions of the negotiations contemplated hereby, any copies, abstracts, or summaries of the Evaluation Material. In addition, all such Evaluation Material will be used solely for the purpose of evaluation and negotiating the Transaction and will not be otherwise used to the detriment of the other Party.

The restrictions on disclosure of information contained in this Agreement will not extend to any item of information that (i) is publicly known at the time of its disclosure, (ii) is lawfully received from a third party not bound in a confidential relationship to the other Party and which is entitled to disclose such information, (iii) is published or otherwise made known to the public by the disclosing Party, or (iv) can be shown to have been developed independently by the receiving Party without reference to any Evaluation Material. Upon written request, the Parties will return all writings, documents and materials containing Evaluation Material with a letter confirming that the Evaluation Material has in no way been reproduced or copied or that all copies and derivative works have been destroyed. Each Party understands that the other Party will not have an adequate remedy at law for a breach or threatened breach by such Party of the terms of this paragraph. Each company therefore agrees that if there is any such breach, or threatened breach, the other Party may, in addition to any other legal or equitable remedies available to it, obtain an injunction or restraining order to enjoin such Party from the breach or threatened breach of this paragraph.

### **Miscellaneous**

This Agreement is for the benefit of the Parties hereto, and will be governed by and construed in accordance with the laws of the State of Texas applicable to contracts made and to be performed entirely within Texas. This Agreement will be in effect for a period of 90 days or until a mutually agreeable contract is executed .

### **Liability**

Except for breach by a withdrawing Party or its parent, affiliates or subsidiary companies of the prohibition as mentioned above against further participation in the Services, the breach by a Party of its obligations of confidentiality, or the gross negligence or willful misconduct of the senior management of one of the Parties, or non payment of funds by Salahdeen Investment Holding Company, it is agreed that neither Party will bring a claim against the other Party in connection with this Letter of Intent or the activities contemplated herein.

In no event shall any Party be liable to the other Party, in contract, tort (including negligence), strict liability, warranty or otherwise, for any special, indirect, incidental or consequential loss, damage, or any loss of anticipated profits or revenue, loss of contracts, loss of sales, cost of capital, or loss of business opportunity, howsoever arising out of or in connection with this Letter of Intent.

The releases, apportionments and limitations on liability set forth in this Letter of Intent shall extend to such Party's affiliated companies and to their respective officers, directors, employees and agents. The releases apportionments and limitations on liability shall survive termination of this Letter of Intent..

### **Termination**

In the event, after 90 days, the parties cannot reach a mutually agreeable contract agreement, either party may terminate this agreement by giving 30 days written notice.

Very truly yours,

**ENGlobal Construction Resources**

**By:** ~~~~~

**Name: Ronald W Winthrop**

**Title: President**

Duly executed and agreed as to the Binding Provisions on August 17, 2007.

Salahdeen Investment Holding Company:

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:**