

## Form 8-K for NEW CENTURY ENERGY CORP.

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17-Apr-2006

### Entry into a Material Definitive Agreement

#### ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

On April 13, 2006, New Century Energy Corp. (the "Company," "we," "us") entered into a term sheet with Laurus Master Fund ("Laurus") regarding the sale of a \$40,000,000 secured term note with a forty-two month term. Pursuant to the term sheet, we and Laurus will form a joint venture company, which will purchase certain oil and gas properties through a to-be formed wholly owned subsidiary. Pursuant to the term sheet, Laurus will receive an option to purchase a 49% interest in the joint venture. Laurus will receive 80% of the net production revenue generated by the joint venture, and we will receive 20% of such revenues, until such time as the secured term note is repaid by us, or the maturity of the note, at which time the proceeds from the joint venture will be distributed to the then shareholders. It is anticipated that approximately \$33,000,000 of the amount received from the secured term note will be used by the joint venture to purchase oil and gas interests, \$1,400,000 will be paid to Laurus as a closing fee, \$125,000 will be paid to Laurus in legal and closing fees, and \$5,475,000 will be used by us for future drilling costs. The transaction will close upon the completion of due diligence by Laurus, which is expected by May 2006. The \$40,000,000 secured term note will bear interest at the Wall Street Prime Rate, plus 2%, subject to an 8% floor, per annum, and will be due forty-two months from the date of the closing of the funding transaction. We paid Laurus a \$25,000 non-refundable deposit in connection with Laurus' due diligence and the review and approval of the term sheet by the Laurus' investment committee.