Paul Wan & Co
Public Accountants And
Chartered Accountants of Singapore

28th November 2017

The Report is prepared on behalf of Silver Wave Energy E&P Inc. in relation to the exploration and production rights over 1 full block of 3620B, 4 partial blocks of 3620A, 3519B, 3519D and 3619B (collectively the "blocks") which were assigned by its holding company, Silver Wave Energy Pte Ltd the legal owner of the blocks.

The research information, technical reports, valuation reports and data relating to the blocks and the surrounding environment are collated and independently assessed by JGI, Inc.

The cash flow forecast is based on key assumptions set out on page 23 & Appendix D in which management is solely responsible for these assumptions and in their opinion is the best judgement forecast of the exploration and production schedule.

Paul Wan & Co.

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Public Accountants and
Chartered Accountants

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1. MANDATE

Silver Wave Energy E&P Inc.(referred to as "SWE E&P") with its registered office at Elizabeth Height, Cairnhill Road, #04-12, Singapore 229668 will be extending a initial coin offering for total consideration of US$500 million for financing the exploration and development of well drilling at the five blocks of 6,719sq.km situated in the Western Bredasdorp Basin which is located in the South Coast region of offshore South Africa. The coins are secured on the exploration right (ER12/3/277) over 1 full block of 3620B, 4 partial blocks of 3620A, 3519B, 3519D and 3619B.

2. SCOPE OF WORK

Our scope of work and procedures will be guided by the Singapore Standard on Related Services SSRS 4400 "Engagements to Perform Agreed-upon Procedures Regarding Financial Information".

2.1 RESTRICTION ON USED OF REPORT

It is understood that this report is solely for the information of Silver Wave Energy E&P Inc. This report, or portions thereof, should not be referred or distributed to any other person or entity. It is no to be referred to or quoted, in whole or in part, in any other agreement or document without our prior written approval, which may require that we perform additional work.

3. REVIEW

3.1 BACKGROUND INFORMATION

3.1.1 The Company

Silver Wave Energy E&P Inc.("SWE E&P") is a wholly owned subsidiary of Silver Wave Energy Pte. Ltd. ("SWE"). SWE was established in Singapore and registered on 25th May 2015 with registration No 200604956E, Elizabeth Height, Cairnhill Road, #04-12, Singapore 229668. The main purpose of SWE is to enter the Petroleum Exploration and Production (E&P) business inside Myanmar and foreign countries both onshore and offshore areas.

During the year 2006 and 2011, SWE entered the exploration and production business in Myanmar Rakhine offshore block A-7 and onshore block B-2 in remote area of Chindwin Basin, upper Myanmar. SWE signed Production sharing Contract (PSC) with Myanmar Oil and Gas Enterprise (MOGE), Ministry of Energy on 6th December 2006 for Offshore Block A-7 and on 15th March 2007 for Land Block B-2 respectively. In year 2008, SWE decided not to enter Exploration in block A-7 due no potential prospects were found after one year study period time. According to the PSC contract for Block B-2 work program and budget commitment SWE could acquire adequate 2D seismic lines (80 KM) and drill three medium wells with depth of 2000 M and five shallow wells with maximum depth of 300 M. In view no commercial oil and gas shows were found in the above drilling wells, the block B-2 was relinquished on 9th September 2011.

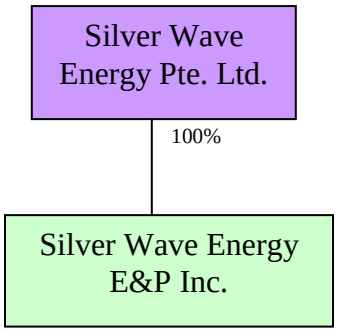
Later Brilliant Oil Corporation (Sister Co; of SWE) signed the PSC contract with MOGE for offshore blocks A5, A7, M15 and M16 on 20th January 2011. But the blocks were relinquished after study period due deep prospects were found below 2000 meter water depth in the western area of the blocks.

In the year 2009 to 2013, SWE, joint venture with MEO Australia limited, signed the PSC contract with Australian Petroleum Authority for offshore Northern blocks: AC/P-50, AC/P-51 and AC/P-53 in the Bornapart Basin. These blocks were relinquished later in 2013 due insufficient budget investment.

3.1.2 Restructuring

SWE assigned exploration right (ER12/3/277) over 1 full block of 3620B, 4 partial blocks of 3620A, 3519B, 3519D and 3619B to SWE E&P. SWE E&P will be developing the oil blocks by carrying out the exploration right (ER12/3/277). SWE E&P has appointed Capital Trust Group which is a licenced Investment Bank in New Zealand to manage the raising of US$500million secure token coins and as the Custodian for the fund raised and to disburse to SWE E&P. Assignment agreement please see attached in **(<Appendix A>)**.

The group structure of the SWE is as follow:



3.1.3 Major shareholders

Minn Minn Oung is the only shareholder who hold 100% voting right of the SWE as at 14 November 2017.

Minn Minn Oung is one of Myanmar's young and successful entrepreneurs. He is the Chairman of one of the fastest growing companies in Myanmar, Silverwave Group. Minn Minn Oung, Chairman of Silverwave Group and a number of affiliated companies involved in the agricultural, timber, mining, and energy sectors, provides significant economic and political support to the Burmese regime. His companies received government contracts for onshore and offshore oil and gas development and mining due to his strong connection to the Ministers of Energy and Mines.

Below are those career highlights of Mr. Minn Minn Oung:-

1.) Chairman of Silver Wave Energy, Mr. Minn Minn Oung visited to South Africa President in year 2015.

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2.) Chairman of Silver Wave Energy, Mr. Minn Minn Oung visited to Maryland Governor in year 2014.

3.) Chairman of Silver Wave Energy, Mr. Minn Minn Oung, discussed USA / Myanmar trade and investment opportunities with Congressman James P. Moran in Washington DC on December 2nd, 2013.

3.1.4 Key Management

The key management as of the date of this report is as follows:

	Name	Position held	Qualification	Experience
1	U Kyaw Hlaing	Project Director	Master of Science(Petroleum Geology), Friendship University, Moscow, Russia	40 years experiences in MOGE as Assistant Geologist, Executive Geologist, Chief Geologist, Director (Exploration)
2	U Than Htun	Chief Geophysicist	BE (Electrical Comn.), AGTI (E.C.)	35 years experiences in MOGE as Field Observer, Party Chief, Dy. Director, Chief Geophysicist
3	U Zin That Myint	Senior Geophysicist	BSc (Geology), DAG.	10 years experiences in MOGE as Geophysicest for Seismic Interpretation, Processing section.
4	U Myint Htoo	Contract Consultant	BE (Mechanical)	35 years experiences in MOGE as Assistant Engineer, Manager (Offshore), Dy.Director (Offshore), Rig Manager at UE Company.
5	U Myint Yee	Chief Engineer (Drilling)	BE (Mechanical)	35 years in MOGE as shift Drilling Engineer to Chief Engineer (Drilling)
6	U Aye Myint	Chief Engineer (Logistic)	BE (Mechanical)	35 years in MOGE as Transport Engineer to Dy. Chief Engineer and GM at oil Fields.
7	U Myint Aung	General Manager(Store)	BE (Mechanical)	25 years in MOGE as store officer, Field stores supervisor & Procurement Manager.
8	U Aung Myint	General Manager (Administration)	B.Sc (Maths)	25 years experiences in Co-operative Ministry as Township Cooperative officer, Manager, Dy. GM & GM
9	U Aung Kyaw Nyunt	Chief Accountant	BSc(Maths), RA, RL	30 years in MOGE as Accountant & Sr. Accountant
10	Daw Nyo Nyo Myint	Financial Consultant & audit	B.Com (Accounting & Auditing)	35 years in MOGE as Accountant, Offshore Accountant, Field Accountant, Exploration Accountant & Auditing

3.1.5 The Portfolio

South Africa Offshore Oil & Gas Exploration Activities

South Africa is one of the most exciting oil and gas frontiers in the world. The country currently produces a modest amount of oil and gas in several proven fields. Due to increasing demand, a desire to reduce dependence on coal, availability of accessible markets and advances in technology which have expanded the accessibility of resources and reduced exploration risk, the amount of commercially recoverable oil and gas is expected to exponentially increase in the medium term. Exploration activities are expanding across offshore South Africa. Major E&P companies have entered the market. Several major commercial discoveries are scheduled for drilling in the next two years. All offshore acreage is allocated or under application. The regulatory regime is transparent and involves the incremental issue of exclusive Technical Cooperation Permits, Exploration Rights and Production Rights. Proposed amendments to existing laws do not materially alter this regime.

Silver Wave Energy

Silver Wave is the largest holder of offshore oil and gas exploration acreage in South Africa. It holds exclusive Technical Cooperation Permits over 30 Blocks spanning approximately 224,615 km2 in six offshore Basins in the South Coast and East Coast of South Africa. Silver Wave's acreage is located in prime positions adjacent to proven fields or acreage under exploration by major E&P companies. Silver Wave's TCPs are valid for once year commencing 1 January 2013 after which it may apply for and receive exclusive Exploration Rights over its acreage. The work program is modest (largely a desktop study with prospects for Remote Sensing Satellite Image Studies) with a committed budget of USD 2.5m.

The Blocks

SWE holds exclusive Technical Cooperation Permits over 30 oil and gas exploration blocks (individually a 'Block' and collectively the 'Blocks') that comprise approximately 224,615 km2 of total acreage. Such acreage is divisible into three Areas:

Blocks	Area	Full blocks	Partial blocks	Water Depth and Activities
Area 1 5 Blocks	Western Cape Province Bredasdorp Basin	Block 3620B	Block 3620A Block 3519B Block 3519D Block 3619B **Total Area 1**	Shallow Water Proven oil and gas fields in adjacent blocks Adjacent blocks owned by PetroSA, Exxon Mobil, Total SA **6,719 km2**
Area 2 19 Blocks	Eastern Cape Province KwaZulu Natal Province Gamtoos Basin Algoa Basin Transkei Basin	Block 3230 Block 3231 Block 3232 Block 3329 Block 3330 Block 3331 Block 3428 Block 3429 Block 3430 Block 3526 Block 3527	Block 3229D Block 3233 Block 3328D Block 3332 Block 3427C Block 3427D Block 3431 Block 3525 **Total Area 2**	3,000m to 4,000m in northern part 4,000m to 5,000m in southern part Current exploration work on adjacent blocks by majors Adjacent blocks owned by PetroSA, Canadian Natural Resources, Exxon Mobil **157,486.27 km2**
Area 3 6 Blocks	KwaZulu Natal Province Durban Basin Zululand Basin	Block 2834 Block 2835 Block 2934	Block 2734 Block 2735 Block 2935 **Total Area 3**	1,000m to 2,000m in northern part 2,000m to 2,700m in southern part Current exploration work on adjacent blocks by majors Adjacent blocks owned by Sasol, Exxon Mobil **60,409.23 km2**
Total	**30 Blocks**	**15 Full Blocks**	**15 Partial Blocks**	**224,615.1 km2**

Market Regulation

Regulation of the oil and gas industry in South Africa is governed by the laws of South Africa ('Applicable Law'). A summary of key features of South Africa's licensing regime follows:.

i.) ***Technical Cooperation Permits ("TCP")***

TCP issued pursuant to section 77(1) of the Mineral and Petroleum Resources Development Act, Number 28 of 2002 ('MPRDA') empower Permit holders to conduct a desktop study and acquire seismic data from various sources but does not include any obligation to undertake any prospecting or exploration activities. Each TCP is valid for one year and grants the Permit holder the exclusive right to apply for an exclusive Exploration Right ('Exploration Right') under Applicable Law.

ii.) ***Exploration Rights***

In the event that work conducted under any TCP suggests significant prospectivity for any block, the TCP Holder has the exclusive right to apply for and be granted an exclusive Exploration Right pursuant to section 80 of the MPRDA to re-process existing seismic data, acquire and process new seismic data and undertake any other related activity to define a trap to be tested by drilling, logging and testing, including extended well testing, of a well with the intention of locating a discovery. An Exploration Right typically spans an initial three year period with the opportunity for three subsequent extensions (two years per period) allowing for a maximum nine year exploration period. It is transferrable.

iii.) ***Production Rights***

In the event that it makes any discovery pursuant to any Exploration Rights, any Exploration Rights holder has the exclusive right to apply for and be granted an exclusive Production Right over the applicable territory pursuant to section 84 of the Mineral and Petroleum Resources Development Amendment Bill, 2012 ("MPRDA") to conduct any operation, activity or matter that relates to the exploration, appraisal, development and production of petroleum. A Production Right typically spans an initial 30 year period which may be renewed for subsequent periods. It is transferrable.

For all the 30 blocks that SWE owned, all are under the Exploration Right which comprised of mainly ER-12/3/277 (Area 1), ER-12/3/276 (Area 2) and ER-12/3/275 (Area 3).

3.2 ER-12/3/277 (Area 1)

3.2.1 Basic Information

The Five Blocks of 6,719km2 ("Area 1") are situated in the Western Bredasdorp Basin which is located in the southwest continental margin of South Africa in the South Coast region of offshore South Africa and constitutes a sub-basin of the Southern Outeniqua Basin (along with the Plemos Basin, Gamtoos Basin and Algoa Basin).

The Bredasdorp Basin situated to the east of the Western Bredasdorp Basin is home to producing oil and gas fields, including the Oribi/Oryx Oil Field and the E-CE Gas Field operated by Petro SA.

The basic information as follows:

Location	: Western Cape Province
Area	: 6719 Sq. Km.
Water Depth	: 50 - 200 meters
Blocks	: 5-Partial Blocks - 3519B, 3519D, 3619B, 3620A, 3620B
Received Data	: Stacked SEGY - Seismic Line D82-001, 003, 004, 005 Total 256 Km

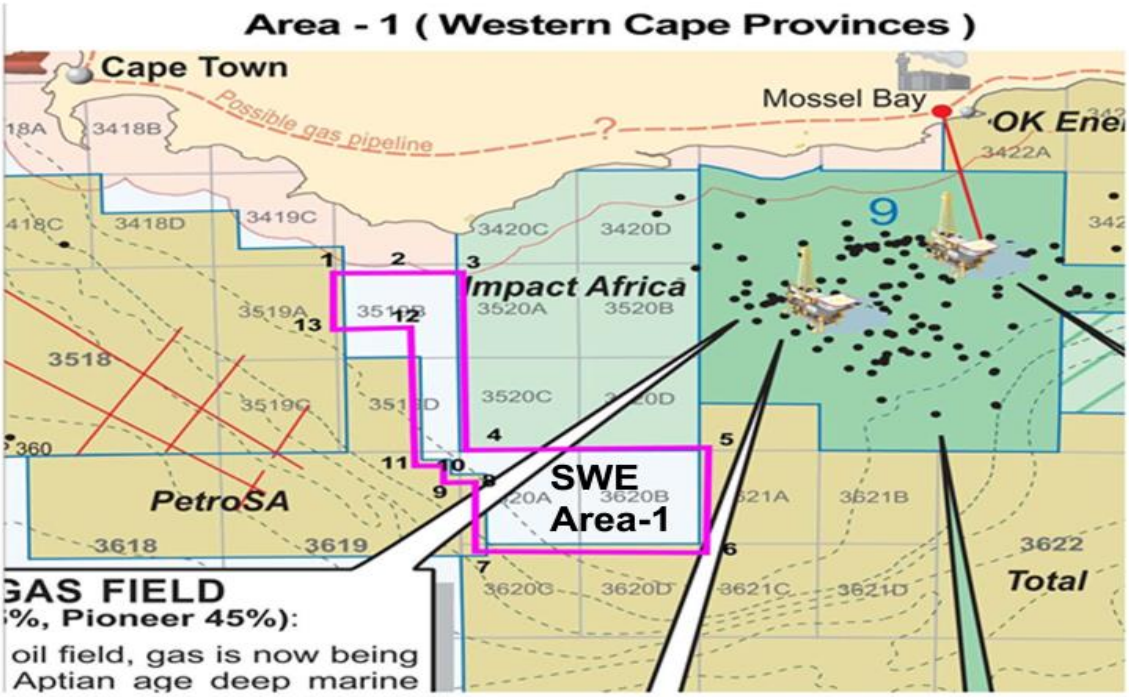


Figure 1 – Map source: http://www.petroleumagencysa.com/index.php/maps

3.2.2 Petro physical report

i. Satellite seepage study

Objective

The purpose of this work is to produce oil slick maps related to natural seepage oil and gas from seafloor, covering southwestern part of the Indian Ocean, offshore South Africa, using earth observation satellite images as fundamental contributions to hydrocarbon exploration.

Surveyor

JGI, Inc., a technical service company, provides geophysical survey and consulting services in Japan. The company was founded in 1983 and is based in Tokyo, Japan. JGI, Inc. operates as a subsidiary of Japan Petroleum Exploration Co., Ltd. The company offers geophysical surveys at the exploration and development stages for petroleum and natural gas, remote sensing and basin analysis, development of geothermal and other resources, geophysical survey system development, environmental surveys for earthquake disaster prevention, ground studies for building construction and civil engineering, and data analysis and software development. For exploring petroleum and natural gas, JGI provides 2D and 3D reflection seismic surveys on land, offshore and in shallow water areas, covering areas with difficult field conditions.

The followings are the key clients of JGI:

- Ministry of Land, Infrastructure and Transport
- Japan Atomic Energy Agency
- Japan Oil, Gas and Metals National Corporation
- Japan Petroleum Exploration Co., Ltd. (JAPEX)
- Worldwide Oil & Gas Explolation and Production Company (INPEX Corporation)

Since late 1970's JGI has been carrying out research surveys for mapping the distribution of methane hydrate along the Pacific coast of Japan. JGI has also provides consulting services for detailed seismic surveys including precise geological analyses in the oil sand development project.

Since Great Hanshin earthquake, Japan, 1995, JGI has conducted many refraction and reflection seismic surveys providing not only subsurface structural information but also velocity models down to the depth of earthquake basement. These models are very useful simulating the ground motion when natural earthquakes occur.

Methodology

The use of satellite imagery for the detection of oil slicks at sea depends on the damping effect of oil on the waves, especially those of short wavelength (capillary wave). The capillary waves are driven by surface wind. Thus the fluctuations in surface wind will give a rise to corresponding changes in the sun illumination or radar return. This is true whether the imagery acquired at visible and near infrared (VNIR) wavelengths, or at microwave wavelengths (Synthetic Aperture Radar). Before the launch of ERS-1 in July 1991, satellite slick mapping has been successfully achieved by analyzing Landsat TM data. TM can resolve surface slicks under favorable sea-states and offers limited spectral information that can sometime help to resolve biological one (algal bloom) from petroleum slicks.

SAR has a number of important advantages over optical sensors as follows:

- direct sensitivity to sea-surface roughness, particularly the capillary waves dampened by surface oil
- penetration of cloud cover (weather independent)
- capacity to acquire frequent multi-temporal data

SAR imagery of the ocean provides a map of the sea-surface roughness. The radar return from the ocean surface is dominated by scattering from capillary waves. Slicks are therefore seen as dark features in SAR images. Surface films of any thickness will dampen the capillary waves to produce similar dark features. Crude oil discharged by tankers or natural 'mono-molecular' film slicks formed by biogenic material in the ocean will both result in dark slick features. Other meteorological and oceanographical phenomena may also result in dark slick features in SAR imagery.

The method detects all smooth areas on the sea surface, whether they are caused by oil slicks, surfactant slicks of biological origin, lack of wind, or brash ice on the sea. Slicks from seeped oil are not automatically distinguished from slicks of dumped oil.

Survey areas and satellite images used

The Area-1 is covered by frames of ERS2 or ENVISAT SAR standard images and 8 frames of ALOS PALSAR Fine Mode images. Total 42 scenes of ERS2 please see **figure 1-1**. ENVISAT SAR and ALOS PALSAR are analysed in the work **(See table 1-1)**. The most of the area is covered by at least 8 different observations dates **(See figure 1-2)**.

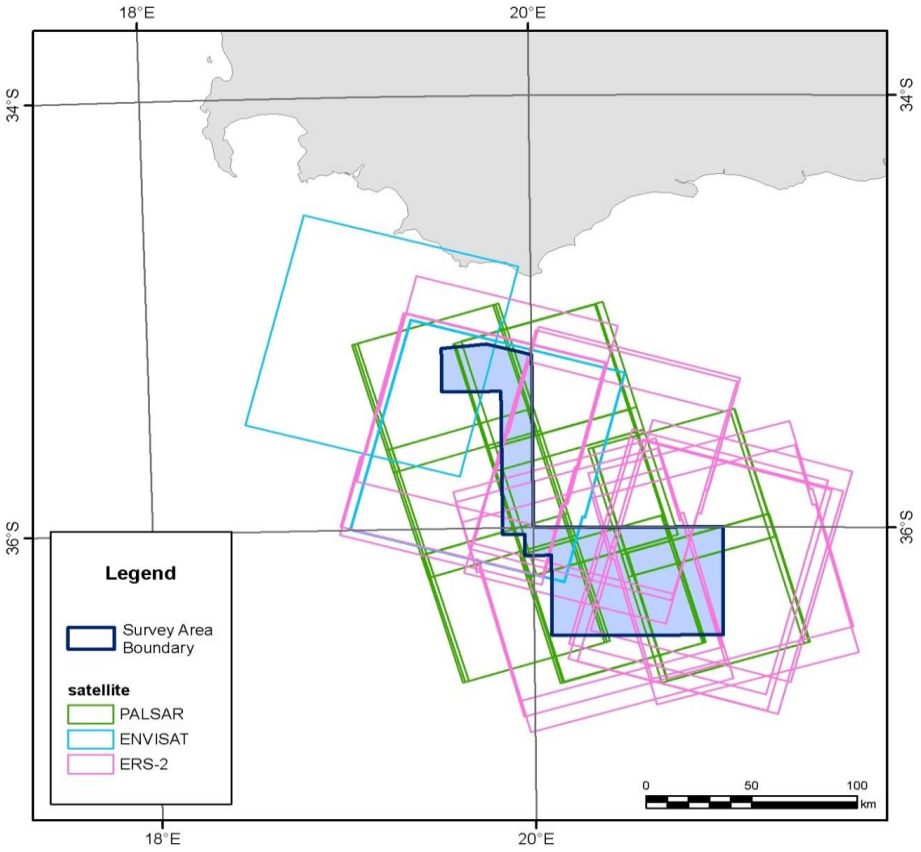

18°E
20°E
34°S
36°S
Legend
Survey Area Boundary
satellite
PALSAR
ENVISAT
ERS-2
0
50
100
km

Figure 1-1

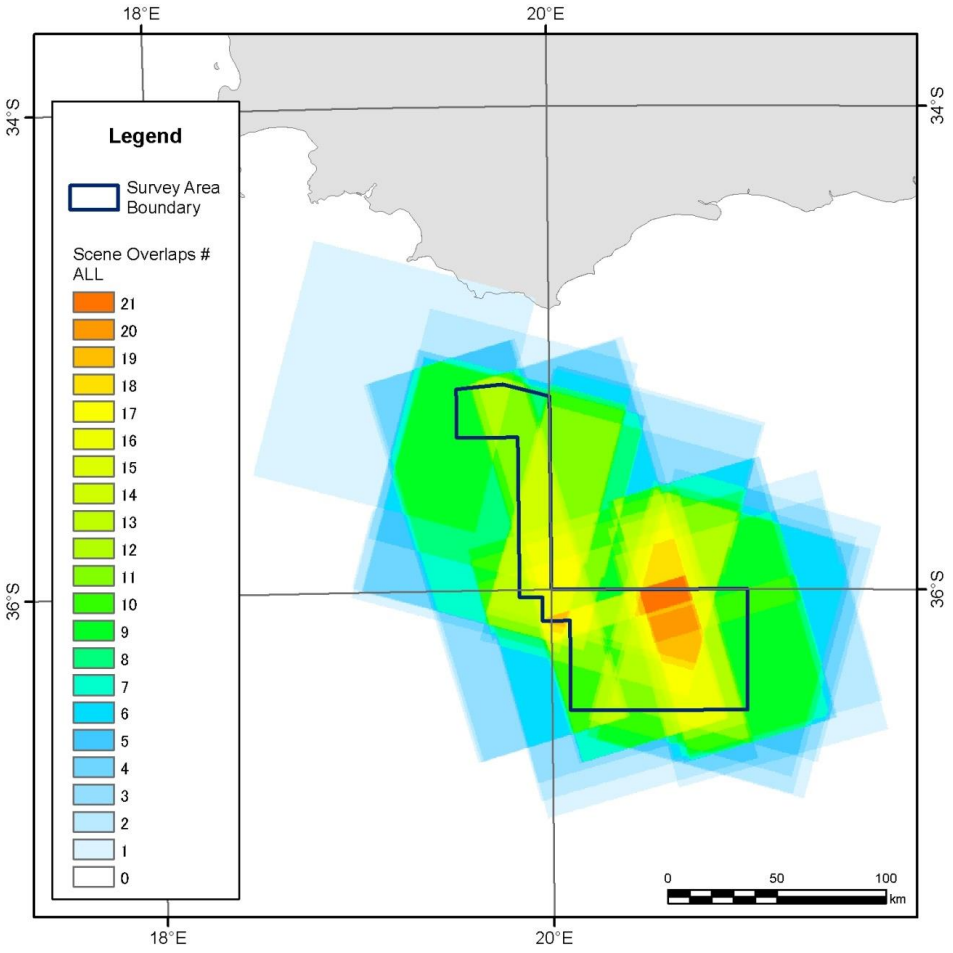

18°E
20°E
34°S
36°S
Legend
Survey Area Boundary
Scene Overlaps # ALL
21
20
19
18
17
16
15
14
13
12
11
10
9
8
7
6
5
4
3
2
1
0
0
50
100
km

Figure 1-2

No.	Scene Code	Satellite	Sensor	Date	Time (UTC)	Orbit	Path/ Track	Row/ Frame	AD mode
1	101	ALOS	PALSAR	2008/04/08	21:52:31	11754	614	645	A
2	102	ALOS	PALSAR	2009/02/24	21:55:17	16451	614	646	A
3	103	ALOS	PALSAR	2009/02/24	21:55:25	16451	614	647	A
4	104	ALOS	PALSAR	2009/12/26	21:54:28	20900	613	645	A
5	105	ALOS	PALSAR	2010/02/10	21:54:18	21571	613	645	A
6	106	ALOS	PALSAR	2010/02/10	21:54:27	21571	613	646	A
7	107	ALOS	PALSAR	2011/01/15	21:52:25	26516	614	646	A
8	108	ALOS	PALSAR	2011/01/15	21:52:34	26516	614	647	A
9	109	ALOS	PALSAR	2011/02/13	21:49:31	26939	613	645	A
10	110	ALOS	PALSAR	2011/02/13	21:49:39	26939	613	646	A
11	111	ALOS	PALSAR	2011/03/02	21:51:17	27187	614	645	A
12	201	ALOS	PALSAR	2008/05/24	21:51:43	12425	614	645	A
13	202	ALOS	PALSAR	2008/05/24	21:51:51	12425	614	646	A
14	203	ALOS	PALSAR	2008/05/24	21:51:59	12425	614	647	A
15	204	ALOS	PALSAR	2008/07/26	21:53:41	13344	615	645	A
16	205	ALOS	PALSAR	2008/07/26	21:53:49	13344	615	646	A
17	206	ALOS	PALSAR	2008/07/26	21:53:57	13344	615	647	A
18	207	ALOS	PALSAR	2010/08/01	21:57:03	24080	615	645	A
19	208	ALOS	PALSAR	2010/08/01	21:57:12	24080	615	646	A
20	209	ALOS	PALSAR	2010/08/01	21:57:20	24080	615	647	A
21	210	ALOS	PALSAR	2010/08/13	21:52:45	24255	613	646	A
22	211	ALOS	PALSAR	2010/11/01	21:55:47	25422	615	645	A
23	212	ALOS	PALSAR	2010/11/01	21:55:56	25422	615	646	A
24	213	ALOS	PALSAR	2010/11/01	21:56:04	25422	615	647	A
25	301	ENVISAT	ASAR	2009/01/13	08:03:00	35932	307	4328	D
26	302	ENVISAT	ASAR	2009/02/01	08:05:43	36204	78	4318	D
27	303	ENVISAT	ASAR	2009/02/17	08:03:02	36433	307	4328	D
28	401	ERS2	AMI	2002/01/15	08:31:20	35231	307	4327	D
29	402	ERS2	AMI	2008/03/01	08:27:07	67252	264	4341	D
30	403	ERS2	AMI	2008/03/18	21:47:02	67503	14	6453	A
31	404	ERS2	AMI	2008/11/01	08:27:19	70759	264	4341	D
32	405	ERS2	AMI	2009/06/18	08:31:27	74037	35	4331	D
33	406	ERS2	AMI	2009/07/21	21:48:43	74517	14	6456	D
34	407	ERS2	AMI	2009/10/20	08:34:26	75812	307	4327	D
35	408	ERS2	AMI	2009/12/24	21:45:42	76750	243	6456	A
36	409	ERS2	AMI	2010/01/12	21:48:31	77022	14	6456	A
37	410	ERS2	AMI	2010/02/02	08:34:05	77315	307	4327	D
38	411	ERS2	AMI	2010/03/06	08:28:21	77773	264	4341	D
39	412	ERS2	AMI	2010/04/10	08:28:01	78274	264	4341	D
40	413	ERS2	AMI	2010/06/17	21:44:58	79255	243	6456	A
41	414	ERS2	AMI	2010/07/08	08:30:45	79548	35	4331	D
42	415	ERS2	AMI	2010/09/16	08:31:14	80550	35	4331	D

A: Ascending, D: Descending

Table 1-1. List of selected satellite scenes for the Area 1.

Results of study

In the Area 1, 27 slicks were detected from 11 scenes, while 12 of them were recognized as pollution slicks (Rank 5) originated from oily content contained in discharged ballast water of vessel, etc. The rest 15 slicks were categorized as low confident seepage slick candidates (Rank 4), and no slicks with higher Rank were found.

3.2.3 Independent valuation report Dr. Rabi

Background

Rabi Narayan Bastia is an Indian geoscientist and the Global Head of Exploration at Lime Petroleum, Norway, known for his contributions in the hydrocarbon explorations at Krishna Godavari Basin (2002), at Mahanadi Basin (2003) and at Cauvery (2007). Dr. Rabi is a non-executive director of Asian Oilfield Services Limited and the President at OilMax Energy. He is also a recipient of the Odisha Living Legend Award. The Government of India awarded him the fourth highest civilian honour of the Padma Shri, in 2007, for his contributions to Science and Technology.

Summary of report

The block covers an area of 6750 sq km and falls in the water depth ranges from 50 to 200m in West Bredasdorp basin. The basin has very high prospectivity and which contains majority of South Africa's proven hydrocarbons. Several major hydrocarbon discoveries have taken place in the near proximity of this block. All elements of the petroleum system are likely to be present in this block. Further exploration in this basin is expected to yield continued success. There is very limited seismic data, only 5 lines (256 LKM), which are sparsely distributed in the block. Therefore, risk perceived at this time can be mitigated through acquisition of more closely spaced seismic data and integration of seismic with offset well data, basin modelling, and sequence stratigraphy to generate leads & high grade prospects.

Five potential leads have been identified based on the preliminary interpretation covering turbiditic channel, turtle back structure, canyon fill channel, stratigraphic pinch out and inverted structure on the shelf. The in place volumes could be in the range of 50 to 100 MMBBL oil equivalents.

There is very limited seismic data only 5 lines (256 LKM) which are sparsely distributed in the block. Therefore, risk perceived at this time can be mitigated through acquisition of more closely spaced seismic data and integration of seismic with offset well data, basin modelling, and Sequence Stratigraphy to generate leads & high grade prospects.

Due to limited geoscientific data (especially seismic), resources within blocks have not been estimated in specific with respect to prospect/ lead. However, huge oil & gas resources are present in the vicinity of this block.

3.2.4 Block value estimation

Below are the block value estimation done by Kyaw Hlaing (Project Director) and Than Tun (Chief Geophysist) which is based on the study report done by Jacques Roux Petroleum Agency SA.

Key note:

- The South Africa Coastal Province along the South Africa Coast recently was assessed for undiscovered, technically recoverable oil, nailed gas, and natural gas liquids resources as part of the U.S. Geological Survey's (USGS) World Oil and Gas Assessment.
- Using geology based assessment; the USGS estimated mean volume of 2.13 billion barrels of oil, 35.96 trillion to cubic feet natural gas, and 1,115million barrels of natural gas liquids.
- The SWE Area-1 is located within the western part of Mesozoic-Cenozoic Reservoir Assessment Units zone. **(see figure 2)**
- The Oil and Gas production areas are occupied in the block 9 of South Coast province comprising the Bredasdorp Pletmos, Gamtoo, Algoa and Southern Outeniqua sub-basins. The best estimate for prospective Resources in place amounts to 5.14 Billion Barrel of Oil and 19.4 Trillion cubic feet gas.**(See figure 3)**
- The Oil and Gas reserve of the following producing oil and gas fields in the block-9(Area-22500 Square Kilometer) are located about 30 to 50 Kilometers in the east from the Area-1block **(See figure 4)**

Reserve of Gas and Oil Producing Fields (Block-9 Petro SA)

1. Oil = 12 Million Barrels (Reserve) (Oil and Gas Reserve in South Africa Report before 2012)
2. Oil Producing Fields;
   Oribi Oil Field - Petro South Africa (PetroSA) 100% shares
   Oryx Oil Field - Petro South Africa (PetroSA) 100% shares
3. Total acreage of the both Fields = 10.4×247 = 2568.8 Acreages
4. Oil Production Reserve above both fields = 12 Million Barrels.
5. Oil Production per acreage = 12×106 ÷ 2568.8 = 4671.4 Barrel
6. **Value per acreage = 4671.4 × 6 = 28028.4 US$/Acres**
   (Assume Oil Price = 10% of present world crude price) = 6 US$/Acres*

Value estimation on Area-1

7. For Area-1 = 1,659,593 acreage (6719 Sqkm)
8. Block value of Area-1 assumed **2.5 percent*** of success in discovery of Oil fields in Block- 9 Proven Area.
9. **Block value per acreage of Area – 1 = (2.5 × 28028.4) ÷ 100 = 700.71 US$/Acre**
   Block Net Value = 700.71 × 1,659,593 = 1,162.9 Million US$

* based on past experience in the industry

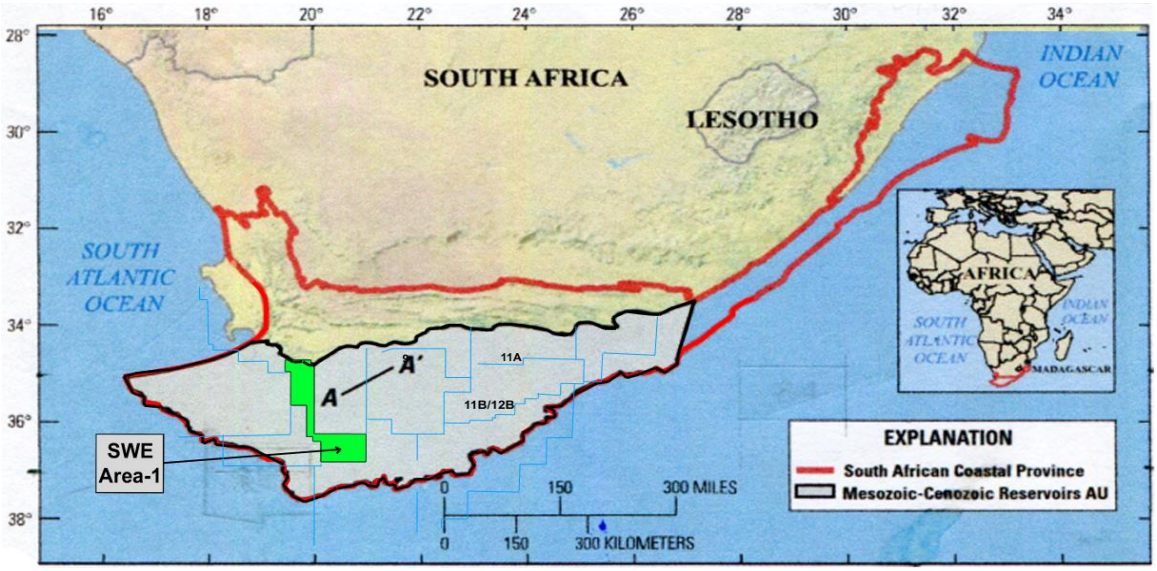


Figure 2: Location of the South Africa Coastal Province and Mesozoic – Cenozoic Reservoirs Assessment Unit (AU), South Africa.

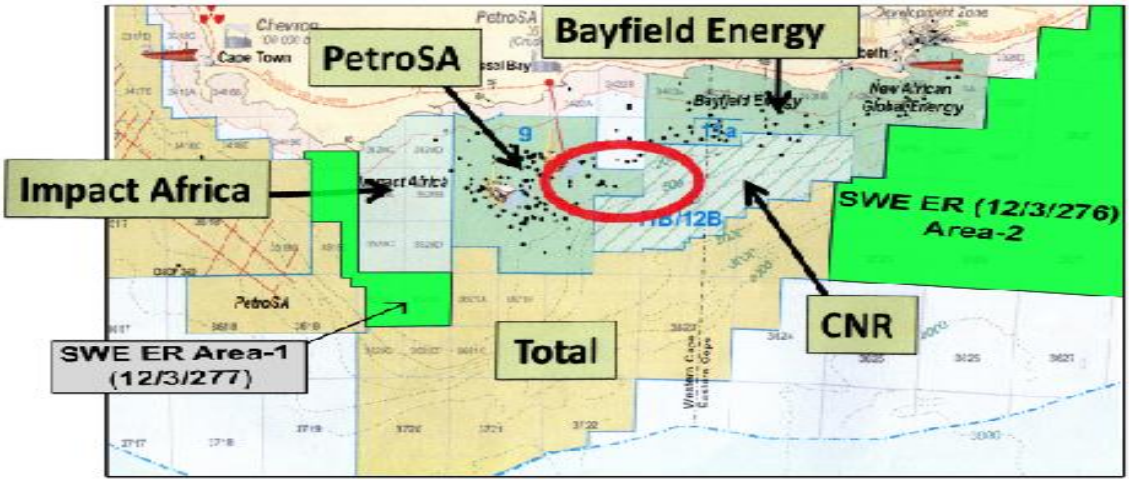


Figure 3: Location Map of Area-1, Oil & Gas Producing Block 9 (Petro A) and Surrounding blocks

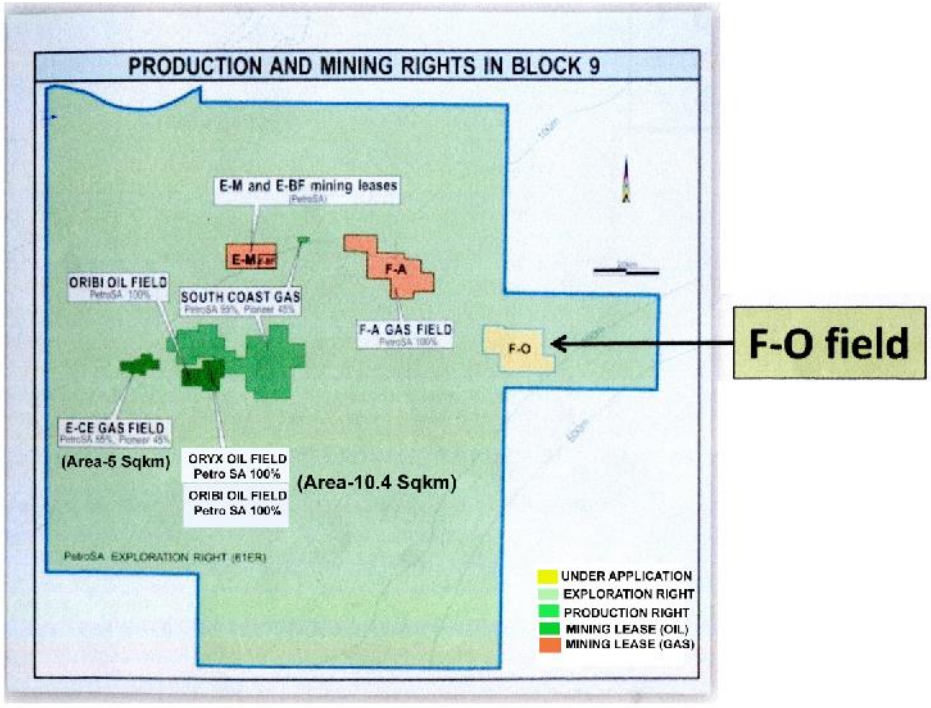
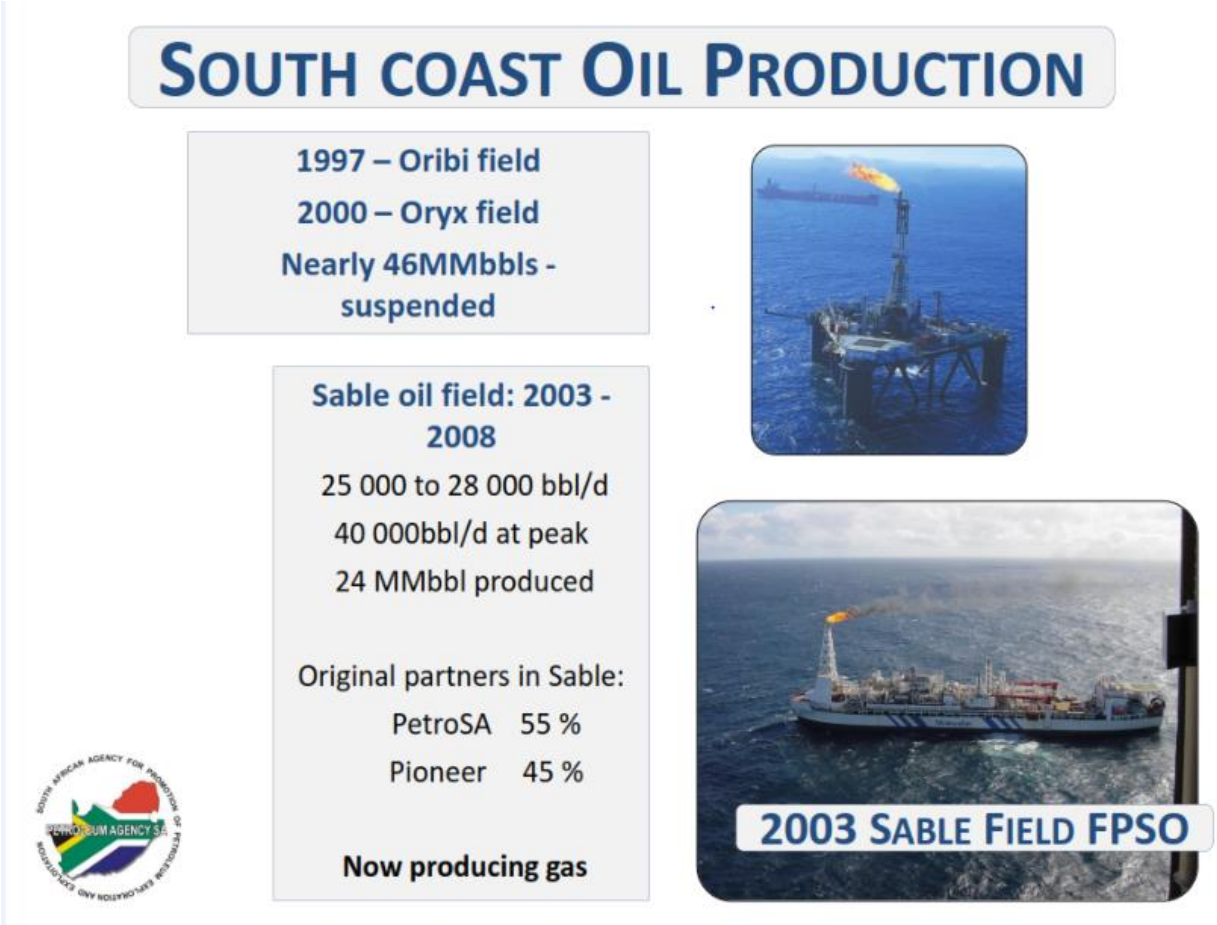


Figure 4: Production and Mining Rights in Block 9

South Coast Oil Production

Block 9 - PetroSA

The reserve of oil and gas are 12 Million Barrels from Oribi and Oryx Oil Field and 300 Bscf from E-CE Gas Field. In 2017 latest report **(<Appendix B>)**, the production of Oil from Oribi and Oryx Oil Fields increased to Nearly 46 Mil Barrels. Hence, Area-1 block value most likely to increase nearly 4-times.



3.3 FINANCIAL DUE DILIGENCE

We have carried the following review as part of financial due diligence:

i) Review of Licenses / Permits

SWE is granted an Exploration Right (ER 12/3/277) on Area 1. The exploration right provides the holder with the right to apply for and be granted a production right in respect of each Commercial Discovery within the exploration area within the date of this exploration right. The holder have the right to own and dispose of any and all facilities, materials, equipment, supplies and consumables purchased and/or leased by the holder for the conduct of exploration operations. The Exploration Right will commence on the 15th October 2015 and will continue to be in force and effect until the 14th October 2018. An exploration right may be renewed for a maximum of three periods not exceeding two years each. The holder shall pay the exploration fees to the PASA from 15th October 2015.

The Holder shall conduct all Exploration Operations in accordance with the approved Environment Management Programme, record of decisions and addendums thereto and in a manner that facilitates the protection and conservation of the natural resources of the Republic of South Africa and of the environment in general.

All relevant permits are in place for the Exploration Right in Area 1. Please see attached in (<**Appendix B & C**>).

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ii) Review of Cash Flows Forecast

We have reviewed the basis, assumptions and computation of the 16 years cash flows forecast (6 years pre-development & 10 years operation) prepared by the Company **(<Appendix D>)**.

Key information is extracted as follows:

	2018-2022* Year 1 – 5 US$'000	2023** Year 6 US$'000	2024*** Year 7 US$'000	2025 Year 8 US$'000	2026 Year 9 US$'000	2027-2033 Year 10 - 16 US$'000
Proceeds from token issued (1st tranche)	500,000	-	-	-	-	-
Proceeds from token issued (2nd tranche)	1,200,000	-	-	-	-	-
Professional fees	(204,800)	(150)	(150)	(150)	(150)	(1,050)
Net inflow from proceeds	**1,495,200**	**(150)**	**(150)**	**(150)**	**(150)**	**(1,050)**
Budgeted revenue	-	-	876,000	788,400	725,328	4,257,542
Pre-development costs	(480,000)	-	-	-	-	-
Platform construction costs	-	(780,000)	-	-	-	-
Production costs	-	-	(87,600)	(78,840)	(72,533)	(425,754)
Taxation	-	-	(220,752)	(198,677)	(182,783)	(1,072,901)
Net cash flow	**1,015,200**	**(780,150)**	**567,498**	**510,733**	**469,862**	**2,757,837**
Reserves for redemption of token****	-	-	**(283,824)**	**(255,442)**	**(235,006)**	**(1,379,444)**
Dividend*****	**(95,000)**	**(68,000)**	**(68,000)**	**(68,000)**	**(68,000)**	**(476,000)**
Cumulative cash flow	**920,200**	**72,050**	**287,724**	**475,015**	**641,871**	**1,544,264**

* The management assumes to incurred pre-development costs ie. Seismic study, exploration and development of wells drilling
** The management assumes to construct the platform in year 2023
*** The management assumes to commence its production from year 2024 to year 2033 (10 years)
**** Reserve 50% of profit from operation for the token holder to redeem
***** Dividend declared - 3% for 1st year and 4% for subsequent years

Note: The cumulative cash flow till 2033 amounting to US$1,544 million.

The management budgeted US$1,260 million for initial CAPEX in order to start oil drilling. Should the initial CAPEX is higher than the budget, the management should consider to obtain 2 tranches of token issuing of funding in order to secure the cash flow generated from the mining properties.

Below are our comments on the key assumptions used in cash flows forecast:

Revenue

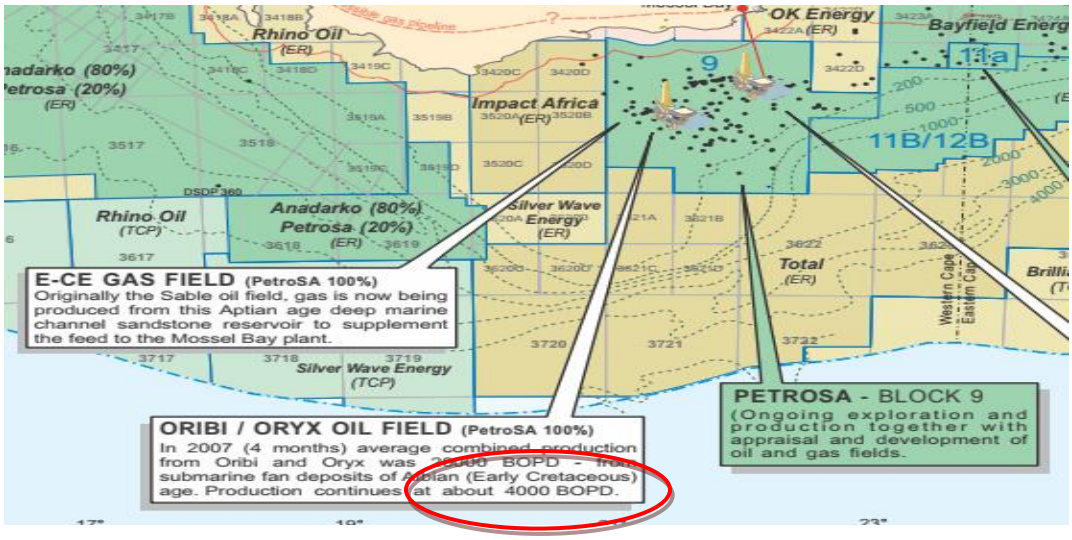
The business strategy of the Company is oil exploration and drilling in Area – 1. The company will conduct 2d and 3d seismic study and well drilling development. In addition, the Company will initiate the production operations from year 2024 and it is expected to span over a period of at least 10 years with production commence to generate income to 2033.

Based on the strategy above, the management forecasted the revenue for 10 years based on the following assumptions as follows:

	Barrels per day	Decline rate	Number of barrels (Indicated & Inferred)	No. of days per year	Price per barrels	Budgeted revenue (US$'000)
- Crude oil	40,000	10% and slowly decline to 3% per annum	303,528	365	US$60	6,646,270
Grand total						**6,646,270**

(a) Quantities

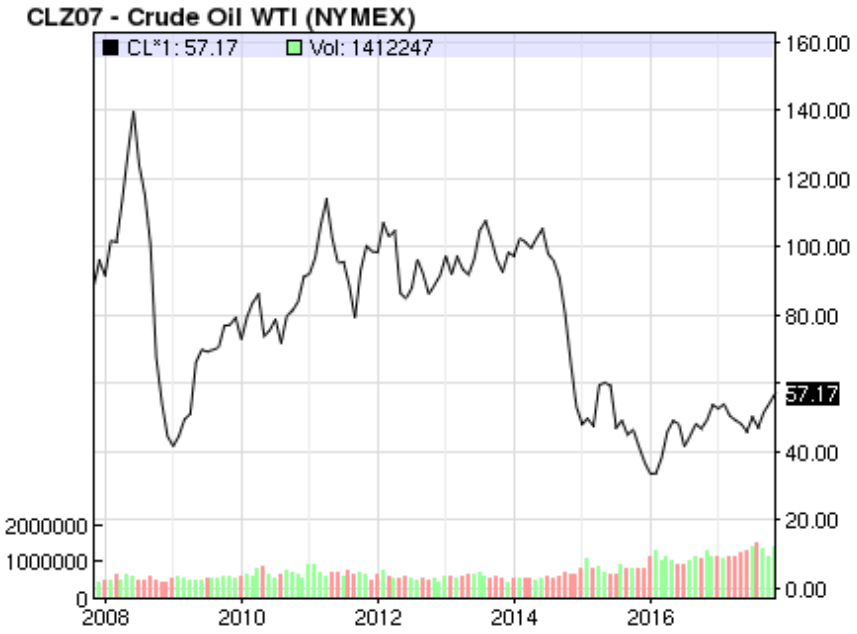
The budgeted quantities produced per day (40,000 barrels) provided by the management is based on the production of block 9 of South Coast province. Based on the hub map from PASA website, the production of oil per day is about 40,000 barrels in Oribi/Oryx oil field in block 9.



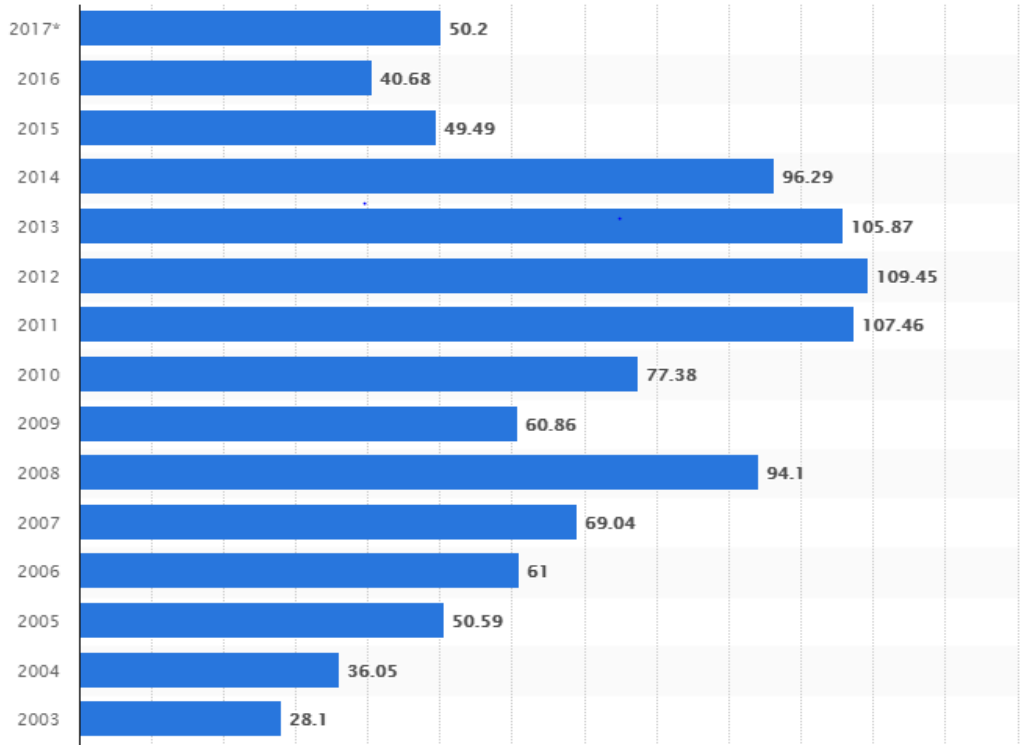
Map source: http://www.petroleumagencysa.com/index.php/maps

(b) Selling price

The budgeted selling price (US$60) provided by the management is based on past experience in the oil industry. The diagrams below represent the historical prices for crude oil.



Based on the statista.com, the historical average crude oil price for the last 15 years are as follows. The average price for 15 years is US$69.



Based on the data tabulated above, the management's estimation on selling price is close to the current market price and is lower than the 15 years average oil price as illustrated above and this demonstrated conservative approach adopted by the management.

Expenses

(a) Pre-development costs

Based on cash flow forecast, the management estimated the following capital expenditure for exploration activities as follows:

Year	Work Program	Quantity	Rate US$	Budget Allotment (Million US$)	Operation Cost (Million US$)	Total Cost (Million US$)
2018	2D Seismic Acquisition	2,000 km	2,000 per km	4	0.8	
	3D Seismic Acquisition	1,300 sqkm	20,000 per km	26	5.2	**36**
2019-2020	Exploration Wells Drilling	3 (Total Depth 4000 m)	30 US $ (million per well)	90	18	**108**
2021-2022	Development well Drilling	20	15 US $ (million per well)	300	60	**360**
			SUB-TOTAL	420	84	**504**
2023 – 2043	Production Platform Installation/ Operation			650	130	**780**
			Total	**1,070**	**214**	**1,284**

(b) Platform construction costs

An oil platform, offshore platform, or (colloquially) oil rig is a large structure with facilities for well drilling (optionally), to extract and process oil and natural gas, or to temporarily store product until it can be brought to shore for refining and marketing. In many cases, the platform contains facilities to house the workforce as well.

Depending on the circumstances, the platform may be fixed to the ocean floor, may consist of an artificial island, or may float. Remote subsea wells may also be connected to a platform by flow lines and by umbilical connections. These sub-sea solutions may consist of one or more subsea wells, or of one or more manifold centres for multiple wells.

The average cost for offshore rigs can be as much as 15 to 20 times greater than the average cost for land rigs. The least-expensive offshore rigs typically cost nearly US$200 million. The average price for offshore oil-drilling rigs is approximately US$650 million. The Brazilian energy company Petrobas, in a plan to replace leased U.S. and European rigs with its own fleet of offshore floating rigs, recently began producing offshore rigs estimated to cost up to US$900 million each.

The management estimated cost of platform construction and installation is approximately US$780 million is above the average cost which is US$650 million. The management has taken a conservatively approach in estimating the platform production costs.

(c) Production costs

The management estimated 10% of revenue as the production costs. For oil and gas industry, the costs that substantially incurred are the capital expenditures such as seismic study, drilling well costs and platform construction costs. The daily production costs would be minimal as compared to capital expenditures. Hence, the management estimation is deemed reasonable.

3.4 TAX STATUS

South Africa

The fiscal regime that applies to the upstream oil and gas industry in South Africa consists primarily of a combination of corporate income tax (CIT) and royalties. Summary elements are as follows:

	Tax rate
• Royalties *	0.5% to 5%
• Bonuses	None
• Production sharing contract (PSC)	None
• Corporate Income Tax	28%
• Resource rent tax	None
• Capital allowances — D, E2	D, E **
• Investment incentives — L, RD3	L, RD ***

* A royalty payment is calculated according to the two critical determinants of gross sales and earnings before interest and tax (EBIT). "Gross sales" is the transfer of all mineral resources as defined in Schedule 1 and 2 of the Royalty Act. "EBIT" is defined as earnings before interest and taxes and is the aggregate of gross sales and so much of any amount allowed to be deducted in the Income Tax Act. Various inclusions and exclusions apply to gross sales and EBIT. The royalty is payable semiannually by way of estimated payments on a basis similar to provisional tax for income tax purposes. Royalties are deductible for income tax purposes.

** D: accelerated depreciation; E: immediate write-off for exploration costs

*** L: losses can be carried forward indefinitely; RD: R&D incentive

3.5 RISK FACTORS

Important Note: As noted elsewhere in these Terms, the Coins are not being structured or sold as securities or any other form of investment product. Accordingly, none of the information presented is intended to form the basis for any investment decision, and no specific recommendations are intended. Company expressly disclaims any and all responsibility for any direct or consequential loss or damages of any kind whatsoever arising directly or indirectly from: (i) reliance on any information contained in this feasibility study, (ii) any error, omission or inaccuracy in any such information or (iii) any action resulting from such information.

By purchasing, holding and using the Coins, you expressly acknowledge and assume the following risks: **Please refers to appendix E.**

4. KEY CONSIDERATION

The assumptions made by the management on cash flow forecast in which the management is responsible for the period from year 2018 to year 2033, bearing any unforeseen circumstances, the following assumptions are critical which will have an impact on the cash flow and its timing:

(a) Ability to explore at least the expected barrels of oil as per plan and do not has significant deviation;
(b) The commodity prices are stable or remain the same for the next 15 years;
(c) The demand for the commodity in global market remains strong;
(d) The Company's capital investment timing will be on schedule and not materially be delayed which would affect the Company's production capacity and the ability to meet the customers' orders and potential orders respectively.
(e) The Company ability to obtain the all relevant permits and licenses for the operations and productions.
(f) The Company's ability to achieve the budgeted sales, maintain the same gross profit margin (assuming inflation rate is low).
(g) There is no significant change in the tax system and legal legislation.

U Kyaw Hlaing,
Chief Geologist
Energy Unit, Paul Wan & Co.

U Than Htun,
Chief Geophysicist
Energy Unit, Paul Wan & Co.

APPENDIX

RISK FACTORS

I. RISK FACTORS RELATING TO THE INDUSTRY AND OPERATION

Please take note that the Company's operations are subject to the legal, regulatory and business environment. The Company's operations are subject to a number of factors, many of which are outside the Company's control. The risks and investment considerations set out below are not an exhaustive list of the challenges that may face or may develop in the future that may have a significant impact on the future performance. These and other risks, whether known or unknown, may have material adverse effect on the Company and/or the Coins.

RISK OF AN UNFAVORABLE FLUCTUATION OF OIL AND NATURAL GAS PRICE IN THE MARKET

The Company involved in the activities in the exploration, development and production of oil and natural gas. Such activities are affected by factors such as fluctuations in oil and natural gas prices and by other general economic factors. The prices of oil and natural gas are volatile and affected by supply and demand. They in turn will affect the level of capital spending in the offshore oil and gas industry. Low oil and natural gas prices tend to reduce the amount of oil and natural gas that producers can produce economically.

RISK OF LIMITED AVAILABILITY OF FUNDS

The Company may require additional financing to fund working capital requirements. There can be no assurance that additional financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained on terms favourable to the Company. Factors that could affect the Company's ability to procure financing include market disruption risks which could adversely affect the liquidity, interest rates and the availability of funding sources. Any inability to secure additional funds may materially and adversely affect the implementation of project and future plans and financial position.

RISK OF AFFECTED BY IMPLEMENTATION OR CHANGES IN LAWS, REGULATIONS OR POLICIES OF GOVERNMENT AND MAY NOT BE ABLE TO OBTAIN. RENEW OR MAINTAIN THE PERMITS, LICENCES AND REGISTRATIONS REQUIRED

The project of the exploration and development of well drilling is subject to local and international laws, regulations and policies in jurisdictions. There is no assurance that the permits, licences , registrations will be obtained or renewed, and if they are obtained or renewed, that such new permits, licences, registrations, clearances, approvals and work papers would be affected within an anticipated time frame or without any terms and conditions imposed, which may materially and adversely affect the operations of the Company.

RISK OF DEPENDENT ON KEY PERSONNEL FOR ITS OPERATIONS AND PROFITABILITY

The operations and profitability of the Company will be dependent on the commitment of its key management personnel comprising the Chairman, Minn Minn Oung, Project Director, U Kyaw Hlaing, Chief Geophysicist, U Than Htun, and the Company's ability to identify, recruit, train and retain qualified employees. There is no assurance that the Company will be able to retain its key management personnel nor does it have any key man insurance coverage. The loss of the Company's key management personnel without suitable and timely replacements will have an adverse impact on the operations and future performance.

II. RISK FACTORS RELATING TO THE COINS

The following is a disclosure of principal risk factors which are considered to be material by the Developer in connection with the exchange of Bitcoin/Ethereum in this Initial Coin Offering. Participants should consider these risk factors alongside all other information provided and are advised to consult with their own professional advisers (including their financial, accounting, legal and tax advisers) before deciding to subscribe the offers. In addition, Participants should be aware that the risks described herein may combine and thus intensify one another. The Developer believes that the following risk factors may affect its own business and the future market value of the Coin. Most of these risk factors are contingencies which may or may not occur and the Developer is not in a position to predict the likelihood of such contingency occurring. If any of the following risks materializes, the market value of the Coins could be negatively affected and decline and a Participant could lose all or part of its investment.

RISK OF LOSING ACCESS TO COINS DUE TO LOSS OF PRIVATE KEY(S), CUSTODIAL ERROR OR PURCHASER ERROR

A private key, or a combination of private keys, is necessary to control and dispose of the Coins stored in your digital wallet or vault. Accordingly, loss of requisite private key(s) associated with your digital wallet or vault storing the Coins will result in loss. Moreover, any third party that gains access to such private key(s), including by gaining access to login credentials of a digital wallet or vault service you use, may be able to misappropriate the Coins you hold. Any errors or malfunctions caused by or otherwise related to the digital wallet or vault you choose to receive and store Coins, including your own failure to properly maintain or use such digital wallet or vault, may also result in the loss of the Coins you hold.

RISKS ASSOCIATED WITH THE ETHEREUM PROTOCOL

Because the Coins are based on the Bitcoin/Ethereum protocol, any malfunction, breakdown or abandonment of the Bitcoin/Ethereum protocol may have a material adverse effect on the Coins. Moreover, advances in cryptography, or technical advances such as the development of quantum computing, could present risks to the Coins, including the utility of Coins for obtaining Services, by rendering ineffective the cryptographic consensus mechanism that underpins the Bitcoin/Ethereum protocol.

RISK OF MINING ATTACKS
As with other decentralized cryptographic tokens based on the Bitcoin/Ethereum protocol, the Coins are susceptible to attacks by miners in the course of validating the Coins transactions on the Bitcoin/Ethereum blockchain, including, but not limited, to double-spend attacks, majority mining power attacks, and selfish-mining attacks. Any successful attacks present a risk to the Coins, including, but not limited to, accurate execution and recording of transactions involving the Coins.

RISK OF HACKING AND SECURITY WEAKNESSES
Hackers or other malicious groups or organizations may attempt to interfere with the Coins in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing.

RISKS ASSOCIATED WITH MARKETS
The Coins are intended to be used solely on the exploration and development of well drilling, and Company will not support or otherwise facilitate any secondary trading or external valuation of the Coins.

RISK OF UNINSURED LOSSES
Unlike bank accounts or accounts at some other financial institutions, the Coins are uninsured unless you specifically obtain private insurance to insure them. Thus, in the event of loss or loss of utility value, there is no public insurer or private insurance arranged by us, to offer recourse to you.

RISKS ASSOCIATED WITH UNCERTAIN REGULATIONS AND ENFORCEMENT ACTIONS
The regulatory status of the Coins and distributed ledger technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether regulatory agencies may apply existing regulation with respect to such technology and its applications. It is likewise difficult to predict how or whether legislatures or regulatory agencies may implement changes to law and regulation affecting distributed ledger technology and its applications. Regulatory actions could negatively impact the Coins in various ways, including, for purposes of illustration only, through a determination that the Coins are a regulated financial instrument that requires registration or licensing. Company may cease operations in a jurisdiction in the event that regulatory actions, or changes to law or regulation, make it illegal to operate in such jurisdiction, or commercially undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction.

RISKS ARISING FROM TAXATION
The tax characterization of the Coins is uncertain. You must seek your own tax advice in connection with purchasing the Coins, which may result in adverse tax consequences to you, including withholding taxes, income taxes and tax reporting requirements.

RISK OF AN UNFAVORABLE FLUCTUATION OF BTC/ETHER AND OTHER CURRENCY VALUE

The Company team intends to use the proceeds from selling the Coins to fund the exploration and development of well drilling, as described above. The proceeds of the sale of Coins will be denominated in Bitcoin/Ethereum, and may, at our discretion, be converted into other cryptographic and fiat currencies. If the value of Bitcoin/Ethereum or other currencies fluctuates unfavorably during or after the Sale Period, the Company team may not be able to fund the exploration and development of well drilling in the manner that it intended.

RISKS ARISING FROM LACK OF GOVERNANCE RIGHTS

Because the Coins confer no governance rights of any kind with respect to the Company, all decisions involving the Company will be made by Company at its sole discretion. These decisions could adversely affect the Platform and the utility of the Coins that you hold.

UNANTICIPATED RISKS

Cryptographic tokens are a new and untested technology. In addition to the risks discussed above, there are other risks associated with your purchase, holding and use of the Coins, including those that the Company cannot anticipate. Such risks may further materialize as unanticipated variations or combinations of the risks discussed above.