



Business Plan

January, 2021

SGR Energy, Inc.
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Executive Summary

SGR Energy is a rapidly growing fuel oil blending and distribution company that has developed a proprietary, and protected blending technology platform to cost-effectively incorporate cleaner burning fuel oils and blendstocks for commercial and industrial burning.

The Company is operated by a veteran of the fuel oil industry with over 30 years' experience. He has previously been involved in the initial and growth stages of two other fuel oil companies and has utilized his direct and well-established relationships with customers and suppliers in growing the Company to its current level.

Founded in late 2011, SGR Energy has rapidly grown revenue to about \$265 million with EBITDA around \$20 million in FY2019. There is currently a backlog of additional contracts worth over \$1.5 billion per annum for which the Company needs to acquire midstream and logistical assets to execute on these contracts.

The Company is developing one terminal asset near Houston, TX, and operating a terminal asset in Barranquilla, Colombia with intentions to expand this facility. There is interest in acquiring other assets in the US Gulf Coast as well. SGR Energy currently services customers in several countries in the Western Hemisphere with a vision of having a global presence.

The Company is a Texas Corporation headquartered in Houston, Texas, USA.

Purpose of the Offering: The Company has an immediate need to raise \$125MM in capital to fund the execution of existing fuel oil blending and distribution contracts. In total, the Company will raise over \$250MM pre-IPO to purchase and improve additional terminal, and logistical assets.

Operations: SGR Energy secures feedstock from refineries, blends to customer's specification at a land-based terminal and ships its product via waterway to customers.

Use of Funds: Midstream Assets

Leggett Pre-Fuel Blending Terminal

Under Construction

- Buildout Storage Capacity – 250,000 Barrels

Swiss Terminal Barranquilla

Currently Operating

- Current Storage Capacity - 210,000 Barrels
- Buildout Storage Capacity – 630,000 Barrels

Houston Ship Channel Terminal

Purchase Oppty & Greenfield Construction

- Fully Permitted w/Existing Rail Infrastructure
- Buildout Storage Capacity – 3.5+ Million Barrels

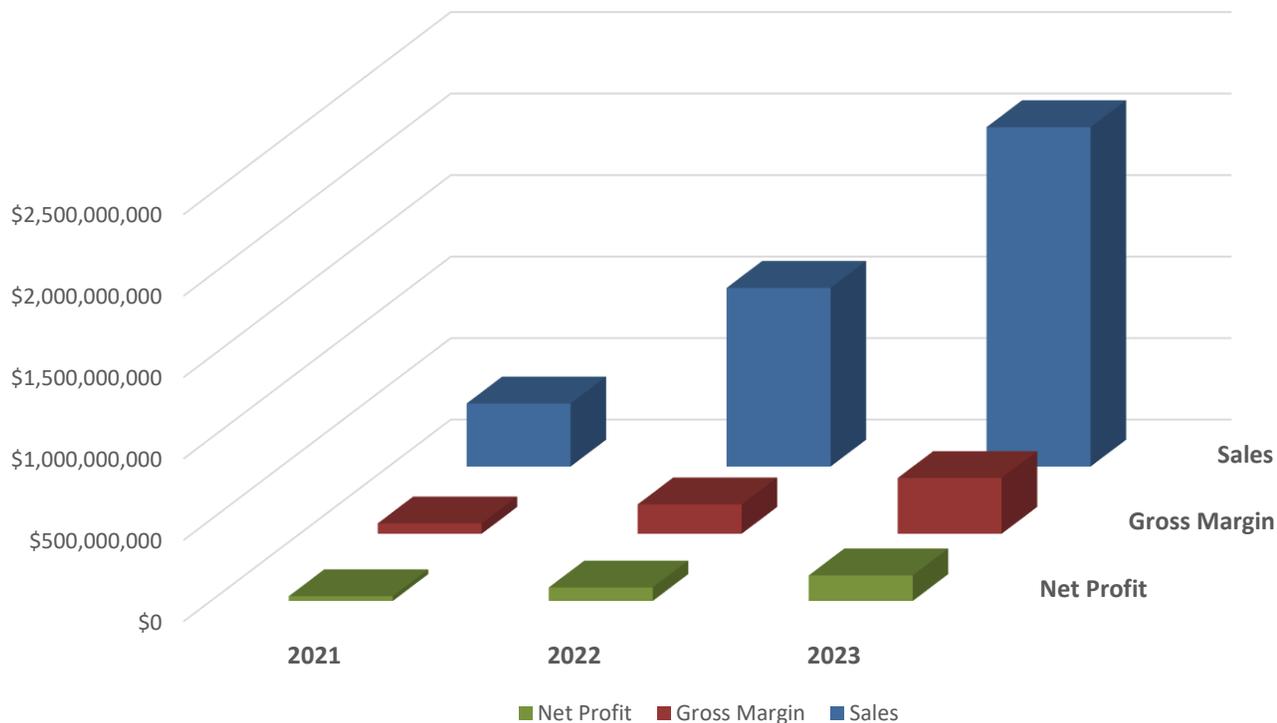
Texas Gulf Coast Terminal & Pipeline

Purchase Oppty & Greenfield Construction

- Buildout Storage Capacity – 500,000 Barrels
- 40 Mile Pipeline



HIGHLIGHTS



1.1 Objectives

- To grow the company to over \$150MM in EBITDA as soon as possible in preparation for taking the company public.
- To be the largest industrial fuel oil blender in the world less than ten years from now.

1.2 Mission

Our mission is to deliver high quality petroleum products at competitive market prices while creating maximum profit for our shareholders, and helping to positively impact global emissions with our cost-effective, and cleaner burning low-sulfur fuels.

1.3 Keys to Success

SGR's commitment to uniform process, approach, and methodology in our blending process allows the Company to build scale at a rapid rate without compromising fuel quality.

Cost Efficiency. By utilizing our proprietary blending process, SGR Energy, Inc. can cost effectively incorporate high margin blendstocks in our fuel while improving the fuel quality.

Access to Industry leading professionals. SGR Energy, Inc. has identified several market making professionals to join our team. We will utilize a pay for performance structure to lure this top talent. Secured International Contracts. Once funded, SGR Energy, Inc. will execute on secured international contracts that will supply fuel to Central America and China.

2.0 Company Summary

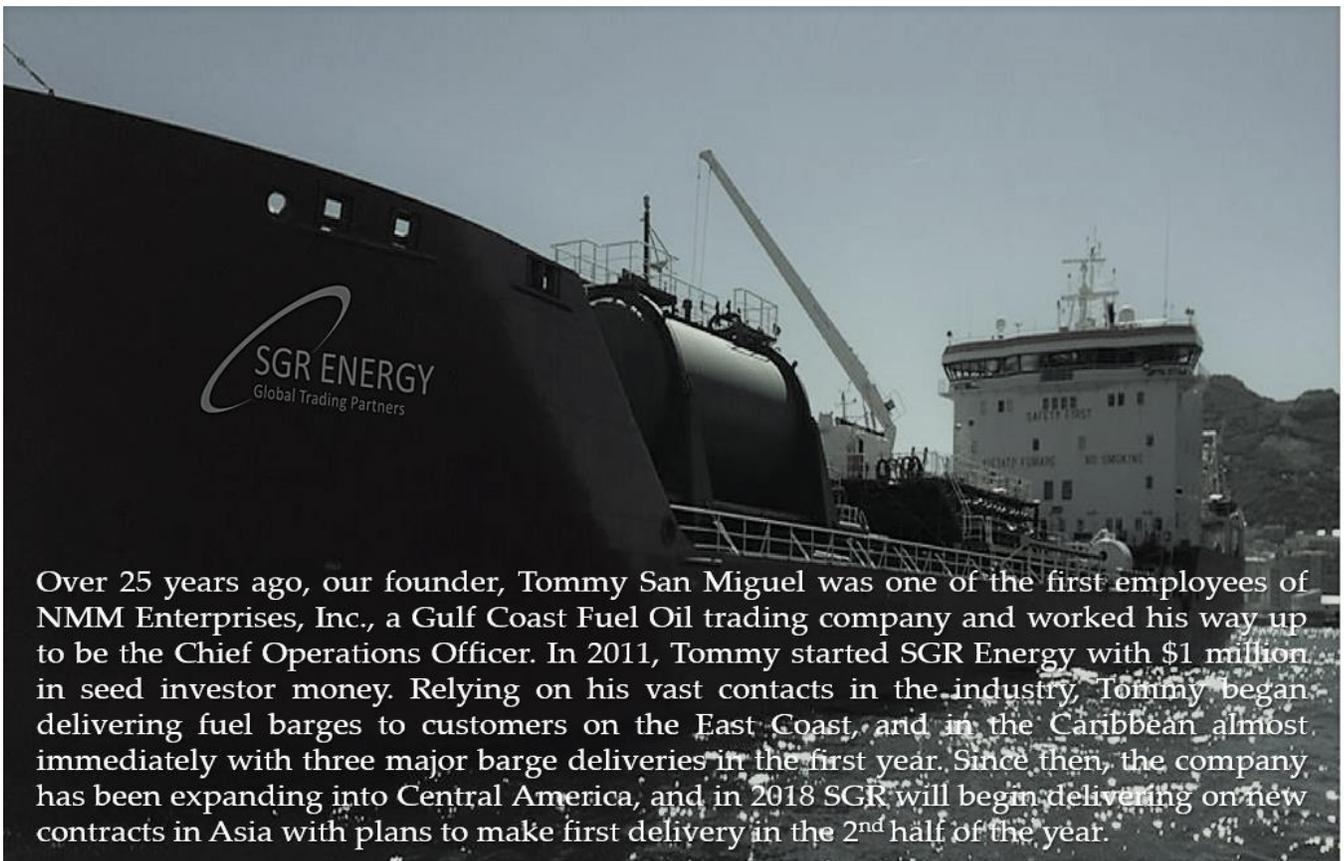
SGR Energy is the fastest growing fuel oil company in the United States, and most likely, the world. Established in 2011, we have already developed a proven formula for success. Started with one million dollars of seed investor money in 2011, and fifteen months later our founder, Tommy San Miguel, returned that seed money to the investors plus forty percent. The Company is a fuel blending and manufacturing company that has developed a platform for

cost-effectively incorporating cleaner burning blendstocks and additives into a low sulfur Fuel Oil ready for commercial and industrial burning. SGR's proprietary blending methodology produces cleaner burning fuels that can be produced at a large scale. The SGR technology is wholly owned by the Company and has no styrenes or butylenes incorporated in its products. Companies aimed at producing industrial fuels that are clean burning have encountered cost, scaling issues, and a much less desirable product thus making SGR products the most logical solution currently available.

2.1 Company Ownership

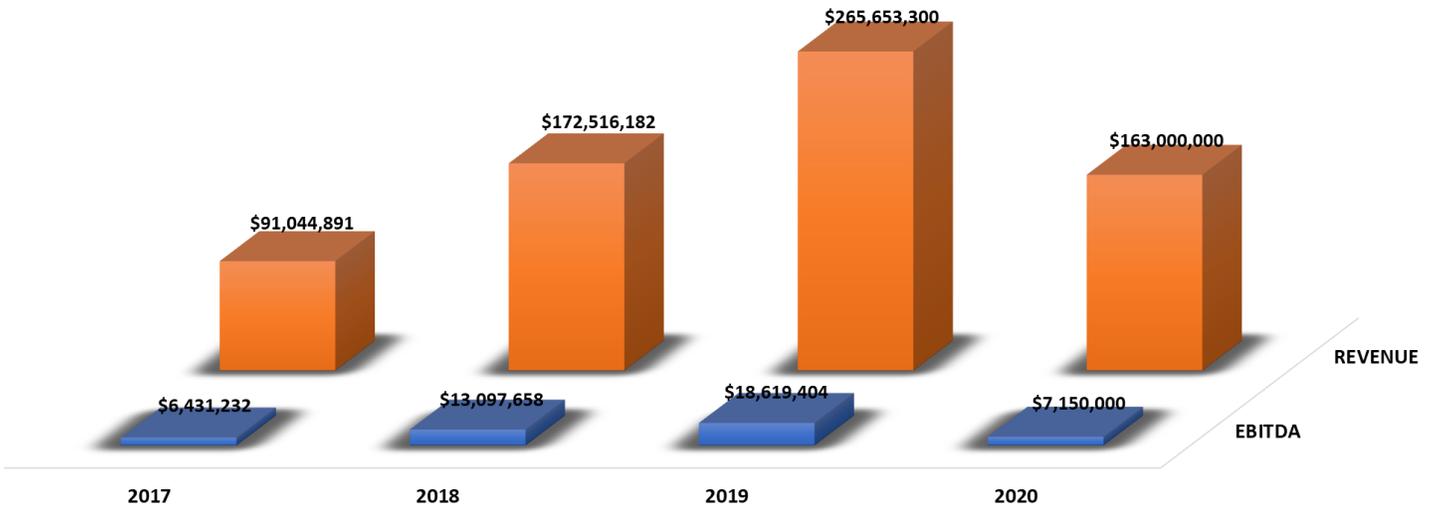
SGR Energy is a privately-owned company currently seeking shareholders that are interested in a better than market return via a generous dividend, and gaining equity while the company grows pre-IPO.

2.2 Company History



Over 25 years ago, our founder, Tommy San Miguel was one of the first employees of NMM Enterprises, Inc., a Gulf Coast Fuel Oil trading company and worked his way up to be the Chief Operations Officer. In 2011, Tommy started SGR Energy with \$1 million in seed investor money. Relying on his vast contacts in the industry, Tommy began delivering fuel barges to customers on the East Coast, and in the Caribbean almost immediately with three major barge deliveries in the first year. Since then, the company has been expanding into Central America, and in 2018 SGR will begin delivering on new contracts in Asia with plans to make first delivery in the 2nd half of the year.

PREVIOUS RESULTS



3.0 Products

SGR Energy is a fuel blending and manufacturing company that has developed a platform for cost-effectively incorporating cleaner burning blendstocks and additives into a 1% Sulfur #6 Fuel Oil ready for commercial and industrial burning. SGR's proprietary methodology with the additives, when blended produces a cleaner burning fuel oil that can be produced at a large scale. The SGR technology is wholly owned by SGR and has no styrenes or butylenes incorporated in its fuel.

What is #6 Fuel Oil?

The simple explanation is that it is literally the bottom of the barrel. After refineries take everything (gasoline, diesel, lubricants, asphalt, and liquid petroleum gases) out of the crude oil, what's left is a thick black residual oil. That material is then blended with middle distillates and in some cases, petrochemicals to a uniform specification. It has two major uses: power generation and the bunker fuel used aboard ships. We are able to supply both industries. SGR Energy, Inc. contracts third party inspection companies to certify that seventeen different specifications have been met to ensure that our fuel meets our customers' requirements, and is free of contaminants.

In addition, SGR is able to deliver these products:

Industrial Fuel – Any liquid petroleum, aromatic or used lube oil that is burned in a furnace or boiler for the generation of power or heat. Industrial Fuel is often used in asphalt plants and paper mills.

Crude Oil – A mixture of hydrocarbons that exists in liquid phase in natural underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities. Crude oil is refined to produce a wide array of petroleum products, including heating oil, gasoline, diesel and jet fuels; lubricants; asphalt; ethane, propane,

butane, perfume, rubber and plastics; and many other products used for their energy or chemical content.

Distillate Blendstocks – Any petroleum middle distillate such as kerosene or diesel used for blending into a finished motor diesel fuel or an on spec #2 fuel oil for heat or power generation.

Gasoline Blendstocks – Any naphtha (e.g. straight-run gasoline, alkylate, reformate, benzene, toluene, xylene), butane, or pentanes used for blending or compounding into finished motor gasoline.

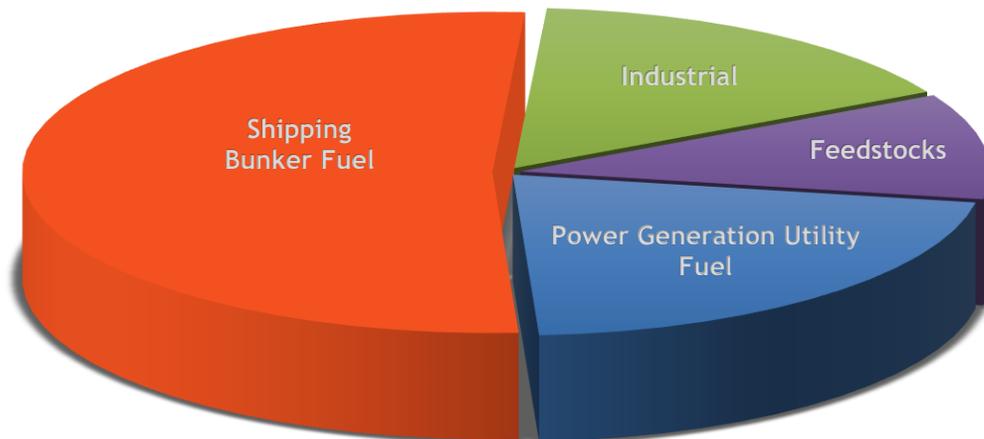
4.0 Market Summary



The Fuel Oil market is worth over \$18 Billion per year and growing.

The market for fuel oil is separated into utilities (power generation), the shipping industry (bunkers), and refinery feedstocks. The No. 6 Fuel Oil industry is highly fragmented, with the top four players within the industry accounting for less than 25% of total industry revenues.

4.1 Market Segmentation



4.2 Target Market Segment Strategy

Currently, even though it is not the largest market segment, the company is targeting power generation because it gives us the best opportunity to maximize profit on every shipment. In several years, we will be in a better position to pursue clients in the shipping industry where the trade volume must be much higher to justify the cost of delivery.

4.3 Industry Analysis

Global refineries produce around nine million barrels of residual fuel oil every day as a by-product of the refining process. Around four million barrels are traded freely on the open market. New refineries and upgrades to existing refineries are producing less fuel oil. Currently fuel oil is plentiful, but in time the aforementioned supply constraints, plus increased demand in Asia and lower carbon requirements will impact prices. With the new lower sulfur fuel standards, power plants, shipping companies, and other industrial burners will struggle to meet these standards while keeping fuel cost down. This could potentially have a profound impact on the global economy. SGR Energy is uniquely positioned to capitalize on these economic tailwinds. And, just as important, we're in a position to make a difference in the world by bringing additional cleaner burning fuels to the market. Because the significant majority of SGR Energy's customers are in emerging growth markets, we have a unique opportunity to capture market share and grow with these emerging markets.

4.3.1 Competition and Buying Patterns

SGR Energy, Inc. competes in dynamic, fast-growing, and global markets - for fuel blending and energy trading. No. 6 Fuel Oil is an \$18 billion business. This is a gigantic, fragmented industry, with on the one side, a few extremely large blenders dominating the landscape and on the other side, a vast number of very small companies that aggregate small barrels and markets them to the larger blenders.

Key Industry Success Factors

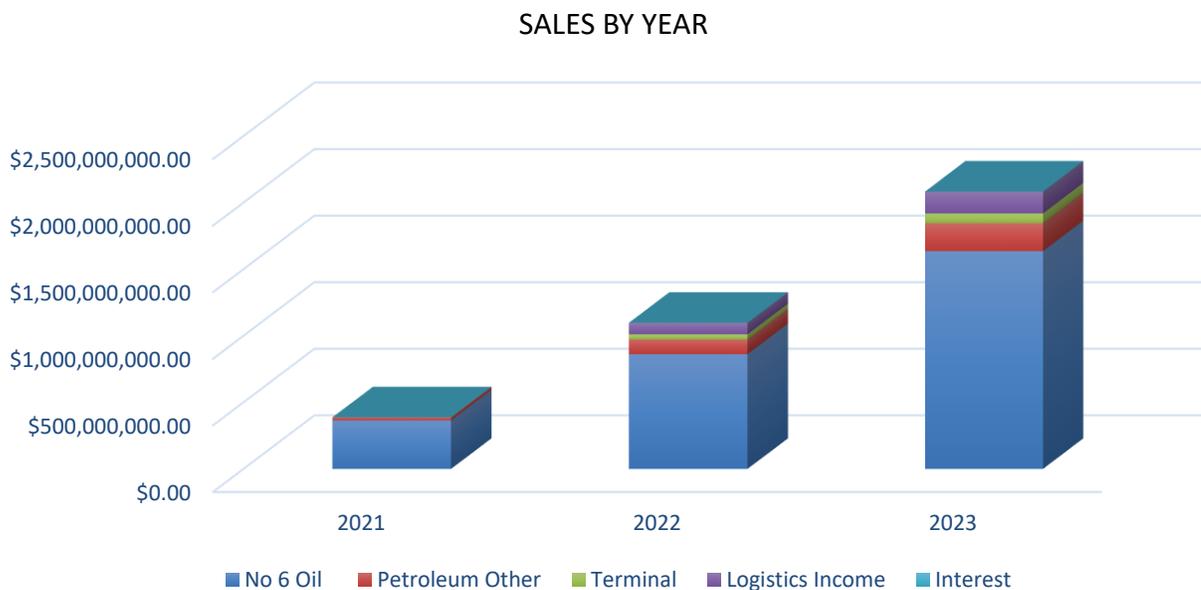
- Ability to quickly adapt to new markets.

- Ability to compete on a contract basis since a high percentage of major market contracts are put out to competitive bid
- Access to a multi-skilled and a flexible Workforce
- Effective quality control to ensure that our fuels meet our client's needs.
- Having a loyal supplier and customer base

Competitive Advantage

- A firm's reputation, knowledge, and the skills of its team members are the biggest selling points for any company. SGR Energy, Inc., and its strong partnership relationships with leading refiners and utilities is an emerging company that is uniquely positioned for accelerated growth.
- Also uniquely as a middle market business, SGR Energy, Inc. is managed with a commitment to uniform process, approach, and methodology in its blending process. This has allowed the Company to build scale and project volume at a rapid rate without compromising fuel quality.
- Cost Efficiency. By utilizing our proprietary blending process, SGR Energy, Inc. can cost effectively incorporate high margin blendstocks in our fuel while improving the fuel quality.
- Access to Industry leading professionals. SGR Energy, Inc. has identified several market making professionals to join our team. We will utilize a pay for performance structure to lure this top talent.
- Secured International Contracts. Once funded, SGR Energy, Inc. will execute on secured international contracts that will supply fuel to Central & South America.

5.0 Sales Forecast



6.0 Management Summary



Tom San Miguel – President/CEO

Tom San Miguel is the Founder and CEO of SGR Energy, Inc. Tom is a native Houstonian, he is a proven leader and executive in the Fuel Oil (FO) industry with almost 30 years of experience in senior petroleum management, marketing, and field operations. In 1990, Tom was the first employee of NMM Enterprises, Inc., a Gulf Coast Fuel Oil trading company, and worked his way up to be the Chief Operations Officer. The CEO and Founder of NMM, David Kramer was one of the first key employees for a now billion-dollar worldwide marketing, blending, and storage company of Fuel Oils, refinery feedstocks, and bunker fuels. Tom was responsible for over 600,000 BBLs per year of total storage capacity as well as, NMM's 21 full time employees.

Tom attributes his success in the industry to his large network of business relationships and his commitment to integrity and leadership through accountability. Tom has served on several boards and a variety of organizations throughout Tyler and Houston, Texas. He has served as a board member for the Hispanic Business Alliance, Hispanic Leadership Council, Meals on Wheels Ministries, Friends of Scouting, Hispanic Education Alliance, and is an active member at Stonebridge Church.



Michael Blankenship – CFO, SGR Midstream

Michael Blankenship is the Chief Financial Officer for SGR's Midstream Assets. Prior to joining SGR, Michael was a founding partner and Chief Investment Officer at Scitor Capital Management, a multi-strategy hedge fund. Michael brings over 20 years' experience in the capital and alternative investment markets where he has served in a number of different leadership roles within the alternative investment community, Oil & Gas industry, and more.

Michael received an MBA from William & Mary's Mason School of Business (2005) and a BA in Economics from the Virginia Military Institute (1995).

7.0 Projected Profit and Loss - With Funding

FORECAST (\$M)	2021	2022	2023
REVENUE	387.4	1,097.5	2,082.9
COST OF SALES	323.7	917.1	1,740.5
GROSS PROFIT	63.7	180.4	342.4
OPERATING EXPENSES	34.5	97.7	185.4
NET INCOME (LOSS)	29.2	82.8	157.0