

INVESTMENT OPPORTUNITY

Frac Sand / Proppant Mining and Production Company Southeastern United States Profile of Project Willow

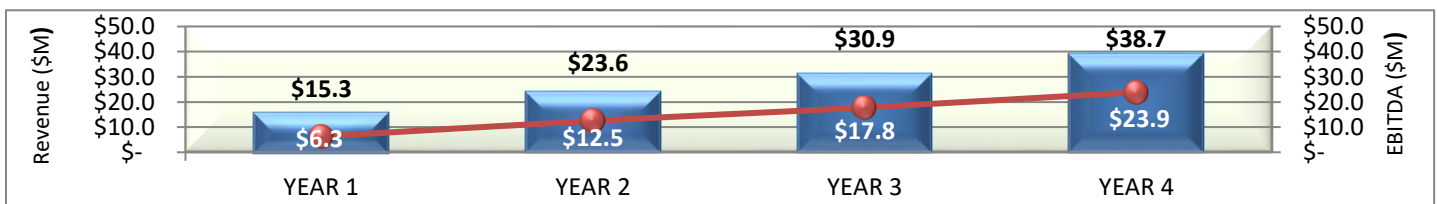
The Opportunity: Project Willow is a frac sand and gravel mining operation, based in the Southeastern United States. The company owns approximately 585 acres of land, licensed as a sand and gravel mine. Although the history of the business is providing a gravel product to produce cement, a by-product of its operations is a large amount of sand, which has been tested as suitable as a proppant in hydraulic fracturing ("fracing"). The facility is near rail facilities and a navigable river. Now that oil prices have stabilized, with many industry experts projecting increased prices later this year, E&P companies have ramped-up drilling activity, and in many cases re-opened old wells to re-frac and gain more production.

A key aspect of this transaction is that pressure pumping companies are pushing record amounts of sand at increasing levels of pressure into their wells, and it is this dynamic that has put a strain on the supply of frac sand used as a proppant, and helped to drive up prices. In late 2016, proppant was selling for approximately \$38.50+ per ton, with increases already achieved in early 2017 and forecasts for later in the year and forward going much higher. Project Willow is well positioned to exploit this opportunity quickly and efficiently, as the Company's frac sand product is readily available. To maximize production and the resulting returns to investors, the Company needs \$1.25 million in equipment (screens & dryers), \$500K to run electric power to the processing plant, and \$250K in working capital. Currently, Project Willow is operating with expensive generators until electricity can be established to the mine. This transaction contemplates securing \$2,000,000 to acquire the equipment, electric power, and additional working capital to ramp up production.

The objective of this transaction is to get the plant operating at peak efficiency as quickly as possible, and then put the company and the mine up for sale as soon as the opportunity to realize full value becomes apparent. An optimal outcome would look like the following:

- 1) Secure \$2,000,000 in the next 30-60 days.
- 2) Start the process to bring electric power to the plant (expected to be completed approximately 90 days after the capital is available to the Company). Generators will continue to be used until that time.
- 3) Upon establishment of the electrical power source, ramp up production from an initially projected 50 tons per hour to 100 tons of frac sand per hour as quickly as possible.
- 4) Establish a production track record for 3 to 6 months and then pursue a sale process.

Financial: A view of the Company's financial projections for the 4 years after operationalizing the investment being pursued is shown below. The projections assume a conservative ramp-up to full production by year 4.



Value Proposition: Investment opportunity to take advantage of high product demand in an expanding market with the prospect of realizing a potentially lucrative and rapid return on a relatively small investment.

Note: We are compensated by the seller. **Next step:** If you would like to receive more information about this company, please call or return a signed Confidentiality Agreement so that we may send you financial statements and a professional summary of the business.

Contact: Mark Travis or Mike Stengle (214) 295-4754

Profile of Project Willow



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CONFIDENTIALITY AGREEMENT

Subject Company: Project Willow

The undersigned, _____ as duly authorized agent for _____, in consideration of the disclosure of certain information, including financial, operating, product and/or services data of Subject Company, for the purpose of considering Subject Company as an acquisition candidate, agrees to the following:

1. The undersigned and/or all officers, agents and representatives of the undersigned will hold in strictest confidence all data and information obtained from Subject Company or any agent or representative of Subject Company relating to the financial condition, results of operation, methods of operating, products/services or other attributes of Subject Company for a period of two years from the date noted below.
2. The information requested by the undersigned and furnished by Subject Company shall not be disclosed to any other person, partnership or corporation, except those employees, consultants and contractors associated with the undersigned who have a need to know such information in the evaluation of Subject Company and who are aware of the contents of this Agreement.
3. If, for any reason, the transaction(s) contemplated by this Agreement are not consummated, the undersigned will delete, return to Subject Company or destroy all data, information and other written and electronic material obtained by the undersigned in connection with matters contemplated by this Agreement.
4. The undersigned agrees and acknowledges that the information received from Subject Company is confidential and proprietary to Subject Company and is disclosed solely for the purposes of evaluating this Company as an acquisition candidate.
5. This Confidentiality Agreement will not apply to any information: (1) which has appeared or subsequently appears in issued patents, printed publications or other published documentation available outside the Company, (2) which ceases to be confidential through no fault of the undersigned, (3) which was in the possession of the undersigned prior to disclosure by the Subject Company (3) which is at any time in the public domain, other than by breach on the part of the undersigned; or (5) which is at any time rightfully received from a third party which has the right and transmits it to the undersigned without any obligation of confidentiality.

Dated: _____ By: _____
Authorized Signature & Title

Firm: _____

Address: _____

Email: _____ Phone: _____

