



**Project:** Saltpod (SOPCL) Oil Fields  
**Invest:** \$5,000,000.00



**PETROGRESS**  
THE OIL & GAS ENERGY  
INCORPORATION (TX)



## AIMING TO BE A VERTICALLY INTEGRATED GLOBAL ENERGY COMPANY

Petrogress Group's management Vision is *"in striving for harmony and symbiosis between our planet, mankind and society, we aim for sustainable growth towards a future of limitless possibilities"*



Petrogress Oil & Gas Energy Inc., a wholly-owned subsidiary of Petrogress, Inc., [www.petrogressinc.com](http://www.petrogressinc.com), - a company listed in the OTC market- is engaged in the petroleum product business, with emphasis in Natural Gas well, and the sea-transportation of wet cargoes, including LNG;

Petrogress is a dynamic, results-oriented driven investment management company committed to identifying and delivering investment opportunities in the oil and natural gas industry. Our focus is delivering superior investment performance for our investors through innovative, timely and tax-effective investment opportunities;

Petrogress executive management team has significant experience in shipping and oil commodities with expertise to evaluate and profitably manage the risk and rewards inherent in the oil and gas industry. As an independent oil company we are currently developing projects in Texas and Ghana;;

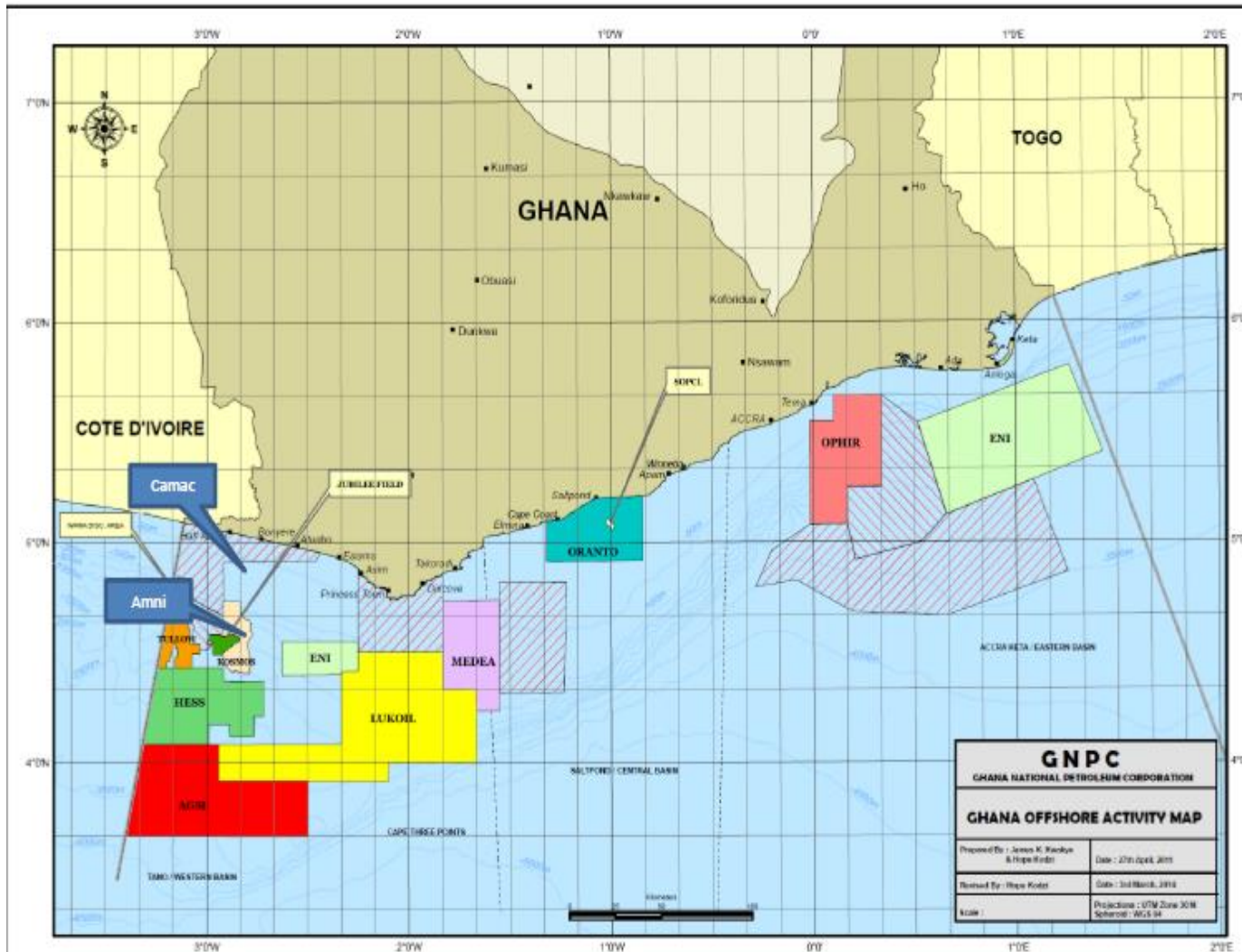
As one initiative to expand our business, Petrogress signed a Memorandum of Understanding to get partners with Lushann International Energy Ltd., for the establishment of a strategic comprehensive alliance with Ghana National Petroleum Company for the exploration of the oil fields in Saltpond (SOPCL), Ghana offshore;

# Saltpond field – Location (Ghana)



- The Saltpond field is located about 7 miles offshore Saltpond Town;
- The field covers a surface area of 5sq. Km in a water depth of 26 meters;
- The field was discovered in 1979 by SIGNAL-AMOCO Consortium with well 10-1 which had light oil of 36.7° API;
- Total of twenty-six wells:
  - Six development wells;
  - Three appraisal wells;
  - Seventeen exploratory wells;
- Gross hydrocarbon column is 162 feet, found in the 10-A4 well;

# Saltpond field – Historical Development



- ❖ Commercial production commenced October 1978, reaching a maximum level of 4,800 barrels;
- ❖ The field was shut-in 1985 when production declined to 580 barrels per day;
- ❖ The cumulative production at the time of shut-in was 3,55 million barrels of oil and 14 billion Cubic Feet of Gas;
- ❖ Estimated that the remaining reserves is about 1,5 million barrels of oil and 20 billion Cubic feet of Gas;
- ❖ GNPC (Ghana National Petroleum Company) commissioned several geological and engineering studies. One of the studies was performed by Braspetro in 1986 which estimated additional 1,2 million barrels of oil;
- ❖ On February 2000, Lushann International Energy Company of Houston entered into Agreement whereby was to finance the Saltpond project in an amount of \$3,0 million. On that basis two Agreements –Joint Venture and Operating agreement- signed between GNPC and Lushann;

# Saltpond field – Historical Development



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- ❖ Saltpond Offshore Producing Company (SOPCL) was setup under the Agreements to operate the Saltpond field;
  - ❖ The initial Ownership interest of each Venturer in SOPCL was:
    - Lushann International Energy 85%
    - GNPC (Ghana National Petroleum Company) 15%
- GNPC's equity contribution were its existing assets at the Saltpond oil fields comprising:
- (i) Mr. LOUIE platform
  - (ii) Seismic data
  - (iii) Oil wells
  - (iv) Studies on the Saltpond fields
- ❖ The Saltpond rehabilitation started with the repair of the “Mr. Louie’ platform;
  - ❖ Production resume on April 2006 at an average production of 700 barrels per day;



## Petrogress as major partner and player in Saltpond Fields



- ❑ Two major activities took place in 2008 to reduce the operating cost of the project. A gas generating plant was purchased to replace the diesel plant to run on part of the produced gas;
- ❑ The current production rate is about 550 barrels with two well production, however a refreshment-improvement of APG-1 (ex “Mr. Louie”) is immediately required and a storage vessel must take place in the platform to consolidate the daily production;
- ❑ GNPC and Lushann decided to look for a partner to inject fresh capital in the operations and assist in the acquisition of the 3D seismic over the block. GNPC believes there is a great potential in the area which needs to be explored;
- ❑ On June 2016 Petrogress & Lushann sign an LOI for the transaction where Petrogress will invest \$3,5million in exchange of fifty-five percent equity from Lushann interests in all agreements and licenses with/from GNPC and additionally to place the storage vessel under a daily charter to the new J/V;
- ❑ Petrogress will be the major partner and player in Saltpond Fields and will take the management of the entire operations!

# Saltpond field – Conclusion & Potential



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- ✓ High quality, regionally extensive 2D seismic, well control, and well defined hydrocarbons system (Producing Field)
- ✓ Large number of untested prospects
- ✓ Exploration potential is very high in the central basin of offshore Ghana.
- ✓ Current E & P efforts aimed at interpreting and updating existing data are ongoing.
- ✓ 3D seismic acquisition have become a key GNPC priority.
- ✓ Current E & P efforts aimed at promoting the Blocks to technically and financially competent Oil & gas companies in the industry
- ✓ Good and negotiable fiscals regimes that encourage the development of marginal discoveries
- ✓ Over 10, 000 sq km of acreage available for licensing offshore

# Saltpond field & blending – Project bullets



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Date: June 24<sup>th</sup>, 2016  
Our ref: 2427/0616

EXPRESS OF INTEREST FOR DISCUSSION PURPOSE ONLY

Mr. Quincy Sintim / Man. Director of  
LUSHANN INTERNATIONAL ENERGY CO.  
Houston - Texas

Dear Quincy

**Re: Letter of Intention (the "LOI") in respect of a transaction related to Lushann International Energy & Saltpond Offshore Producing Terminal in Ghana**

Further to our recent discussions and on the basis of the preliminary information we have received from you, we wish to express the intention of Petrogress Co. Limited, ("the investor"), a Marshall Islands Corporation, to effect a transaction with Lushann International Energy Ghana Ltd., ("Lushann" or the "Company"), a company duly organized and validly existing under the laws of Ghana, whereby the transaction may consist to the transfer/assignment to Petrogress the Fifty Five percentages (55%) of Lushann interest in the Ghanaian Crude Oil Blending consolidation operations in Saltpond area and Five percentages (5%) of Lushann Eternit Energy's interest in the Saltpond Oil Field and also a joint management of operations on the rig of the Saltpond oil-field (SOPCL), including any assets (1 Supply-boat & 1 high-speed), any agreements and Joint Ventures in possession of Lushann, and particularly the JV with Ghanaian State owned Petroleum Company (GNPC) and/or the license for the crude-oil blending operations, in exchange of cash investment to be made by Petrogress up to \$5 million, in accordance with the terms and conditions set forth in the Term Sheet attached hereto as Schedule "A" (hereinafter referred to as the "Transaction") and the Partnership Agreement that will be signed among the Petrogress and Lushann.

If this LOI accurately reflects the intentions of Lushann International, please so indicate by executing and returning a copy of this LOI to the undersigned no later than 5:00 pm Greek Time on June 27, 2016. In the event Petrogress does not receive Lushann's acknowledgements by such time, this LOI shall be deemed null and void and of no further effect.

This LOI may be executed in one or more counterparts, each of which so signed, whether in original or facsimile form, shall be deemed to be an original and bear the dates as set out above and all of which together will constitute one and the same instrument.

I look forward to working with you to conclude the transaction.

Yours truly,

  
Name / Title: Christos Tralos (CEO)  
Company: PETROGRESS CO LIMITED.

Accepted and agreed to this \_\_\_ day of June, 2016.

**Lushann International Energy Ltd.**

Per:   
Name: Quincy Sintim  
Title: CEO

- Petrogress and Lushann International Energy signed the LOI on June 24<sup>th</sup> 2016 with main terms agreed, Petrogress to buy 55% interest of Lushann's participation in the Saltpond oil fields and the rig, with Petrogress taken the management of the entire operations;
- After the closing, the interests of each ventured party in SOPCL operations will be:
  - Petrogress Oil & Gas Energy Inc. 55%
  - Lushann International Energy Ltd. 30%
  - Ghana National Petroleum Company 15%
- The duration period of the Joint Venture Agreement will be for 10years with renewal option;
- Petrogress will perform a due diligence in the existent assets, including the oil-rig and fields to appraisal the current status and conditions. Estimate time of DD completion August 10th;
- Petrogress is under negotiations with a Texas specialist engineers to contract the refreshment and maintenance of the Platform-Rig in order to improve the daily production;
- The present crude oil production is 300 barrels per working day from one well and we estimate to increase up to 500 barrels per day after refreshment of the rig completed for which the estimated time will be 30 days from commencing day;
- Simultaneously with oil-fields exploration, we intend to start the blending operations as well by securing a supply of min 70,000 barrels crude oil per month through independent supplier;
- A storage vessel able to facilitate min 80,000 barrels plus is needed in order to achieve the said quantities both supplied by the independent supplier and Saltpond itself, respectively;

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[www.petrogress.com](http://www.petrogress.com)

# Saltpond project: oil fields, blending & storage

## Phases (A+B+C) with respective invests



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The entire Saltpond project consist in three phases with the respective invests as follows:

### **Phase A;** August to September 2016

- Project Oil Field production
- Invest: \$1,500,000
- Timeline: within 30days of signing the final agreement
- Use of proceeds:
  - \$250,000; old debts –staff – suppliers & various
  - \$500,000; repairs/maintenance of platform;
  - \$250,000; repairs of support vessel & high-speed boat
  - \$500,000; working capital for about 60 days
- Estimated Production: Startup 300bbls per day with an increase to 500bbls after 6 months operations;
- Estimated Time: the expecting time for the first production estimated within 60days from the day of commencing the re[airs in the oil-rig;

### **Phase B;** August 2016

- Project: Storage Vessel
- Invest: \$1,500,000
- Timeline: August 2016
- Use of proceeds:
  - Acquire 50% interest of 10,000 tons capacity vessel;
- The ownership of vessel will be transferred and registered by newly ship- owning company;
- The management of the vessel shall be taken by Petronav Co., a wholly owned subsidiary of Petrogress;
- The vessel shall be used as a storage facility for the cargo consolidation;
- Hire: \$4/ bbl or \$320,000/month

### **Phase C;** September 2016

- Project: Consolidation & Blending
- Invest: \$2,000,000
- Timeline: within 20days upon sign Sale & Purchase Agreement with Supplies
- Use of proceeds: invest amount will be used for the payment of the independent supplier of crude oil and consists to the supply of about 70,000 barrels monthly;
- Purchase price: minus \$25/bbl of the Brent plats;
- Payment to Supplier: within max 7days from the delivered day and taken possession of product;
- Operational & Shipping cost: \$14 per barrel, all included;
- Sale price: minus \$6/bbl

# Saltpond field – Projection (Phase A)



## Sales Revenues

Revenue Projections	2016	2017	2018	2019	Total
<i>(Jul. 2016 – Jun. '19)</i>					
Number of Units ( Barrels)	60,000 bbls	120,000 bbls	120,000 bbls	60,000 bbls	360,000 bbls
Price per unit	\$ 42,00/ bbl	\$ 42,00/ bbl	\$ 42,00/ bbl	\$ 42,00/ bbl	
<b>Net Revenue</b>	<b>\$ 2,520,000</b>	<b>\$ 5,040,000</b>	<b>\$ 5,040,000</b>	<b>\$ 2,520,000</b>	<b>\$ 15,120,000</b>
<b>Revenues per Quarterlies</b>					
1st Quarterly		\$ 1,260,000	\$ 1,260,000	\$ 1,260,000	\$ 3,780,000
2nd Quarterly		\$ 1,260,000	\$ 1,260,000	\$ 1,260,000	\$ 3,780,000
3rd Quarterly	\$ 1,260,000	\$ 1,260,000	\$ 1,260,000		\$ 3,780,000
4th Quarterly	\$ 1,260,000	\$ 1,260,000	\$ 1,260,000		\$ 3,780,000
<b>Yearly Total</b>	<b>\$ 2,520,000</b>	<b>\$ 5,040,000</b>	<b>\$ 5,040,000</b>	<b>\$ 2,520,000</b>	<b>\$ 15,120,000</b>

# Saltpond field – Projection (Phase A)



## Cost of Revenues

Cost of Revenues	2016	2017	2018	2019	Total
<b>Revenues</b>	\$ 2,520,000	\$ 5,040,000	\$ 5,040,000	\$ 2,520,000	\$ 15,120,000
<b>Production</b>					
Units Production	60,000/bbls	120,000/bbls	120,000/bbls	60,000/bbls	360,000/bbls
Cost of Production per unit	\$ 23,00/bbl	\$ 23,00/bbl	\$ 23,00/bbl	\$ 23,00/bbl	
<b>Direct Cost</b>					
Cost of exploring	\$ 630,000	\$ 1,260,000	\$ 1,260,000	\$ 630,000	\$ 3,780,000
Royalty	\$ 120,000	\$ 240,000	\$ 240,000	\$ 120,000	\$ 720,000
<b>Total Direct Costs</b>	<b>\$ 750,000</b>	<b>\$ 1,500,000</b>	<b>\$ 1,500,000</b>	<b>\$ 750,000</b>	<b>\$ 4,500,000</b>
<b>Other Related Expenses</b>					
Platform hire	\$ 240,000	\$ 480,000	\$ 480,000	\$ 240,000	\$ 1,440,000
Bunkers Cost	\$ 42,000	\$ 84,000	\$ 84,000	\$ 42,000	\$ 252,000
Operation Cost	\$ 240,000	\$ 480,000	\$ 480,000	\$ 240,000	\$ 1,440,000
Survey Cost	\$ 6,000	\$ 12,000	\$ 12,000	\$ 6,000	\$ 36,000
Anchorage dues	\$ 6,000	\$ 12,000	\$ 12,000	\$ 6,000	\$ 36,000
Insurance Cost	\$ 6,000	\$ 12,000	\$ 12,000	\$ 6,000	\$ 36,000
Storage cost	\$ 90,000	\$ 180,000	\$ 180,000	\$ 90,000	\$ 540,000
	\$ 630,000	\$ 1,260,000	\$ 1,260,000	\$ 630,000	\$ 3,780,000
<b>Total Cost of Revenues</b>	<b>\$ 1,380,000</b>	<b>\$ 2,760,000</b>	<b>\$ 2,760,000</b>	<b>\$ 1,380,000</b>	<b>\$ 8,280,000</b>
<b>% of Revenue</b>	<b>54,76%</b>	<b>54,76%</b>	<b>54,76%</b>	<b>54,76%</b>	<b>54,76%</b>

# Saltpond field – Projection (Phase A)



## Income statement

Income Statement	2016	2017	2018	2019	Total
NET REVENUES	\$ 2,520,000	\$ 5,040,000	\$ 5,040,000	\$ 2,520,000	\$ 15,120,000
COST OF REVENUES	\$ 1,380,000	\$ 2,760,000	\$ 2,760,000	\$ 1,380,000	\$ 8,820,000
<b>% of Revenues</b>	<b>54,76%</b>	<b>54,76%</b>	<b>54,76%</b>	<b>54,76%</b>	<b>54,76%</b>
<b>GROSS PROFIT</b>	<b>\$ 1,140,000</b>	<b>\$ 2,280,000</b>	<b>\$ 2,280,000</b>	<b>\$ 1,140,000</b>	<b>\$ 6,840,000</b>
<b>% of Revenues</b>	<b>45,24%</b>	<b>45,24%</b>	<b>45,24%</b>	<b>45,24%</b>	<b>45,24%</b>
MANAGEMENT FEE	\$ 240,000	\$ 480,000	\$ 480,000	\$ 240,000	\$ 1,440,000
<b>% of Revenues</b>	<b>9,52%</b>	<b>9,52%</b>	<b>9,52%</b>	<b>9,52%</b>	<b>9,52%</b>
PROFIT BEFORE TAXES	\$ 900,000	\$ 1,800,000	\$ 1,800,000	\$ 900,000	\$ 5,400,000
TAXES	\$ 40,500	\$ 81,000	\$ 81,000	\$ 40,500	\$ 243,000
NET EARNINGS	\$ 859,500	\$ 1,719,000	\$ 1,719,000	\$ 859,500	\$ 5,157,000
<b>% of Revenues</b>	<b>34,11%</b>	<b>34,11%</b>	<b>34,11%</b>	<b>34,11%</b>	<b>34,11%</b>

# Saltpond Storage – Projection (Phase B)



## Sales Revenues

<b>Sales Projection</b> <i>(July 2016 – June 2019)</i>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>Total</b>
Freight & Hires Sales	\$ 1,920,000	\$ 3,840,000	\$ 3,840,000	\$ 1,920,000	\$ 11,520,000
<b>Net Revenue</b>	<b>\$ 1,920,000</b>	<b>\$ 3,840,000</b>	<b>\$ 3,840,000</b>	<b>\$ 1,920,000</b>	<b>\$ 11,520,000</b>
<b>Revenues per Quarterlies</b>					
1st Quarterly		\$ 960,000	\$ 960,000	\$ 960,000	\$ 2,880,000
2nd Quarterly		\$ 960,000	\$ 960,000	\$ 960,000	\$ 2,880,000
3rd Quarterly	\$ 960,000	\$ 960,000	\$ 960,000		\$ 2,880,000
4th Quarterly	\$ 960,000	\$ 960,000	\$ 960,000		\$ 2,880,000
<b>Yearly's Total</b>	<b>\$ 1,920,000</b>	<b>\$ 3,840,000</b>	<b>\$ 3,840,000</b>	<b>\$ 1,920,000</b>	<b>\$ 11,520,000</b>

# Saltpond Storage – Projection (Phase B)



## Cost of Revenues

Cost of Revenues <i>(July'16-June '19)</i>	2016	2017	2018	2019	Total
<b>Revenues</b>	\$ 1,920,000	\$ 3,840,000	\$ 3,840,000	\$ 1,920,000	\$ 11,520,000
Operational & Running Costs	\$ 630,000	\$ 1,260,000	\$ 1,260,000	\$ 630,000	\$ 3,780,000
<b>Total Cost of Revenues</b>	<b>\$ 630,000</b>	<b>\$ 1,260,000</b>	<b>\$ 1,260,000</b>	<b>\$ 630,000</b>	<b>\$ 3,780,000</b>
<b>% of Revenue</b>	<b>32,81%</b>	<b>32,81%</b>	<b>32,81%</b>	<b>32,81%</b>	<b>32,81%</b>
<b>Cost of Revenues by Quarterlies</b>					
1st Quarterly		\$ 315,000	\$ 315,000	\$ 315,000	\$ 945,000
2nd Quarterly		\$ 315,000	\$ 315,000	\$ 315,000	\$ 945,000
3rd Quarterly	\$ 315,000	\$ 315,000	\$ 315,000		\$ 945,000
4th Quarterly	\$ 315,000	\$ 315,000	\$ 315,000		\$ 945,000
<b>Total for year</b>	<b>\$ 630,000</b>	<b>\$ 1,260,000</b>	<b>\$ 1,260,000</b>	<b>\$ 630,000</b>	<b>\$ 3,780,000</b>

# Saltpond Storage – Projection (Phase B)



## Income statement

Income Statement <i>(July'16-June '19)</i>	2016	2017	2018	2019	Total
NET REVENUES	\$ 1,920,000	\$ 3,840,000	\$ 3,840,000	\$ 1,920,000	\$ 11,520,000
COST OF REVENUE	\$ 630,000	\$ 1,260,000	\$ 1,260,000	\$ 630,000	\$ 3,780,000
<b>% of Revenues</b>	<b>32,81%</b>	<b>32,81%</b>	<b>32,81%</b>	<b>32,81%</b>	<b>32,81%</b>
GROSS PROFIT	\$ 1,290,000	\$ 2,580,000	\$ 2,580,000	\$ 1,290,000	\$ 7,740,000
<b>% of Revenues</b>	<b>67,19%</b>	<b>67,19%</b>	<b>67,19%</b>	<b>67,19%</b>	<b>67,19%</b>
MANAGEMENT FEE (10%)	\$ 180,000	\$ 360,000	\$ 360,000	\$ 180,000	\$ 1,080,000
<b>% of Revenues</b>	<b>9,38%</b>	<b>9,38%</b>	<b>9,38%</b>	<b>9,38%</b>	<b>9,38%</b>
EBITDA	\$ 1,110,000	\$ 2,220,000	\$ 2,220,000	\$ 1,110,000	\$ 6,660,000
<b>% of Revenues</b>	<b>57,81%</b>	<b>57,81%</b>	<b>57,81%</b>	<b>57,81%</b>	<b>57,81%</b>
DEPRECIATION	\$ 60,000	\$ 120,000	\$ 120,000	\$ 60,000	\$ 360,000
PROFIT BEFORE TAXES	\$ 1,050,000	\$ 2,100,000	\$ 2,100,000	\$ 1,050,000	\$ 6,300,000
TAXES	\$ 52,500	\$ 105,000	\$ 105,000	\$ 52,500	\$ 315,000
NET EARNINGS	\$ 997,500	\$ 1,995,000	\$ 1,995,000	\$ 997,500	\$ 5,985,000
<b>% of Revenues</b>	<b>51,95%</b>	<b>51,95%</b>	<b>51,95%</b>	<b>51,95%</b>	<b>51,95%</b>

# Saltpond blending – Projection (Phase C)



## Sales Revenues

Sales Revenues	2016	2017	2018	2019	Total
<i>(July 2016 – June 2019)</i>					
Number of Units (Barrels)	420,000 bbls	840,000 bbls	840,000 bbls	420,000 bbls	2,520,000 bbls
Price per unit	\$ 42/ bbl	\$ 42/ bbl	\$ 42/ bbl	\$ 42/ bbl	\$ 42/ bbl
<b>Net Revenues</b>	<b>\$ 17,640,000</b>	<b>\$ 35,280,000</b>	<b>\$ 35,280,000</b>	<b>\$ 17,640,000</b>	<b>\$ 105,840,000</b>
<b>Revenues per Quarterlies</b>					
1st Quarterly		\$ 8,820,000	\$ 8,820,000	\$ 8,820,000	\$ 26,460,000
2nd Quarterly		\$ 8,820,000	\$ 8,820,000	\$ 8,820,000	\$ 26,460,000
3rd Quarterly	\$ 8,820,000	\$ 8,820,000	\$ 8,820,000		\$ 26,460,000
4th Quarterly	\$ 8,820,000	\$ 8,820,000	\$ 8,820,000		\$ 26,460,000
<b>Yearly Total</b>	<b>\$ 17,640,000</b>	<b>\$ 35,280,000</b>	<b>\$ 35,280,000</b>	<b>\$ 17,640,000</b>	<b>\$ 105,840,000</b>

# Saltpond blending – Projection (Phase C)



## Cost of Revenues

Cost of Revenues	2016	2017	2018	2019	Total
<i>(July 2016 – June 2019)</i>					
<b>Revenues</b>	<b>\$ 17,640,000</b>	<b>\$ 35,280,000</b>	<b>\$ 35,280,000</b>	<b>\$ 17,640,000</b>	<b>\$ 105,840,000</b>
<b>Cost of Revenue</b>					
Cost per Unit	\$ 20,00	\$ 20,00	\$ 20,00	\$ 20,00	\$ 20,00
Total Direct Costs per Unit	\$ 20,00	\$ 20,00	\$ 20,00	\$ 20,00	\$ 20,00
Unit Sales	420,000	840,000	840,000	420,000	2,520,000
<b>Total Direct Costs</b>	<b>\$ 8,400,000</b>	<b>\$ 16,800,000</b>	<b>\$ 16,800,000</b>	<b>\$ 8,400,000</b>	<b>\$ 50,400,000</b>
<b>Otherr Expenses</b>					
Shipping cost	\$ 1,470,000	\$ 2,940,000	\$ 2,940,000	\$ 1,470,000	\$ 8,820,000
Bunkers Cost	\$ 1,050,000	\$ 2,100,000	\$ 2,100,000	\$ 1,050,000	\$ 6,300,000
Operation Cost	\$ 3,360,000	\$ 6,720,000	\$ 6,720,000	\$ 3,360,000	\$ 20,160,000
Survey Cost	\$ 105,000	\$ 210,000	\$ 210,000	\$ 105,000	\$ 630,000
Agency/Berth Cost	\$ 126,000	\$ 252,000	\$ 252,000	\$ 126,000	\$ 756,000
Insurance Cost	\$ 63,000	\$ 126,000	\$ 126,000	\$ 63,000	\$ 378,000
Storage cost	\$ 420,000	\$ 840,000	\$ 840,000	\$ 420,000	\$ 2,520,000
	<b>\$ 6,594,000</b>	<b>\$ 13,188,000</b>	<b>\$ 13,188,000</b>	<b>\$ 6,594,000</b>	<b>\$ 39,564,000</b>
<b>Total Cost of Revenues</b>	<b>\$ 14,994,000</b>	<b>\$ 29,988,000</b>	<b>\$ 29,988,000</b>	<b>\$ 14,994,000</b>	<b>\$ 89,964,000</b>
<b>% of Revenue</b>	<b>85,00%</b>	<b>85,00%</b>	<b>85,00%</b>	<b>85,00%</b>	<b>85,00%</b>
<b>Cost of Revenues by Quarterlies</b>					
1st Quarter		\$ 7,497,000	\$ 7,497,000	\$ 7,497,000	\$ 22,491,000
2nd Quarter			\$ 7,497,000	\$ 7,497,000	\$ 22,491,000
3rd Quarter	\$ 7,497,000	\$ 7,497,000	\$ 7,497,000		\$ 22,491,000
4th Quarter	\$ 7,497,000	\$ 7,497,000	\$ 7,497,000		\$ 22,491,000
<b>Total for year</b>	<b>\$ 14,994,000</b>	<b>\$ 29,988,000</b>	<b>\$ 29,988,000</b>	<b>\$ 14,994,000</b>	<b>\$ 89,964,000</b>

# Saltpond blending – Projection (Phase C)



## Income statement

Income Statement <i>(July 2016 – June 2019)</i>	2016	2017	2018	2019	Total
NET REVENUES	\$ 17,640,000	\$ 35,280,000	\$ 35,280,000	\$ 17,640,000	\$ 105,840,000
COST OF REVENUE	\$ 14,994,000	\$ 29,988,000	\$ 29,988,000	\$ 14,994,000	\$ 89,964,000
<b>% of Revenues</b>	<b>85,00%</b>	<b>85,00%</b>	<b>85,00%</b>	<b>85,00%</b>	<b>85,00%</b>
<b>GROSS PROFIT</b>	<b>\$ 2,646,000</b>	<b>\$ 5,292,000</b>	<b>\$ 5,292,000</b>	<b>\$ 2,646,000</b>	<b>\$ 15,876,000</b>
<b>% of Revenues</b>	<b>15,00%</b>	<b>15,00%</b>	<b>15,00%</b>	<b>15,00%</b>	<b>15,00%</b>
MANAGEMENT FEE (10%)	\$ 264,600	\$ 529,200	\$ 529,200	\$ 264,600	\$ 1,587,600
<b>% of Revenues</b>	<b>1,50%</b>	<b>1,50%</b>	<b>1,50%</b>	<b>1,50%</b>	<b>1,50%</b>
PROFIT BEFORE TAXES	\$ 2,381,400	\$ 4,762,800	\$ 4,762,800	\$ 2,381,400	\$ 14,288,400
TAXES	\$ 119,070	\$ 238,140	\$ 238,140	\$ 119,070	\$ 714,420
NET EARNINGS	\$ 2,262,330	\$ 4,524,660	\$ 4,524,660	\$ 2,262,330	\$ 13,573,980
<b>% of Revenues</b>	<b>12,83%</b>	<b>12,83%</b>	<b>12,83%</b>	<b>12,83%</b>	<b>12,83%</b>

# Saltpond – Projection (Consolidated)



## Cash flow (Consolidated)

Cash Flow		
	<i>July'16-June '19</i>	
Cash and cash equivalents, beginning of the period 7/1/2016		\$ 1,500,000
Cash provided by operations July'16-June '19		
Revenue	\$ 15,120,000	
Cost of Revenue (-)	\$ 8,280,000	
MANAGEMENT FEE (-)	\$ 1,440,000	
TAXES (-)	\$ 243,000	\$ 5,157,000
<b>Cash and cash equivalents, end of the period 6/30/2019 (a)</b>		<b>\$ 6,657,000</b>
Cash and cash equivalents, beginning of the period 7/1/2016		\$ 2,000,000
Cash provided by operations July'16-June '19		
Revenue	\$ 105,840,000	
Cost of Revenue (-)	\$ 89,964,000	
MANAGEMENT FEE (-)	\$ 1,587,600	
TAXES (-)	\$ 714,420	\$ 13,573,980
<b>Cash and cash equivalents, end of the period 6/30/2019 (b)</b>		<b>\$ 15,573,980</b>
Cash and cash equivalents, beginning of the period 7/1/2016		\$ 1,500,000
Cash provided by operations July'16-June '19		
Revenue	\$ 11,520,000	
Cost of Revenue (-)	\$ 3,780,000	
MANAGEMENT FEE (-)	\$ 1,080,000	
TAXES (-)	\$ 315,000	\$ 6,345,000
<b>Cash and cash equivalents, end of the period 6/30/2019 (c)</b>		<b>\$ 7,845,000</b>
<b>Total Cash and cash equivalents, end of the period 6/30/2019 (a)+(b)+(c )</b>		<b>\$ 30,075,980</b>

Thank you  
Chris Traios  
Chief Executive Officer



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