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White Paper: PETROCOIN®
(PTCN)

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The PETROCOIN Limited Liability Company (PTCN) White Paper is not an offer or solicitation to sell securities. The PTCN White Paper is intended solely to describe the PTCN token and matters related to its development and introduction into commerce. The statements contained in this White Paper are exclusively opinions and forward-looking statements, are made only as of the date written above and are not intended to be relied on by any person in connection with their determination to purchase or sell PTCN. All offers to purchase PTCN will be made solely to persons legally permitted to purchase PTCN and will be pursuant to definitive documents and agreements clearly labeled as such and subject to all terms, conditions, disclosures, qualifications, and risk factors contained therein.

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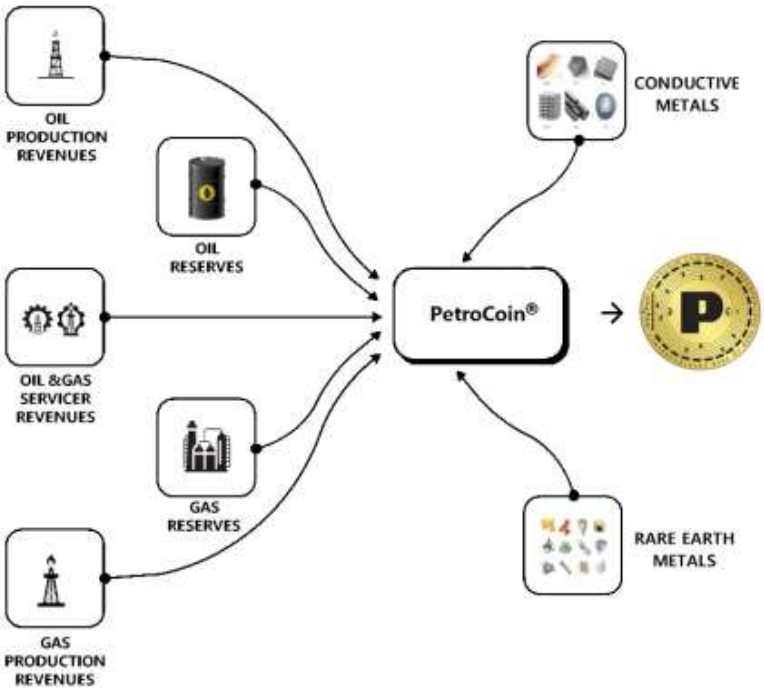
Abstract:

A cryptocurrency is a decentralized, encrypted digital currency that uses cryptography to secure transactions, limit the creation of new units, and verify the transfer of assets. It was designed as a potential alternative means of exchange and store of value. Cryptocurrencies are intended to be decentralized from the outset. Transactions are validated by network nodes and then recorded in a public data structure known as a Blockchain, maintained by the entire community. Nodes that form the foundation of the network are "rewarded" with cryptocurrency to power and secure it. They approve periodically coordinated transactions across numerous networks, allowing transactions to have public "witnesses," making cybercrime extremely difficult.

Blockchain shifts the "trust" burden from people and organizations to the program itself, allowing value to be traded without friction, fraud, or human involvement. Blockchain technology's maturity has now given willing participants much more functional nuance than ever before. Many people have been drawn into the field by financial independence and inclusion promises. There's a lot of interest in regulating new investors to protect them from scammers, not just because the entire crypto industry has a reputation for being insecure. New users finances are at risk from poorly constructed incentive systems, short-lived pumps and dumps, and outright scams.

PetroCoin® is a digital token supported by independently certified proven oil and gas reserves, oil and gas production, process stream revenues and conductive, rare earth and precious metals

along with other nonperishable hard assets. The Company is developing the PetroCoin® Token Energy Asset Acquisition Plan ("EAAP") on which it will issue the PTCN Tokens. PTCN enables individuals and organizations to utilize a transparent peer-to-peer exchanged digital currency backed by the value of crude oil and natural gas and conductive, rare earth and precious metal assets – the most globally liquid and actively traded commodities, and critical energy resources for the global economy. Each PTCN token will initially carry an opening value of $100 per token and will represent the net recovered value of crude oil or its natural gas equivalent as well as associated process streams and conductive, rare earth and precious metals. This token value will appreciate in value as additional assets are added to the PTCN asset basket with an aggregate total initial value approximating the aggregate value of all PTCN in circulation. PTCN has been structured with a view towards becoming a world's leading safe-haven tokenized store of value. By linking each PTCN token to existing and verified real world asset streams, PTCN will enable holders of digital and fiat currencies seeking to preserve wealth, lock in gain and/or avoid loss to acquire, hold and transfer intrinsic value in digital token form. In order to meet increased demand over time, the number of PTCN in circulation and their supporting oil and gas reserves, production, process stream revenues, conductive, rare earth and precious metals are able to expand to meet the demand expected in broadening both the reserves and the service revenue stream footprint without diluting the interests of existing PTCN holders. The embodiment of PTCN store of value in a transferable digital token will enable holders to preserve wealth and engage in commercial and consumer transactions while avoiding volatility, inflation and devaluations associated with other digital or national fiat currencies. PTCN is founded and coordinated by a fully transparent, energy and metal experienced and highly reputable team who will manage the operations and development of PTCN and act to ensure compliance with applicable laws in United States and any other required jurisdictions. The maintenance of PTCN oil and gas reserves, production, process streams, conductive, rare earth and precious metals will be compliant with laws governing transactions in commodities.



Introduction

Business' ability to adapt to the dynamic cultural and socio-economic trends that are constantly arising as a result of the Fourth Industrial Revolution, which we are currently living through, is being surpassed by the increasing adoption of new and ground-breaking technology across industries.

Tokenization converts any actual or intangible real-world item into digital form, then digitizes and separates it into smaller bits and pieces. Each token represents an individual ownership stake in the digitized asset and is a fraction of the whole set. The tokenization industry is expanding, and it has proven itself as a viable option for people and enterprises looking to raise funds. Historically, investors have been accustomed to using a typical marketplace where asset holders have little option to monetize their assets. Institutional money reigns with an iron hand in the traditional marketplace.

As these innovations propel us towards a digital future that progressively favors the spread of business models powered by the sharing economy, we must develop increasingly effective mechanisms of engagement between individuals who require services and those who can provide them. Regardless of the introduction of new disruptive technologies, the internet has equipped us with the tools to do so. However, we have yet to completely realize its potential for expansion. In addition to the tokenization market, there is a complementarity market geared toward the growth of traditional monomania, in which more and more businesses want to use asset tokenization technologies to contribute to their fight for sustainability, using native tokens as a direct communication channel that allows holders to participate in governance by voting, rewarding positivity and sense of community

PetroCoins® cryptocurrencies are asset-backed digital contracts on actual assets backed by only top-tier Class A assets. Proven Energy Reserves, Production, Process Streams, Conductive, Rare Earth and Precious Metals and other tangible assets could all be tokenized and added to the PTCN family of high-quality assets. Long-term pricing certainty, inflation protection, and purchasing power preservation are all possible with PTCN, all while hedging against daily market volatility. PTCN aims to remain stable regardless of the strength of any fiat currency, market fluctuations, or economic recessions, providing an alternative to fiat-pegged stable coins.

What are Proven Reserves, Process Streams, Conductive, Rare Earth and Precious Metals?

What are Proven Reserves of Crude Oil & Gas

Proven reserves are operator estimates of the volumes of oil and natural gas that geological and engineering data demonstrate, with reasonable certainty, to be recoverable in future years from known reservoirs under existing economic and operating conditions.

Oil and gas reserves denote discovered quantities of crude oil and natural gas (oil or gas fields) that can be profitably produced/recovered from an approved development. Oil and gas reserves tied to approved operational plans filed on the day of reserves reporting are also sensitive to fluctuating global market pricing. The remaining resource estimates (after the reserves have been accounted) are likely sub-commercial and may still be under appraisal with the potential to be

technically recoverable once commercially established. Natural gas is frequently associated with oil directly and gas reserves are commonly quoted in barrels of oil equivalent (BoE). Consequently, both oil and gas reserves, as well as resource estimates, follow the same reporting guidelines, and are referred to collectively hereinafter as oil & gas.

What are Process Streams

Oil and gas process streams include upstream oil and gas production includes identifying, extracting, or producing materials, downstream oil and gas production includes the post-production of crude oil and natural gas activities and midstream operations link upstream and downstream and include transportation and storage services. Service process streams are defined in more detail in the following paragraphs.

UPSTREAM:

The 'upstream' segment refers to anything having to do with the exploration and production of oil and natural gas. The term 'upstream' also includes the steps involved in the actual drilling and bringing oil and natural gas resources to the surface, referred to as 'production'.

MIDSTREAM:

The 'midstream' segment of the oil and natural gas industry refers to anything required to transport and store crude oil and natural gas before they are refined and processed into fuels and key elements needed to make a very long list of products, we use every day. Midstream includes pipelines and all the infrastructure needed to move these resources long distances, such as pumping stations, tank trucks, rail tank cars and transcontinental tankers.

DOWNSTREAM:

The 'downstream' segment includes everything involved in turning crude oil and natural gas into thousands of finished products we depend on every day. Some of the more obvious products are fuels like gasoline, diesel, kerosene, jet fuels, heating oils and asphalt for building roads. But long-chain hydrocarbons found in both oil and natural gas are used to make far less obvious products like synthetic rubbers, fertilizers, preservatives, containers, and plastics for parts in countless products. Oil and natural gas products are even used to make artificial limbs, hearing aids and flame-retardant clothing to protect firefighters. In fact, paints, dyes, fibers and just about anything that is manufactured has some connection to oil and natural gas.

Notable examples of Oil and Gas Process Stream Companies include Baker Hughes, Champion X, Fluor Corporation, Halliburton, Key Energy Services, Nabors Industries, Nalco Champion, National Oilwell Varco, Schlumberger, Siemens, Stewart & Stevenson, Superior Energy Services, Weatherford International. This list does not include the many small and mid-range process companies that service the process streams in the US and abroad.

What are Conductive and Rare Earth Metals?

CONDUCTIVE METALS:

Conductive metals consist of mostly silver, copper, and gold, due to their free-moving electrons, with silver being the best, followed by copper (widely used in wiring) and gold (used for corrosion

resistance). Other good conductors include aluminum, nickel, and zinc, while common examples found in daily life include iron, brass.

RARE EARTH METALS:

Rare Earth Elements (REEs) include 17 such conductive metals including Nano Copper, Lanthanum, Cerium, Neodymium, Yttrium, Scandium, and Dysprosium, which are soft, malleable, silvery metals valued for their conductivity, magnetism, and roles in high-tech devices like electronics, magnets, and lasers.

Of the many uses of alloid metallic mixtures (alloys) with these enhanced properties like strength, these alloids can be used for hydrogen and L&G plants and for piping and windings for generating power.

PRECIOUS METALS:

Precious metals are rare, naturally occurring metallic elements with high economic value, valued for their rarity, corrosion resistance, and conductivity. Primarily used in jewelry, industrial applications, and as investment hedges against inflation, the core eight include gold, silver, platinum, palladium, rhodium, ruthenium, iridium, and osmium.

Value Calculations

Financial statements related to PTCN and its proven reserves and process streams will be prepared in accordance with accepted accounting principles or similar standards as may apply in other jurisdictions, and may be subject to audit by a registered accounting firm followed by post audit checks by public company audit firms for added assurance of the assets held by PTCN. PTCN will comply with all applicable tax laws in relevant jurisdictions and will support record keeping and transparency to allow all holders, purchasers, and sellers of PTCN to comply with their applicable tax reporting obligations as and where required.

PTCN represents the creation of an instrument with potentially favorable tax treatment and return profile. PTCN will be driven by Ethereum-enabled ERC-20 blockchain technology in order to provide a robust and decentralized method of verification, tracking and exchange. The Ethereum blockchain is expected to provide an auditable and cryptographically secured global ledger and will facilitate transactions with other familiar currencies (both fiat as well as crypto) and assets. At its core, PTCN represents the peer-to-peer transferability of digitized commodity value. PTCN unique structure, verified intrinsic value and expected much lower volatility will provide meaningful economic benefits to its holders, purchasers, and sellers. In particular (i) PTCN will be a reliable store of value, medium of exchange and unit of account, (ii) PTCN will enable holders of other digital or national currencies to lock in gains and/or protect against ruinous declines in value due to inflation, volatility, or currency devaluation, and (iii) PTCN will be an effective and potentially a tax advantaged economic proxy for investments in oil, and to the extent of their positive correlation with oil, other commodities. These characteristics, together with a continuous focus on transparency and regulatory compliance, position PTCN to be a safe haven digital reserve currency capable of appealing to global investors and consumers regardless of size, sophistication or capital base.

PTCN tokens will be nominally initially hard-capped at 100 million tokens. There can theoretically never be more than this amount on issue, subject to certain algorithmically - dictated conditions or limitations as elsewhere defined herein. No general minted of treasury tokens will be allowed.

Tokens will only be minted after assets exchange or purchase agreements have been executed. Tokens for service providers, consultants and corporate finance will also be minted on demand.

PE Multiples – What are They?

Price-to-earnings ratio (P/E) provides a great starting point when evaluating different forms of publicly traded companies. PetroCoin® will utilize (P/E) ratios relating to the energy industry when setting evaluations of PTCN Tokens.

P/E Multiples for the Oil and Gas Industry

The chart below depicts P/E pricing multiples for the energy.

Source: stockanalysis.com

While the energy sector demands a (P/E) ratio of 13.42, PTCN Token's P/E ratio will be modestly set in the initial pricing of the PTCN Token as it begins to be distributed in energy and metal asset swaps.

WHY BLOCKCHAIN?

A blockchain is essentially a sophisticated ledger of transactions that is duplicated and appropriated across the entire network of PC frameworks. Each square in the chain contains different transactions, and each time a new transaction occurs on the blockchain, a record of it is recorded to each member's ledger. Distributed Ledger Technology (DLT) refers to a decentralized information base that is managed by a group of people. Blockchain has an almost infinite number of applications in practically every industry. The ledger technology may be used to track financial misappropriation, safely divide patient health records among medical professionals, and even

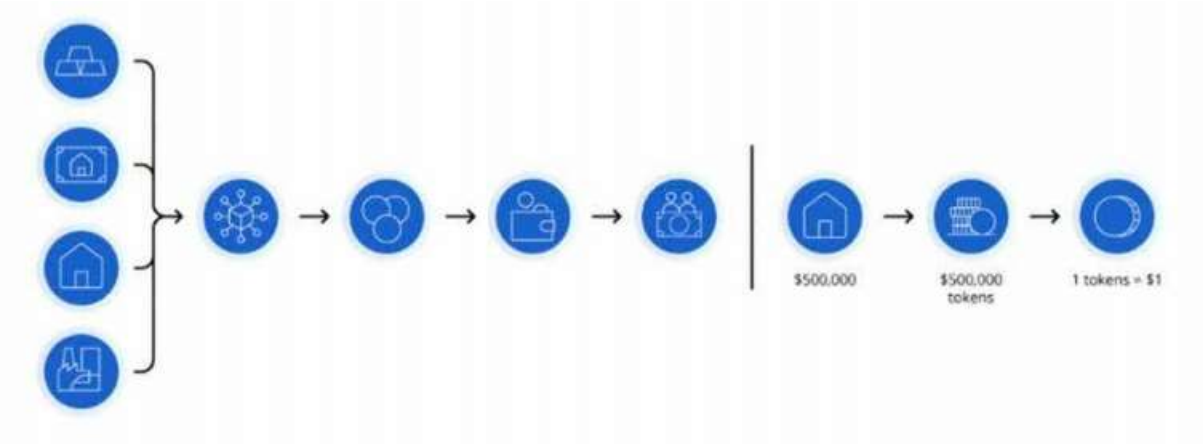
serve as a better way to track protected innovation in business and music rights for artists. Cryptocurrencies, like Bitcoin and Ethereum, are digital currencies (or tokens) that may be used to buy services and goods. Crypto, which functions similarly to a digital form of money, may be used to buy everything from lunch to your next home. Unlike fiat currency, crypto uses blockchain to operate as both a public ledger and a stronger cryptographic security system, ensuring that online transactions are always recorded.

The demand for online payments has increased as the digital economy has grown. All things considered; cryptocurrencies have become a more widespread solution for meeting the needs of online transactions. Cryptographic money refers to digital monetary units that operate independently of any bank and can be used across borders without requiring permission. Its transaction data, which is often maintained on a general ledger, is accessible to the public and viewable by system members (also known as nodes within the network). Furthermore, authorities such as banks, tax authorities, and legal systems are largely uninterested in digital currencies. Digital exchange platforms are platforms developed on blockchain and deal with no licensing authorities, as of now. As a result, trading platforms sometimes take advantage of users' trust and faith for their gain. Due to the profitable nature of this behavior, there has been a spike in the establishment of illegitimate trading platforms.

Decentralization, on the other hand, is a safeguard against such platforms. Without the use of intermediaries, exchanges should be made directly between interested individuals that wish to swap their currencies, referred to as peer-to-peer exchanges. The market is enthused by blockchain technology and the decentralization of currency that blockchain technology and cryptocurrency provide. It is estimated that well over 4000 different cryptocurrencies currently exist, and each has a new use case for blockchain being created on a near-weekly basis.

TOKENIZATION AS AN ENABLER

Fractional tokenization opens up a world of possibilities. Any asset, such as real estate, and financial instruments, such as debt, equity, bonds, and securities, among others, can be digitalized and componentized.



Digital transactions will account for 60% of global GDP, with a total value of $10 trillion (we think a reasonable estimate), according to the World Economic Forum. Asset tokenization is one of the most important growth trends in the financial industry, and it is expected to continue to expand shortly. Asset tokenization combined with blockchain technology is radically transforming the financial sector, whereas traditional commodities and set trading industries have experienced a decline. Asset tokenization is an opportunity that must be taken advantage of, and there is no better time than now to get involved in this fascinating sector.

The growing need for access to a growing number of investors with new ways of investing is driving the emergence of the tokenization sector. Higher development potential for the tokenization software industry is projected as a result of technological advancements in tokenization software and increased demand from developing organizations.

DECENTRALIZED ETHEREUM PLATFORM

Tokenization has made it feasible to trade virtually any asset on the blockchain. Tokens are digital "claims" on real assets that can break down absolute values into smaller components that can only be done with digital technology, necessitating a little shift in asset and ownership perspective. Blockchain and smart contracts are two examples of technologies that are allowing previously unimaginable opportunities to explore more reliable, effective, and secure methods of creating and sharing value across the internet, and it is past time for these powerful technology enablers to be made more accessible to mainstream industries outside of the digital payments domain.

Fractionalization's benefits include allowing investors to profit from revenue generation by acquiring a token that provides them a share of a company's or project's revenues, which creates a new market for investors all over the world. Any asset can be converted to a cryptocurrency, giving the token owner complete authority over the item. Important objects such as paintings, high-end commodities, and legal documents can all be tokenized for security and tracking. The value is converted into a digital "safe" that may be bought, sold, or exchanged.

ERC-20

ERC-20 is one of the most widely used Ethereum tokens. ERC-20 was designed to meet a technical standard; it's primarily utilized for smart contracts on the Ethereum blockchain. It offers a list of criteria that every Ethereum-based token must adhere to. In several aspects, ERC-20 is comparable to Bitcoin, Litecoin, and other cryptocurrencies; ERC-20 tokens are generally blockchain-based assets that have value and may be sent and received. The primary distinction is that ERC-20 tokens are created on the Ethereum network rather than on a blockchain.

As a result, the PTCN token will empower individuals of all types to accurately anticipate how new tokens will function in the overall Ethereum system. It simplifies the goal set for customers; they may continue with their activity knowing that each new project might not want to be restarted if a brand-new token is created, as long as it adheres to regulations. The Ethereum interoperability standards (EIP) were designed to provide a common set of rules that allow users to interact with smart contracts in ERC-20 blockchain secure tokens. These standards seek to enable compatibility between various unique tokens, allowing them to work together on the Ethereum Classic blockchain.

WHY DECENTRALIZATION?

LOW RISK OF SYSTEM FAILURE

The chance of a system failure is lower with decentralization. Almost everywhere, we have hyperinflation and instability. One of the primary reasons for decentralization is to combat this.

SECURITY

Centralized exchanges have a lot of money on hand, making them a high-risk target for hackers. With the increasing trade volume of cryptocurrencies, centralized exchanges are becoming more appealing to hackers.

CONTROL

Centralized exchanges have their drawbacks. Users don't have complete control over their funds in these situations, but the centralized exchanges do. Investors could face a variety of limits as a result, as well as financial losses. Everything, including your money and information, is yours. There are no freezes or locks that can be placed on your property.

PRIVACY

With the development of the internet world and internet economy, privacy and effective data storage have become increasingly crucial. Centralized systems cannot safeguard user information and guarantee privacy and data security. To avoid future risks, businesses and individuals must invest in decentralized solutions to protect their most sensitive data.

TRUST

The decentralization of networking systems, on the other hand, is advantageous in that it significantly lowers trust issues. Users are not required to trust a central authority, and mechanisms are in place to prevent misbehavior. When it comes to data, information should be readily available. Consider Wikipedia on a larger scale. Because it incorporates background checks and other verification techniques, you can rely on what you read there.

NETWORK POTENTIAL

Cryptocurrencies and blockchain technology are both relatively new concepts. Since the initial release of Bitcoin in 2009, the public's understanding and acceptance of blockchain and cryptocurrencies have steadily grown.

A $0.25 difference may have a significant impact. $0.25 here, $0.75 there—it all adds up and before you know it, you've accumulated a decent amount each month. To put it another way, a small amount of money can make a big difference. We anticipate that, as more positive occurrences in the sector continue to rise cryptocurrency awareness and accelerate industry growth.

On a similar point, governments around the world are rapidly experimenting with Central Bank Digital Currencies (CBDCs), indicating a considerable interest in digital currencies in general.

ADDRESSING THE CHALLENGES

Blockchain technology and crypto assets provide several advantages, including a transparent distribution mechanism for investing trusts; and a transferable store of value that is not dependent on the solvency of an issuing government. But rather based on the processing power, productivity, take-action, and markets that support it. The current situation, however, where Ethereum scaling solutions such as the POA Network are attempting to fulfill the vision due to three significant challenges:

- Price stability
- Transition through compliance with KYC/AML policies
- Risk associated with a lack of independent governance over standards and networks

Valuation: For global financial inter reliability to function reliably and consistently, a price-stable exchange medium and value store is desired. Even if you're only converting a few cryptocurrencies that fluctuate in extremes of volatility, you run the danger of building incompatibility and fragile settlement contracts, especially when compared to "tokens”. Using "real world" asset reserves, PTCN offers a solid basis for tackling this problem.

Another disadvantage of modern technology is blockchain transaction processing. Because every transaction is recorded to an underlying ledger and new blocks are created at high latency, current public blockchain software cannot handle high-volume performance. Another problem is the absence of independent governance over "stable coin" coin providers. The lack of independent

authority over stable coin providers is the largest problem. Because the underlying asset cannot be independently verified, the underpinning set can't be independently maintained, and price stability is fleeting.

CONCLUSIONS

The majority of big fiat currencies depreciate and lose purchasing power on a yearly basis. Cryptocurrencies represent an extremely risky investment, with daily price fluctuations that are not suitable for use as a regular payment currency. The greatest potential to encourage the wide adoption of digital money as a stable and global medium of exchange is to offer assets-backed currencies. The top 10 fiat-backed, centralized coins represent digitized real-world assets presently. To make stable coins equivalent to traditional currencies like USD vulnerable to the same vulnerabilities, market fluctuations, inflation, and depreciation is to take away from their fundamental purpose.

The recent surge in the market and large trading volume of stablecoins, as well as entry into the stablecoin market by giants like Facebook and JP Morgan, among others, demonstrates that there is considerable appetite for a token that offers long-term price stability, liquidity, and scalability, while hedging against volatility and inflation. With many failed attempts from previous stablecoin offerings aiming to become the next global currency, how will the next-generation of stablecoins evolve within the global monetary system to succeed? Is the missing component a non-flotation basis token, which is a stable standard that is based on real value and maintains stability over time. Currency must be pegged to a non-volatile value with a predictable growth trend, which can also serve as a buffer against inflation and preserve purchasing power over time.

ENTER THE PETROCOIN® PROGRAM

1. Significance of Global Oil Market

At more than USD 2 trillion in annual transaction size including over 100 billion in oil and gas services markets, the global oil market is the single largest and most actively traded and liquid commodity market in the world and is larger than the annual GDP of all but 10 countries. It is 10 times the size of the traditionally accepted and historic reserve gold market and is larger than all global raw metal markets combined.

Unlike traditional reserve assets such as gold which have limited true function in terms of driving global economic activity, oil is the single most critical commodity for the continuous functioning of the global economy. Oil (in the form of crude petroleum) serves as the core driver for multiple-mission critical global products such as gasoline, diesel fuel, jet fuel, plastics, and countless specialty chemicals. As a result of oil's utility, it is likely to remain a driving force for global business, especially as economically developing populations become more voracious consumers and advancing horizontal drilling and completion technology helps ensure that the price of oil stays competitive with alternative forms of energy. The relative size of the global oil market and its significance in the world economy makes oil an ideal commodity to support a digitized currency. The 103-billion-dollar oil and gas services sector provides a vast warehouse of investment opportunity for the financial capabilities of PTCN as well.

2. Significance of the Conductive, Rare Earth and Gold Metal Markets

2.1 Conductive Metals

The conductive metal market is diverse, with major segments like High Conductivity Alloy Conductors valued around $15 billion (2024) and growing, while specialized areas like Conductive Inks hover around $3-4 billion (2025), driven by electronics, solar, and automotive needs. Copper dominates alloys, while silver leads inks, with strong growth in Asia-Pacific for both, fueling demand for power grids, sensors, flexible electronics, and renewable energy.

2.2 Rare Earth Metals

The global rare earth market was valued around $8 to $12 billion in 2024, with projections to grow significantly, potentially reaching $17 billion to over $37 billion by the early 2030s, driven by demand from clean energy (EVs, wind turbines), electronics, and defense, despite varying market estimates and China's dominant role in supply. Key growth areas include magnets for electric motors and catalysts, with projections showing a CAGR (Compound Annual Growth Rate) typically between 10-12%.

2.3 Precious Metals

Precious metal markets are global commodity trading arenas for rare, high-value metallic elements—primarily gold, silver, platinum, and palladium. These markets function as safe-haven investment hubs, offering hedges against inflation, currency fluctuations, and geopolitical instability, while also servicing industrial, jewelry, and technological demands.

3. Characteristics of PetroCoin®

3.1 PetroCoin® is Supported by Substantial Intrinsic Value

Almost all fiat and digital currencies lack the support of any tangible asset. Fiat currencies are too frequently short-lived, are highly vulnerable to the oft-repeated cycle of inflationary pressures followed by dramatic revaluations, are exposed to political control, monetary policy management and adverse political or economic events, and are supported solely by the full faith and credit of the issuing nation. Similarly, digital currencies are highly vulnerable to volatility or a collapse in value due to adverse supply and demand dynamics and, at best, merely represent an interest in the future business prospects of the issuer or the users of the currency. In contrast, PTCN is a digitized interest in equivalent crude oil and gas proven assets both in the ground and in process streams and in conductive, rare earth and precious metals and is free from the external risk of governmental intervention affecting the valuation of fiat currencies or the extreme volatility faced by digital currencies due to rapidly changing supply and demand dynamics. PTCN offers all of the advantages historically associated with blockchain enabled digital currencies while providing a fully verifiable asset to ensure its value, stability and security as a leading medium of exchange. Many government regulators and detractors of digital currencies have pointed to their lack of intrinsic value as an indication of fraud or harbinger of collapse. By issuing an energy and metal supported token, PTCN will open the use of digital currencies to a significant portion of the global trade and financial markets that have previously shied away from full - scale adoption. PTCN fully supports the use of a public blockchain as a means to facilitate private exchange and fundamentally

believes that blockchain technology will permeate the transfer of data and value over the coming years and decades.

PTCN is committed to working with domestic and global governmental agencies, financial institutions, traders and users of commodities to develop protocols to help facilitate PTCN adoption as a digital reserve currency.

3.2 The PetroCoin® Team is Fully Transparent and Committed to Legal Compliance

Digital currencies are frequently praised for providing a number of significant advantages compared to the current financial system. These include (i) ownership and peer-to-peer exchange based on cryptographic proof rather than efforts of "trusted third parties", (ii) immunity from governmental interference and regulatory compliance, and (iii) anonymous, borderless transferability of value and free convertibility to other assets. Even casual observation of the state-of-play in the current global cryptocurrency markets leads to the conclusion that these laudable ideals have not yet been realized. In particular:

3.2.1 Backing

Virtually all digital currencies have been backed, designed, built, and managed by an individual or small team (not always identified), and leading digital currencies are frequently transferred via exchanges or wallets rather than directly peer-to-peer. In other words, there is a "trusted third party". However, the principals behind those third parties and their motivations are often wholly or partly unknown, and in most instances have not been subject to governmental or private scrutiny. Cryptographic proof of existence and exchange provides assurances of existence and exchange, but nothing more. Rather than abide by the fiction that there is no trusted third party necessary to facilitate trade in digital currencies, PTCN recognizes that current digital currencies could not exist without trusted third parties, and therefore will actively seek to foster that trust by providing transparent leadership and complying with applicable financial, tax, and currency regulations.

3.2.2 Issuers, buyers, and sellers

Issuers, buyers, and sellers of digital currencies have long acted as though they are immune from governmental regulation and have executed strategies to preserve secrecy and avoid governmental disclosure and legal compliance. While this may be an acceptable risk for individual digital currency speculators and miners, particularly those residing in jurisdictions with limited regulation and lax enforcement, global financial institutions and individuals with the need or desire to comply with laws will increasingly move to digital currency platforms that they believe are trustworthy and help insulate them from the adverse consequence of shifting government enforcement of laws and regulations. PTCN is committed to legal compliance for itself, the exchanges on which it trades and its holders, buyers, and sellers and will issue tokens under the exemption know as Regulation D. All issued tokens will have a 12-month lock before they can be moved or sold to another party.

3.2.3 Perceived Anonymity

Many early adopters and current users of digital currencies have been attracted to the perceived anonymity of transferring value in an undetectable manner. While legal enforcement to date has been sporadic, inconsistent and in some instances unpredictable, the exponential growth of digital currency assets can lead to one conclusion only: increased governmental regulation and enforcement for the protection of the holders of digital currencies and society at large. A combination of regulatory regimes is likely to make it increasingly difficult (and potentially illegal) to anonymously transfer substantial stores of value. While PTCN is committed to facilitating pseudonymous peer-to-peer exchange of value, it will do so incompliance with applicable regulations governing such transfers. PTCN believes that transparency goes far beyond verification of the number of outstanding or available coins or tokens. By providing the fair and accurate disclosures required under applicable laws (and being subject to civil and criminal liability for any failure to do so) PTCN is positioned to become a player in setting the standards for transparency and disclosure for digital currencies, thereby accelerating PTCN use in worldwide commerce.

4. Substantial Market Opportunity for the Development of a Legally Compliant, Intrinsically Valuable Digital Currency

Most estimates of global wealth far exceed 200 trillion USD, with a substantial portion held by banks, sovereign entities, and similar financial institutions in the form of fiat currency, corporate and real estate debt and equity, securitized consumer debt, and interests in commodities. The migration of interests in these assets into digital currency through blockchain-enabled applications represents an enormous opportunity for early supporters of PTCN to help create, develop, and profit from the development of what is designed to become a broadly and globally accepted digital reserve currency. While speculative interest in digital currencies will continue to expand rapidly, there has been limited mainstream adoption of digital currencies for a variety of reasons, including volatile price swings, insufficient general understanding of blockchain technology, and difficult interface for non-technical users in ordinary commercial transactions. These issues are being addressed rapidly and by an increasingly sophisticated group of individuals and firms dedicated to expanding the mainstream use and acceptance of digital currencies. Various governments are supporting adoption of blockchain enabled peer-to-peer transfers by enacting legislation designed to facilitate trade in select digital currencies. Ongoing developments to create personal accountability and investor and consumer protections through the Virtual Asset Service Providers (VASP) will ultimately expand the universe of potential holders of legally compliant digital currencies. As the market for digital currencies developed, various digital currency exchanges grew to allow users to convert digital currencies into fiat currency, other digital currencies, gold, or other assets. PTCN significantly expands upon these developments by linking a digital token to the value of underlying oil and gas reserves, process streams and conductive and rare earth metals. While financial institutions and commercial vendors accept fiat currency as payment for assets and services, many have refused or are unable to engage in transactions involving digital currencies. PTCN advances upon other digital currencies which enable direct, opensource, cryptographically secure, peer-to-peer transfer by enabling digital

transfer of underlying asset value in the form of digitized value of oil and associated oil services and the conductive and rare earth markets as well. PTCN future development will be structured to help harmonize these two globally significant but presently separate payment systems in two critical ways. First, by establishing certainty regarding the legal right to transfer PTCN throughout the world to the maximum extent possible while promoting and ensuring the transparency of all PTCN related assets and operations. And second, by utilizing PTCN substantial oil and gas reserves and process streams as a means to facilitate commercial and ordinary consumer transactions around the world. The PTCN team is developing the legal and commercial framework and structures to accomplish these important goals and expects to introduce and explain its methodologies following the introduction of PTCN into commerce. Increasingly, global regulators are heightening their scrutiny of transactions wherein digital currencies are converted to cash through online exchanges. Because of the difficulties in many jurisdictions to freely convert digital and fiat currencies, holders of digital assets seeking to lock in investment gains in other digital currencies or preserve the value of their digital holdings will seek alternative digital currencies for the secure preservation of wealth. As the most globally useful, highly liquid asset, oil, gas and associated process streams serves as the most secure commodity/service to which a successful digital currency can be linked. As a legally compliant, reserve digital currency, we expect PTCN will become an instrument for preservation of wealth and an ever-expanding range of commercial activities using blockchain technology for digitized stores of value.

5. Initial Technical Arrangements

PTCN will be issued as a digital token on the Ethereum blockchain via the ERC20 protocol. Each PTCN token issued into circulation will be supported by oil and gas production, process streams, conductive, rare earth and precious metals along with other related assets and will only be minted upon execution of a purchase or exchange contract on a one-on-one basis. These newly minted tokens will all be minted under the Securities and Exchange Regulation D exemptions holding a 12 month hold before being available to the trading markets.

PTCN will partner with leading globally recognized institutions (audit, petroleum and metal industry professionals) in order to cost-effectively and securely build, audit, and monitor the oil and gas reserves and associated process streams and metals benefiting all PTCN holders. Holders of PTCN will have with the time the ability to exchange their holdings, in full or in any decimal form, for equivalent spot value of any actively traded digital currency. Once a PTCN token has been issued, it can be held and with the exemption time expired transfer or exchange, subject to applicable internal rules and external laws, either in whole or in part, in the same manner as Bitcoin, Ethereum or other digital currencies. As this information is expected to be reported, and PTCN will be supported by verified commodity revenue streams, PTCN will present a far more reliable store of value than other digital currencies where proof of coins is limited to exchange and wallet audits.

Following the rollout of the token and the acquisition of initial assets of a minimum of $100 million held, PetroCoin® will make available a Secure Token Private Offering (“STO”) to a limited number of accredited investors under the Reg D 506(c) exemption that will allow users to purchase PTCN directly from the Company. All regulatory laws and processes will be followed in these offerings. Users can also transact and store PTCN with any ERC20 enabled wallet after the necessary holding period has elapsed. PTCN, within time, will promote and encourage integration

into other exchanges, wallets and merchants and will encourage them to collaborate to integrate PTCN as a surrogate for traditional fiat payment methods. Because the entities carrying out the PTCN enterprise will act as a custodian of reserve oil and metal assets, the operation and maintenance of PTCN (like many other digital currencies) is not completely decentralized. PTCN commitment to regulatory compliance, maintenance of asset proven reserves and process streams will provide price stability and set the cornerstone for building future innovations that will create a robust platform for new products and services, and support the growth and utility of PTCN over the long run. Institutions and individuals who wish to maintain their digital currency holdings in digital form but also seek the most reputable, stable, and secure digital currency will see PTCN as a good alternative. As an emerging digital currency, PTCN will seek to be easy to buy, sell, use and hold. In particular (i) PTCN will at the time of the PCP exist on the Ethereum blockchain (or globally acceptable equivalent). (ii) PTCN with the time may be used in the same manner as other digital currencies, held as a store of value or transferred from peer-to-peer in a pseudonymous, decentralized, cryptographically secure environment, (iii) PTCN with the time will be easily integrated with merchants, exchanges and wallets, (iv) PTCN inherits the properties of the ERC20 protocol which include decentralized exchange; clearly defined and auditable smart contract structures; browser-based, open-source, wallet encryption; and blockchain-based transparency, accountability, multi-party security and reporting functions, (v) the purchase and sale of PTCN is less likely to face material pricing or liquidity constraints as the supply of PTCN and its supporting proven reserves and process streams, held metals will expand and contract to maintain an equilibrium price of a single PTCN, and (vi) each PTCN Token is supported by a direct link to the energy and metal industries as a whole or the total assets held by PTCN, making its value proposition straight forward and easily understood.

6. Monetary Policy to Support Price Stabilization

In order to ensure measurable intrinsic value and price stability, PetroCoin® token assets are supported by independently certified proven recoverable oil and gas reserves, production, service revenues, conductive, rare earth and precious metals which represent a total marketplace in the trillions of dollars in value. PetroCoin's token pricing is pegged against the energy and conductive metals markets overall, not any one commodity. As demand for PTCN tokens increase this demand could cause the price of a single PTCN token to rise, additional PTCN tokens may be issued in private or open market transactions and the proceeds will be invested in additional oil and gas reserves, process streams, conductive, rare earth and precious metals or hard assets of equivalent value. This method of issuing PTCN tokens and the corresponding increase in investment value will provide stability to the market price of PTCN tokens and will provide assurances that the in-situ value of underlying recoverable oil reserves, process streams and conductive, rare earth and precious metals will approximate the aggregate value of all issued PTCN tokens.

Many have tried maintaining price stability of digital currencies through algorithmic purchase and sale may be appropriate in certain circumstances, and while it is possible as a technical matter to link such an algorithm to a programmed purchase and sale of oil assets, such an approach would be likely to result in (i) the decoupling of the number of tokens in circulation from an approximately equivalent supply of oil, and (ii) a highly volatile stock of oil reserve assets adding

unnecessary and avoidable transaction costs which would reduce the value of the token supporting proven reserves and process stream assets.

Accordingly, PetroCoin® token assets are supported by independently certified proven recoverable oil and gas reserves, production, service revenues, conductive, rare earth and precious metals which represent a total marketplace in the trillions of dollars in value. PetroCoin's token pricing is pegged against the energy and metals markets overall, not any one commodity.

7. PetroCoin® Use in Commercial and Consumer Transactions

PTCN appears capable with the time of widespread utility and adoption for use in cross border commercial transactions in oil and oil related assets and well as other commodity transactions, among other and more general uses. Therefore, parties to a forward or future purchase and sale of oil assets outside of the same country (or currency zone) must record their transaction in a national fiat currency with one or both parties forced to bear or hedge the risk of cross currency volatility as well as fluctuations in the price of oil. A cross-border, future market price, forward purchase transaction settled in PTCN is one example where this risk may possibly be avoided. Since the price of one PTCN may approximate an equivalent value of oil, pricing a future purchase contract in PTCN will enable the purchaser of oil to purchase PTCN on the date on which the contract is made and pay those PTCN at a future date in exchange for a fixed quantity of oil. In the absence of PTCN, the purchaser would be forced to hedge or bear the risk of changes in both cross-currency rates and the price of oil. Similarly, to the extent that changes in oil price quoted in a national fiat currency are expected to track changes in that national fiat currency relative to other fiat currencies, pricing transactions in PTCN will be an effective means to avoid currency risk in ordinary commercial transactions, even for goods and services unrelated to oil. At present, ordinary consumer transactions in digital currencies have had significant appeal but limited adoption. This is due to a variety of factors, the most significant of which is the absence of a practical and ubiquitous solution which enables a consumer to pay for goods and services in digital currency and allow a vendor to receive immediate and guaranteed payment for a fixed amount of local fiat currency.

8. Overview of Global Cryptocurrency Market

8.1 Manifest Benefits of Cryptocurrencies

Transactions in PTCN, like other digital currencies, will be recorded and propagated in a blockchain distributed ledger. As a result, transactions in PTCN will be censorship-resistant, permissionless, and private. Unlike other forms of asset control or money transfer, once a transaction in PTCN will be confirmed by the blockchain network, it will become irreversible. As a legally compliant digital currency supported by valuable assets, PTCN will utilize best available protocols for digital currencies and will help promote the ongoing change in the way global asset management and financial transactions occur by removing artificial barriers caused by legacy financial institutions, enabling:

- True peer-to-peer payments anywhere in the world
- Minimal transaction fees and processing time compared to traditional banking
- Payments between pseudonymous parties ensuring financial privacy

• Non-reversible transactions preventing chargebacks and fraud

8.2 Volatility and Dominance of Leading Cryptocurrencies

Recent volatility in the price of digital currencies underscores the need for an accepted digital reserve currency such as PTCN. Despite the surging popularity and recognition of the multibillion-dollar digital currencies, their volatility in recent months has been significant and is highly likely to continue. This volatility is attributable to a number of factors, principal among them being lack of liquidity, governmental restrictions and bans, digital currency transfers and exchanges, and various protocol battles pitting miners and others with significant sunk infrastructure investments against individuals pushing for more function-oriented, rapid, and scalable solutions. It is reasonable to assume that increased government regulation and protocol wars will persist over the coming years and that the currency, platform or protocol that succeeds in today's market will be replaced by competitive technologies or hard forks in the future. Bitcoin has resoundingly proved this point as its dominance and useful Ethereum protocol would take significant market share as quickly as it did. Also remarkable was emergence of Bitcoin Cash. Very few investors, traders or even digital currency experts have proven adept at anticipating future moves and values for existing digital currencies. Bitcoin, Ethereum, Ripple and virtually all digital currencies have continued their upward surge despite the imposition of restrictions on digital currencies by China among others.

The extreme volatility and surging prices displayed by leading digital currencies as they vie for global platform and protocol dominance has provided a compelling way to speculate as new digital currencies continue to emerge. Certainly, one can expect more disruptive currencies to emerge in coming years. However, extreme volatility is a strongly negative factor in market environments with declining values or if the goal for an investor, merchant or institutional or individual holder is price stability or value preservation. As a result, the role and importance of a currency like PTCN - which is fully digital and blockchain supported but is also directly linked to and supported by reserve value derived from the most liquid and actively traded asset in the world - may be an increasingly critical one in future years.

8.3 Comparison to Fiat Currency Ties or Tethers

The volatility associated with Bitcoin and other leading digital currencies has led many holders of digital currency assets to seek to diversify their holdings into different digital currencies that allow them to link to external, real-world asset value not directly correlated with fluctuations in the broader digital currency market. Tokens such as the USD Tether have increased in popularity as investors seek a relative safe haven within a blockchain, digital currency-based medium. However, existing tokens that seek to tether directly to fiat currencies have faced a host of issues, particularly in instances where their implementation requires token holders to convert between fiat currency and digital currency, or where the tethered assets are subject to uncertain regulatory regimes or are under the control of a hostile custodian.

PTCN has been designed to mitigate the risks of other tethered digital tokens in two principal ways. First, users of PTCN may but never need to convert between PTCN and fiat currency. At all times, PTCN may be bought or sold for other digital currencies. Other than

in very limited circumstances resulting from regulatory compliance, a purchaser of PTCN will not receive fiat currency upon redemption of PTCN. Secondly, unlike a tethered digital currency which holds its fiat currency as deposits in one or just a few banks or other financial institutions, PTCN assets will be spread across a variety of reserve assets including physical oil and interests in oil and energy producing assets and conductive and rare earth and precious metals and other had assets availble. These assets will be in multiple locations and with multiple custodians and counterparties thereby insulating PTCN from heavily concentrated risk resulting from the failure of any one of them.

9. Cryptocurrency Market Risks and Volatility:

While it is clear digital currency has advantages over government-issued legal tender, wise investors should be aware there are risks involved in the investment and use of cryptocurrency.

For example, digital currency is used just like traditional bill-and-coin currency for purchases and online payments, but it's also considered a commodity, just like silver or gold. That means it's just as vulnerable to market fluctuations as any other commodity or stock would be. We aren't pointing this out to warn people away from making cryptocurrency investments, but to make it clear the market can move up and down—and as is the nature of a young and active commodity—it can sometimes do so quite wildly. It's best to take a longer “big picture” view of your investment, as opposed to letting a momentary drop in value send you into a panic.

Digital currency coins are encrypted to keep them secure—but there's a potential drawback there. This coding identifies the currency itself, but not its owner. Whoever holds the token's encryption code becomes its owner, and there's nothing in the token's coding that says it belongs specifically to you—or to anyone else. This built-in anonymity feature means when a token is stolen, it's gone—and you have little to no recourse in getting it back.

Cryptocurrency can, in theory, become worthless. Investor interest could drop off, the overall effects of world economies could become so severe as to affect cryptocurrency value – even with safeguards in place, extreme factors could have an effect. Just as you should be aware of the market risks, we listed above; you should also know other risks can affect digital currency - just as they can any financial tool. Again, it's not a reason to give up and walk away - but you should go into the situation with your eyes wide open. Asset backed tokens (RWA) have hard value by the assets they hold.

The investor will have noticed the massive increase in attention, demand, and volatility in the world of cryptocurrency.

While many people are jumping into digital currencies like Bitcoin, and trying to make money off a quick trade, the business of accepting and paying with digital currency is on the rise. However, with such volatility in this space, one might wonder how they can successfully run a business when accepting digital currencies when it’s price can heavily fluctuate in a short period of time.

One of the most popular and shared stories on such a topic is the guy who paid for a pizza in Bitcoin back in 2010. If he had saved those Bitcoin instead of buying that pizza, today they would be worth roughly $20 million.

This is a rare scenario and one that doesn’t happen as often today, as individuals and businesses who now accept Bitcoin and other cryptocurrencies as a form of payment have since realized how

to make such transactions legitimate and make sense for both sides of the party. However, the true value of digital currency is still up in the air.

Today we are going to highlight a few examples on what is working best in the crazy world of cryptocurrency and how businesses are trying to figure out how to best use it.

While Bitcoin and Ethereum are two of the most popular and volatile cryptocurrencies on the market today, new crypto coins are being created every day. It's not just about adding a new cryptocurrency to the market, it's also about having more control in the process.

10. How to Put a Price on a Digital Currency

For digital currency to have its place in the world and for more businesses and customers to implement it into their daily lives, they also need to have an understanding of what it's actually worth. This is something that is still up in the air, as the value in Bitcoin and other cryptocurrencies are changing daily based on demand and it is volatile tech environment.

There have been many forms of currency over history — all of which have fluctuated in value over time. The difference is that there was a perceived value for each at its time. The same is currently in the works with cryptocurrencies as well.

11. More Stability as More Players Adopt Crypto

One of the best ways we can continue to see less volatility in the world of digital currency is with the adoption of more businesses and individuals using it. While finding merchants and brands who accept Bitcoin or other cryptocurrencies is still rare, it's a number that is continuing to grow on a daily basis. As more businesses continue to move into the space, digital currencies will become more commonplace as a form of global payments.

12. Cryptocurrencies Are Here to Stay

Even with all of the volatility in the cryptocurrency market today, it's safe to say that it's technology and influence in the world of business and transactions is here to stay.

As more individuals and businesses continue to adapt with these changing times, cryptocurrency and digital payments will soon become a part of our everyday lives. With each element and pricing factor coming together more daily, we will start to see less volatility in this space while seeing more activity in usage in the process.

13. PetroCoin® implied volatility

For the reasons addressed, PTCN is expected to have a much lower implied volatility as it is backed by proven hydrocarbon reserves in the ground, production, stable process streams and conductive, rare earth and precious metals. Investors should understand that, notwithstanding this, any significant dislocation between the PTCN token market price and the market prices for hydrocarbons will lead to higher implied volatility, and that this could occur. For example, if the price of a PTCN rose to $250 due to overall popularity, usage, and demand, while the price of crude oil was $60 per barrel of oil equivalent, this would generate a dislocation event with higher attendant risk of volatility.

14. Liquidity Issues in General, and Specifically to PetroCoin®

The total market capitalization of cryptocurrencies exceeds $2 trillion and is growing rapidly.

But before the world can conduct a significant amount of its transactions via cryptocurrency markets, the problem of liquidity must be addressed.

Liquidity refers to the extent to which a market allows assets to be bought and sold at stable prices. Lower liquidity tends to result in a more volatile market (especially when large orders are placed), and it causes prices to change more drastically; whereas higher liquidity creates a less volatile market, and prices do not fluctuate as significantly.

Today, cash is the most liquid asset. If a transaction of $1 million takes place, the market is able to absorb that transaction easily without the value of the dollar drastically changing. Costs associated with the transaction, and the value of the currency at the time of the transaction, are also known beforehand.

However, the same transaction in bitcoin, or any other cryptocurrency, has a much greater effect on the cryptocurrency's value.

This is because of the market's lack of liquidity. The amount of cryptocurrency available on a specific trading platform can run out, requiring the buyer to complete the transaction at 1–10 percent more than expected.

To complete the same transaction of $1 million, it could end up costing between $10,000 and $100,000 more than the original price to make the trade.

15. Decentralized trading platforms

Until now, the cryptocurrency space has been dominated by centralized exchanges that help facilitate transaction from government currencies to cryptocurrencies.

Centralized exchanges, like Coinbase, are easy to access and easy to use. However, as many have failed to adequately secure their customers' funds, decentralized exchange is becoming a popular concept.

Centralized exchanges have been simply unprepared for the recent influx of users, causing major system failures and attracting the attention of hackers. While some centralized exchanges are more secure than others, there's still been a number of security failures.

Decentralized trading platforms offer an alternative, and perhaps even more valuable service, by promising greater security and transparency. They do not rely on third-party services to hold customer funds. Instead, peer-to-peer transactions are possible through an automated process.

The benefit of using a decentralized exchange is that there is no need to put any trust in the exchange platform itself, as the funds are held by the user in a personal wallet, rather than with a third party. Decentralized exchanges can also provide more privacy, while reducing the risk of server downtime, if only for those who are more tech-savvy.

16. Addressing the liquidity challenge

Improving the liquidity in decentralizing trading platforms is one way to help encourage mainstream adoption. Of course, many factors contribute to the liquidity of an asset. But, if the

ways in which consumers make monetary transactions using cryptocurrencies could be simplified, then it's not difficult to imagine that the demand for such assets would increase.

There's little doubt that trading cryptocurrencies will continue to take place on different kinds of exchanges for the foreseeable future without a single, more stable asset emerging to keep their value in check. This means that overcoming market fragmentation and liquidity problems will require a unique solution.

One approach to solving the challenges that exist in decentralized exchanges is to reduce the cost of the switch for cryptocurrency traders. If an on-chain platform can tap into multiple reserves, and lower the barriers of switching from one exchange to another by working with various wallet providers, then users can log into their wallets and execute a token conversion without ever leaving their wallets.

This allows receipts to access payments from any token that a decentralized platform supports. Token-to-token convertibility is not the only approach to solving the liquidity challenge. There are many other unique ideas on how to help users execute cross-network transactions seamlessly and at reasonable rates – and these solutions are opening up entirely new ways for the greater public to participate in the cryptocurrency ecosystem.

Furthermore, liquidity is not the only factor in the adoption of the technology, but it stands to be a critical component in how the market matures. Promoting liquidity in the blockchain ecosystem, and specifically in decentralized exchanges, will be key to improving the general public's perception of cryptocurrencies as a valuable way to trade currencies safely and securely.

17. At the PetroCoin® / Entity Level

At an entity or token level, liquidity is also a function of (a) the specific features, utility, and advantages of the cryptocurrency product on offer, and (b) how widely adopted and held the cryptocurrency is in the marketplace. The more people and entities owning, trading, and using the token, and the more exchanges it is available on, then the better the liquidity. In this respect it is not unlike traded securities. Other factors can affect liquidity, such as whether or not there is the ability to trade and hedge PTCN in the derivatives markets, i.e. options and futures, and the ability to exchange it with other cryptocurrencies and fiat / sovereign currencies.

PTCN market liquidity will be minimal in the very short and medium term but can be expected to grow very substantially as the token is more widely adopted and known, and promoted. The more widely adopted and known, the more will be its utility as a medium of exchange and payments, and the more readily convertible it will be into other currencies.

We will ensure with the time that PTCN will be traded on as many cryptocurrency exchanges as possible, globally, with fast transaction times and minimal transaction costs.

While it isn’t possible or practical to try to accurately predict how PTCN will trade in secondary markets, some indications can be gleaned from looking at the daily performance and trading volumes of many other cryptocurrencies, through the coinmarketscap.com website.

Similarly, to Bitcoin and some other cryptocurrencies, PTCN will also be bought and sold in fractional interests of a token.

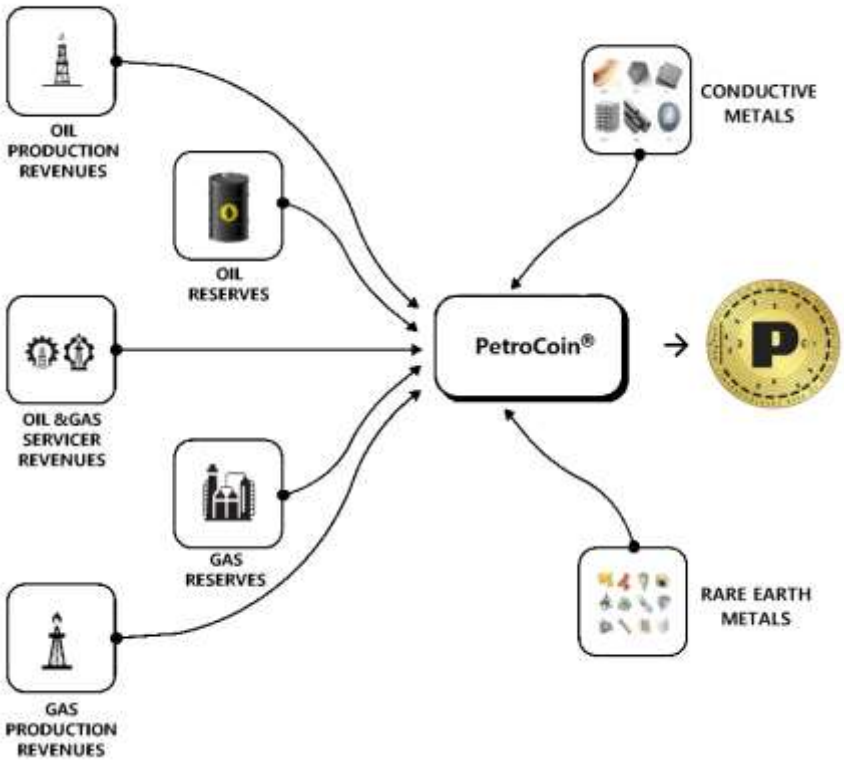
18. PetroCoin® Structural and Entity Considerations:

PetroCoin Limited Liability Company ("PC") is a privately-held limited liability firm incorporated in the state of Wyoming USA. PTCN is evaluating whether or not it should reincorporate in a tax-effective jurisdiction. Such a move would before a combination of tax and regulatory reasons.

PC will have a nominal hard cap of 100 million tokens and is expected to be in limited general circulation following the completion of the Security Token's holding period by early adopter and asset exchangers.

PetroCoin® token assets are supported by independently certified proven recoverable oil and gas reserves, production, service revenues and conductive, rare earth and precious metals which represent a total marketplace in the trillions of dollars in value. PetroCoin's token pricing is pegged against the energy and conductive metals markets overall, not any one commodity.

PTCN will be managed through PC or an affiliate. All issuances and sales of, and administration of PTCN will be conducted by and through PC or an affiliate. PC could be merged or be sold during the time.



PC will deal and operate through a fully licensed commercial and retail financial entity, with global correspondent banking relationships. The banks will further service the funds transfer, depository, custodial, and other payment needs of PTCN token holders.

After the initial issuance of PTCN tokens, the remaining PTCN tokens within its hard cap will be unissued until which time asset purchases are completed or payments for services or consultants are required to be issued. No PTCN tokens will be held in treasury for future use. Tokens will be distributed strictly to satisfy contract commitments.

PC will have sole discretion to select which projects, assets, and acquisitions will be funded with PTCN tokens, and such projects, assets, and acquisitions may from time to time include projects, assets and acquisitions unrelated to the oil and gas industry, such as investments in or acquisitions of additional banking and financial services firms, and technology firms, most especially in the payments, AI, and quantum computing spaces, that will substantially benefit and enhance the PTCN corporate and token holder ecosystem. The term "General circulation" refers to all PTCN tokens that are issued, but not directly retained by PC.

19. Technology and Development:

A strong technology backbone is essential to the establishment and operational performance of any cryptocurrency. PTCN, in addition to its own in-house engineering and development team, will be further supported by the following platforms and service providers:

- Blockchain
- Blockchain is the foundational and core technology underlying all cryptocurrencies.
- A detailed description of Blockchain may be found at https://en.wikipedia.org/wiki/Blockchain

20. Operational Platforms

Ethereum is a decentralized platform that runs smart contracts: applications that run exactly as programmed without any possibility of downtime, censorship, fraud, or third-party interference.

These apps run on a custom built blockchain, an enormously powerful shared global infrastructure that can move value around and represent the ownership of property.

This enables developers to create markets, store registries of debts or promises, move funds in accordance with instructions given long in the past (like a will or a futures contract) and many other things that have not been invented yet, all without a middleman or counterparty risk.

21. Smart Contracts

A smart contract is a computer protocol intended to digitally facilitate, verify, or enforce the negotiation or performance of a contract. Smart contracts allow the performance of credible transactions without third parties. These transactions are trackable and irreversible. PTCN is built against and based on Ethereum's industry-standard ERC-20 protocol. View detailed description at: https://blockonomi.com/erc-20-token-guide/

22. PetroCoin® Technical, Engineering and Development Team

We are building out an extensive blockchain, product development, and R&D team, over time, and presently have an initial team in place, based in the US. We are also placing a high emphasis on developing and incorporating artificial intelligence-driven mechanics into our token, as well as in the further strengthening of our token-holder security and features.

These goals necessarily demand that we invest substantial and ongoing sums in the fields of Artificial Intelligence, and commercial quantum computing applications. In our view the present state of blockchain technology requires significant further development if it is to reach its true

potential and core purpose, and better enable the use and functionality in, and trust of, cryptocurrencies generally. We regard quantum computing as an essential tool in the development and implementation of ultra-secure "hack-proof" cryptographic networks, and an impregnable blockchain.

23. Legal and Jurisdictional Considerations:

This White Paper assumes that PTCN domicile and primary legal jurisdiction, and the location of its primary office, will be in the Houston Texas area USA.

24. Selling Process and Marketing:

24.1. Summary of the Distribution and Selling Plan

A majority of the proceeds from a private token sales event will be used to acquire additional oil and gas reserves, production, process streams, conductive, rare earth and precious metals and in providing and meeting general working capital needs within the oil and gas and metals operations, and to support the management, technical, operational and administrative needs of PTCN, legal structure, and physical infrastructure, banking licensing structure and requirements and operations, PTCN marketing, etc.

24.2 Security Token Offering ("STO")

PetroCoin® expects to launch its first private STO to in the form of an asset swap for oil and gas proven reserves, production, process streams, conductive, rare earth and precious metal assets. As PTCN asset base grows, it is expected a limited number of accredited private investors will have the opportunity to acquire in a private sale upwards of 1,500,000 PTCN tokens. The number of underlying PTCN tokens expected to be sold in the private STO is between 500,000 and 1,000,000 with provisions for PetroCoin® to contribute additional tokens to raise funds for additional general operational purposes if necessary.

PetroCoin® reserves the right to sell up additional PTCN tokens in the private STO, should demand warrant it. The private STO is expected to provide an initial PTCN adoption base of several hundred holders of record, and raise in the order of $200,000,000 US million gross, before selling expenses and over subscriptions. PTCN may be purchased in the private STO using BTC, ETH, XRP, XLM, USDT and US FIAT.

Use of Proceeds: A significant and majority portion of the net proceeds of the private offering will be used by the Company to acquire additional energy in conjunction with the additional use of PTCN Tokens and metal assets to continue to provide PTCN with major asset growth and subsequently to broaden its berth to the cryptocurrency digital market.

Token Launch: The bona fide public release of the PTCN token and a fully functioning and secure PTCN token running under a Reg D Exemption is the basis for the initial launch of the PTCN token.

During the time following the closing out of the limited private distribution sale STO, PC may launch a global STO as a token by-product of the PetroCoin® token. There is no minimum target amount, and the STO will remain open until fully subscribed.

24.3 Institutional Distribution and Follow-On Offerings or Placements

An STO or pre-STO round will often have an institutional component, where certain institutional investors will have bought into the offering in a private placement ahead of the STO (similar to our STO funding round).

25. Market validation and pricing stability.

Institutional and corporate money would come in either through one or more private placements, or through a follow-on Token Offering.

26. Marketing and Promotion

PTCN will market its STO token offerings in the normal course of business and through a variety of media and promotional initiatives, including but not limited to extensive social media, press releases, advertisements online and in print, interviews and news items, events, etc.

27. Exchanges and Trading:

There are a wide variety of cryptocurrency exchanges throughout the world. PTCN will seek to list on those with the highest operational and legal / compliance standards, in order to meet the needs of a large and rising adoption base. This in turn will enhance liquidity, PTCN utility, and underlying value.

28. Future PTCN Token Issuances

PTCN has a provisional hard-cap of 100 million tokens. This is the theoretical maximum that can ever be created and sold based on our current projects. This limit could at this time only potentially be increased in the event that recoverable oil and gas reserves and process streams or metal production grew by a significant percentage either as a result of new drilling and production techniques and or as a result of further acquisitions of large development projects containing significant additional reserves, acquired and developed at very favorable prices and costs relative to incremental added reserves size and overall project economics. This will also hold true as more oil and gas service and metal companies join PC by delivering pre specified revenue streams.

The vast majority of PTCN tokens will be not be minted until issued upon asset or other specific transactions requiring token distributions. Any PetroCoin® tokens would be sold very carefully and selectively issued in exchange for hard assets, mostly oil and gas or metal related, and certain corporate assets and businesses, and particularly, though not exclusively, other oil & gas and metal companies, following careful evaluation and independent recommendations, or sold into the market with minimum floor prices for cash, to acquire such assets.

Any follow-on future sales or exchanges will not be undertaken if the intrinsic value of PTCN or their supply and demand were to be materially impacted or disrupted as a result of such transactions, and we expect such restrictions to be incorporated into our governance and compliance protocols.

We also intend to develop and implement certain formulae and algorithms within our day to day management and monetary policy oversight systems and controls that will, on a continual basis

in real time more clearly calculate and define relationships between extant token issuance and proposed further token, sales or exchanges, aggregate current and pro forma market value, and underlying asset and business values within the corporate ecosystem, so as to determine or predict the net true impact of planned actions on pro forma underlying token valuations and backing. Such algorithms may dictate the volume and pricing of any future issuances, and the prudential limits of same, and will also dictate any future increases in the hard cap. Conversely, such algorithms may from time to time dictate token repurchases and contractions in the aggregate number of extant tokens.

29. What Happens After the Initial Security Token Offering (STO) begins for asset acquisitions?

The real work for any new cryptocurrency offering, and especially for PTCN, begins after a successful exchange of PetroCoin® Tokens for hard assets has commenced, and happens along many concurrent streams, such as:

- Ongoing technology development and R&D, especially in respect to security through aggressive investments in AI and quantum computing / quantum cryptography, and in blockchain technology improvements
- Continual development and roll-out to the market of the token including Marketing and Public Relations, and Investor relations
- Building robust treasury management systems
- Ensuring the right corporate and management infrastructures are in place to continually develop relationships with vendors globally and developing and maintaining relationships with cryptocurrency exchanges
- Developing and managing our portfolio of energy, metal and other hard assets, and optimizing production, while exploring for new energy reserves and process streams in sometimes remote parts of the world, and adding to our portfolio and reserves and process revenue streams constantly, through new acquisitions and partnerships

To meet the day-to-day operational needs and expenses of the above, while we develop new revenue models and streams, requires significant ongoing capital and staffing. The private STO includes a provision for capital reserves to ensure that our developmental, management, marketing and operational needs are covered for at least a 2-year period following the private STO.

Our goal is to become a reserve digital currency in the blockchain space with assets on an ultra-secure, tamper-proof ERC20 platform remote from government meddling and interference.

To be sure, the opportunities wrought by the advent of cryptocurrencies are not merely disruptive to the several-hundred year's old traditional banking and capital markets worlds and their status quo, they represent a complete revolution. One that is far greater even than the advent of the computer, and the internet. And one that governments will struggle to control.

WHY US?

Tokenization has the potential to revolutionize existing markets. The advantages of tokenization are most evident in illiquid asset classes, making tangible assets a perfect market primed for tokenization. For example, people have to go through a complex procedure to acquire real estate assets in the United States and Europe. Agencies try to sell the most expensive alternatives, benefits, and the client's selection is not always prioritized. A complex "closed market" for good properties approach is also a hurdle for potential investors.

Every asset owner who joins the PetroCoin® EAAP Program will be treated equally to the person in front of them and the person behind them. We are not strangers to this business. Our well-trained and experienced staff has created many successful companies. Our team has a long and illustrious history in business startup and finance, so this important initiative is just one of many steps in our roadmap. Our network and expertise will provide the most significant benefits to the company and token owners.

100% VERIFIED

Knowing that all assets have been validated by external auditors and internal staff provides a layer of comfort for our eventual interactions with financial institutions.

PREMIUM ASSETS

PetroCoin® only works with real assets based on our internal asset classing to verify that all assets are premium. Every asset is measurable and audited, and we make certain that it will fit into the EAAP Program family.

ANONYMITY

We do not provide any personal information about PetroCoin® holders to third parties.

OUR CORE VALUES

TRANSPARENCY

PetroCoins mission is to provide decentralized, stable cryptocurrencies that are secured by real assets in a community-based environment. We'll bring together a global group of blockchain enthusiasts and enterprises focused on the future of blockchain.

COLLABORATION

There will be a lot of interaction with investors, companies, and marketplaces. Communities have played an important role in the way people interact to share knowledge, collaborate, and join together in order to identify with one another throughout history. Since the dawn of time, it has been embedded in our DNA to naturally form tribes, factions, or groups to work together and produce better results than if we were to operate alone. PetroCoin® is open to people from all walks of life in order to ensure that we reach every stage on our roadmap.

TRUST

In the blockchain market, trust is crucial; it is the fundamental structure of every business setting. It's important to establish trust before diving into any agreement. The crypto ecosystem demands clarity not just from society but also from users in terms of development and security. As a result, we seek to build our users' trustworthiness so that they may grow and develop.

RISKS

Unlike any other crypto coins out there in the market, PetroCoin® asset-backed tokens should not be as volatile. The market value of most coins solely depends upon the number of people who buy it or sell it, market-driven pricing. The market value of PetroCoin® should be stable from the start, and we expect that it will become more stable over time. Unlike market-driven values, PetroCoin® tokens are backed by real assets, and we can protect the value as it is the asset value that determines the value, not the whims of traders in a volatile market. We are not attempting it to be the next USDT either, a token or coin tied to an unstable fiat currency; we are providing a service and utility that the crypto market has been waiting for.

The blockchain industry is in the initial stage of its regulation. Governments of countries are studying blockchain technology, and some countries impose restrictions (for example, the United States, China, South Korea). No legal documents are regulating the crypto industry yet the laws can appear later and can significantly affect the activities of blockchain projects, including our project. We warn you that such laws can significantly limit and even stop the project activity; we are not responsible for the negative consequences associated with the possible regulation of the industry in the future.

TOKEN IMPLEMENTATION

The PetroCoin® Token is a standard ERC-20 smart contract based on the OpenZeppelin model. Our coding is available on GitHub and can be reached through our website. This makes it compatible with existing wallets and exchanges that support the ERC-20 standard. The implementation comprises of 1 smart contract, the Token Smart contract. Part of the goal was to create a token that could handle regulatory requirements that could change over time and to keep the smart contract as simple as possible while having the ability to upgrade as necessary.

CONCLUSION

We've created PetroCoin®, a solid asset-backed digital currency that's designed to compensate for both existing and future problems. Our value-add is usefulness, as Bitcoin introduced immutability to cryptocurrencies and Ethereum expressivity. The uses for PetroCoin® will be limitless. We foresee PetroCoin® being used as an all-time asset token, allowing users to store value at a fraction of the fees incurred by other methods. As the world becomes increasingly

decentralized, PetroCoin® could be used as a reserve digital currency where price-stable takeaways are built. PetroCoin® aims to be the first useable cryptocurrency and reliable blockchain allowing asset owners, hedge funds, and financial institutions to benefit from decentralization. Please contact us if you'd like to learn more.

LEGAL DISCLAIMER

PetroCoin Limited Liability Company (PLLC) is a Wyoming corporation. PetroCoin® will use InvestReady as an anti-money laundering compliance and customer due diligence service provider under the terms of the agreement. PetroCoin® is committed to ensuring that it does thorough client research and keeps records and reports according to US law and the Malta Anti-Money Laundering and Counter-Terrorism Financing (Financial Institutions) Order. PetroCoin® maintains bank accounts in the United States which are confident and assured that PetroCoins business model is legal. Before they established accounts with us, each bank had to verify our procedures with their legal departments.

You must read the paperwork first. The offering statement is the only document used to conduct an offering. This white paper is not a solicitation to buy or sell these securities in any state or jurisdiction, nor is it an offer to sell or purchase them in any form or jurisdiction. It's also worth noting that any offer, solicitation, or sale of securities in any such state or jurisdiction would be unlawful before registration or qualification under the securities rules of any such state or territory. An expression of interest does not imply a promise of involvement. Anyone interested in participating in a PetroCoin® offering should read our disclosures and the offering statement. The final offering statement is the final offering circular. PetroCoin® has not been registered, licensed, or supervised by the Securities and Exchange Commission (SEC) as a broker-dealer or investment adviser.

The whitepaper does not constitute a prospectus, an offering memorandum, or any other offering document relating to the Issuer and has not been reviewed or approved by any securities commission or regulatory body in any jurisdiction. Investing in tokens entails several dangers. There is no assurance that token holders will get a return on their investment or receive a payback of their funds. Even though this whitepaper does not provide a comprehensive list or explanation of all risks purchasers may face when investing in tokens, it should be utilized as a guide. Consider carefully whether a purchase of tokens is appropriate for you based on the information provided in this whitepaper, as well as your personal legal, and financial circumstances. Unless otherwise noted or the context requires otherwise, all references in this whitepaper to "Issuer, " "we," "our," "ours," "us", and similar terms relate to PetroCoin®.