ENERGYSOURCE1

STRUCTURED REFINED-FUEL PROGRAMS

CONFIDENTIAL OFFERING MEMORANDUM

Structured 12-Month Fuel Contracts

Insurance-supported, asset-backed participation in contracted refined-fuel trading — where investor capital backs the bank instruments that guarantee each transaction, and is never used to purchase fuel.

$250,000,000 TOTAL OFFERING	**20% p.a.** TARGET ANNUAL YIELD	**12 Months** TERM · QUARTERLY	**$10,000,000** MINIMUM INVESTMENT

1. Disclaimer & Confidentiality

CONFIDENTIAL. This Offering Memorandum (the "Memorandum") has been prepared by EnergySource1 ("EnergySource1" or the "Issuer") and is furnished on a confidential basis to a limited number of qualified, sophisticated investors solely to assist them in evaluating a potential investment in the EnergySource1 Structured 12-Month Fuel Contract Bonds (the "Bonds"). It is provided for discussion and informational purposes only and does not constitute an offer to sell, or a solicitation of an offer to buy, any security in any jurisdiction in which such an offer or solicitation is not authorized.

No part of this Memorandum may be reproduced, distributed, or disclosed to any third party without the prior written consent of EnergySource1. The terms described herein are indicative and non-binding, and are subject in their entirety to the negotiation and execution of definitive subscription and bond documentation. Prospective investors should consult their own legal, financial, accounting, and tax advisors before making any investment decision.

An investment in the Bonds involves risk, including the possible loss of capital. Projected and target returns are targets only, are not guaranteed, and past performance is not indicative of future results. Please read Section 15 (Risk Factors) and Section 18 (Legal Notice & Important Disclosures) in full.

> **Investor eligibility.** The Bonds are offered only to accredited / qualified investors as defined under applicable securities laws, who are capable of evaluating the merits and risks of the investment and able to bear the economic risk for the full term.

2. Executive Summary

EnergySource1 is offering up to **USD $250,000,000** in Structured 12-Month Fuel Contract Bonds, carrying a **20% per annum target annual yield** paid quarterly, with a **12-month term** and **100% of principal returned at maturity**. The minimum investment is **USD $10,000,000**.

Capital raised through the Bonds is deployed exclusively as **collateral supporting a bank-issued credit instrument** (an SBLC, DLC, or Letter of Credit). The instrument guarantees payment to vetted sellers under pre-negotiated, matched **12-month refined-fuel supply contracts** for EN590 ultra-low-sulphur diesel and Jet A aviation fuel.

> **The defining feature:** investor capital is **never used to purchase fuel directly**. It functions as collateral only — backing the bank instrument that guarantees payment. Trading margin generated on the contracted transactions is what services the target yield and program costs; the Bonds' principal is returned at the end of the term.

Each purchase is matched to a confirmed buyer before execution, with both the purchase and the resale priced as a fixed percentage discount to the Platts index. Because both legs move with the index, the spread is preserved at every price level — a deliberate safeguard against market price swings — so that trading revenue is secured before any capital is committed and the program carries no open, speculative commodity exposure.

Two structural features make this among the most asset-secure refined-fuel structures available. **First, title to the fuel never passes until payment is received in full** — the seller retains legal ownership throughout, so the underlying product remains a tangible, resaleable asset rather than an unsecured receivable. **Second, every buyer must post a full-value SBLC or DLC before delivery**, so the buyer's payment is bank-guaranteed for 100% of the transaction value. If a buyer fails to perform, the fuel — still held under retained title — is redirected to one of multiple pre-qualified backup buyers, with no loss of the asset and no exposure of investor capital.

3. The Offering at a Glance

Issuer	EnergySource1
Instrument	EnergySource1 Structured 12-Month Fuel Contract Bonds (the “Bonds”)
Total Offering	USD $250,000,000 (aggregate program size)
Minimum Investment	USD $10,000,000 per investor
Target Annual Yield	20% per annum on subscribed capital, accruing from the issue date
Distribution Frequency	Quarterly, in arrears, against verified per-shipment net trading margin
Term	12 months from issuance
Principal Repayment	100% of subscribed capital returned at the end of the 12-month term
Use of Proceeds	Collateral support for a top-tier bank credit instrument (SBLC / DLC / LoC) — **NOT used to purchase fuel**
Underlying Activity	Purchase and resale of EN590 diesel and Jet A under matched 12-month contracts
Pricing Basis	Fixed percentage discount to the Platts index on both the buy and the sell leg
Reporting	Monthly statements covering activity, performance, and risk
Optional Protection	Bond-based transaction insurance available for an additional layer of capital protection
Rollover	Option to roll into a successor program at maturity under updated terms
Eligibility	Accredited / qualified investors only

4. EnergySource1 Overview

EnergySource1 structures and administers insurance-supported, asset-backed refined-fuel programs for qualified investors. The Bonds give investors disciplined access to a market normally reserved for large institutional trading desks, through a structure engineered first and foremost around capital preservation.

The underlying trading is executed by an experienced, vertically integrated refined-fuel operator that manages the entire supply chain — sourcing, contracting, logistics, and delivery — without reliance on third-party mandates. This direct-access model reduces friction, eliminates intermediary cost, and provides greater control at every stage of the transaction. The operator transacts exclusively in non-sanctioned product flows and works only with qualified, thoroughly vetted counterparties on both the buy and sell side.

Operating Since	2020
Global Regions	North America · Europe · Middle East · Asia-Pacific
Core Products	EN590 ultra-low-sulphur diesel · Jet A aviation fuel
Model	Matched buy-sell contracts · fixed percentage-of-Platts spread · no open commodity position

5. How the Bond Works — Use of Proceeds & Flow of Funds

The single most important point for investors to understand is how their capital is — and is not — used.

The bond backs the bank instrument. It does not buy the fuel.

Investor capital is pledged as collateral so a top-tier bank can issue the credit instrument that guarantees payment to sellers. The capital is never transferred to a counterparty and is never drawn to purchase fuel.

Flow of funds

#	Step
1	Investors subscribe for the Bonds; proceeds are held within the EnergySource1 program.
2	The proceeds are pledged to a top-tier, investment-grade bank as collateral supporting the issuance of a credit instrument (SBLC / DLC / LoC). The capital is **not** transferred to any counterparty and is **not** used to purchase fuel.
3	The bank issues the credit instrument, which serves as the payment guarantee to vetted fuel sellers against confirmed, matched buy-sell transactions.
4	Fuel is purchased and resold at a fixed percentage discount to the Platts index (Section 8), locking a preserved percentage spread on every transaction regardless of where prices move.
5	Net trading margin services the 20% target annual yield, paid quarterly, and program operating costs.
6	At the end of the 12-month term, 100% of subscribed principal is returned to investors, with a rollover option.

The identity of the issuing bank, sellers, buyers, and any insurer is determined at the time of contract based on the specific transaction, prevailing market conditions, and the compliance and credit profile of each counterparty.

6. The Underlying Strategy — Structured 12-Month Fuel Contracts

Returns are generated from the margin on contracted, physical fuel that is purchased and delivered — not from speculation on the direction of energy prices.

Physical fuel

Each program is supported by real fuel volumes bought and sold under contract — EN590 ultra-low-sulphur diesel and Jet A aviation fuel — never a paper position.

Contracted demand

12-month contracts with scheduled monthly lifts create visibility into volume, pricing, and counterparty commitments well ahead of delivery.

Curated deal by deal

Every opportunity is curated individually around matched supply contracts with defined monthly takeoff quantities. Each purchase has a confirmed buyer before execution.

Insured exposure

Active insurance coverage and contractual protections are structured to mitigate downside on each transaction; optional bond insurance is available at the investor's election.

Why the return profile holds

Fuel lift programs operate on recurring, scheduled demand. Because volumes are contracted ahead of delivery, the trading margin is largely defined at the point of agreement rather than discovered in volatile spot markets. EnergySource1 layers disciplined risk controls and insurance on top of that predictable margin, with the objective of delivering a consistent target return across the term.

7. The 4-Step Trading Process

The trading model is built around a matched buy-sell structure that eliminates open price risk. Every purchase has a confirmed buyer before execution, and the fixed spread between purchase and resale is the sole source of trading revenue.

Step	Stage	Description
1	**12-Month Contracts**	Matched periodic (bi-weekly or monthly) sales and purchases structured under 12-month agreements with defined takeoff quantities. Every purchase order has a corresponding confirmed sale before execution.
2	**Fuel Procurement**	Fuel sourced directly from vetted sellers with verified refinery access, priced at a fixed percentage discount to the prevailing Platts index. The purchase cost is locked before resale, securing the spread in advance.
3	**Resale to Buyers**	Procured fuel sold to pre-qualified, creditworthy buyers at a Platts-referenced price set a smaller percentage below the index. Each buyer posts a full-value SBLC or DLC before delivery, and title transfers only upon payment in full.
4	**Margin Realization**	The Platts-linked percentage spread is contractually locked before execution. Net margin funds the target yield, independent of commodity price movements.

Platts-linked pricing — a safeguard against price swings

Every contract is priced as a fixed percentage discount to the Platts index — purchasing at a deeper discount and reselling at a smaller discount, capturing the difference. Because both the purchase and the resale reference the same index, the spread is expressed as a percentage and is preserved at every price level. Whether the index rises or falls, the margin differential does not compress.

Pricing basis	Fixed percentage discount to Platts on both the buy and sell legs
If Platts rises	Both purchase and resale prices rise proportionally — the spread is unchanged
If Platts falls	Both purchase and resale prices fall proportionally — the spread is unchanged; the program is not squeezed on the differential
Net effect	Revenue is insulated from the direction of commodity prices; there is no open or speculative position at any point

8. Asset Security & Title Protection

The defining strength of this structure is that the investor’s position is secured by a tangible, resaleable physical asset at every stage — not by an unsecured promise to pay. Two mechanisms work together.

1 · Title passes only on payment in full

Title to the fuel is never transferred until the product has been paid for in full. The seller retains legal ownership right up to settlement, so the underlying fuel always remains a real, marketable commodity — not a receivable or a paper claim. If a buyer fails to complete, the asset has not left the seller’s ownership and can be immediately redirected and resold to one of multiple pre-qualified backup buyers (the matched-trade model ensures alternative demand already exists). The asset is never stranded, and investor capital is never converted into an unrecoverable exposure.

2 · Full-value buyer SBLC / DLC

Before any delivery, every buyer is required to post a full-value (100% of transaction value) Standby Letter of Credit or Documentary Letter of Credit from a top-tier bank. This converts the buyer’s payment obligation into an irrevocable bank guarantee — the bank, not merely the buyer, stands behind payment upon presentation of compliant delivery documents. Combined with retained title, each transaction is secured on both sides at once.

> Because title is retained until payment and the fuel remains resaleable to backup buyers, the worst-case scenario is a **redirected sale — not a loss**. Investor capital sits behind collateral only and is insulated at every step.

9. Return Profile & Distributions

Distributions prioritize the investor's target yield and the return of capital. Net trading margin is applied first to the quarterly target distribution; subscribed principal is returned in full at maturity.

Tier	Allocation	Description
Tier 1 — Target Yield	20% p.a.	Net margin is first applied to the investor's 20% per annum target yield, paid quarterly in arrears.
Tier 2 — Program Costs	As incurred	Bank instrument and financing costs, insurance, logistics, inspection, and administration are met from residual margin.
Tier 3 — Return of Capital	100% to investors	At the end of the 12-month term, 100% of subscribed principal is returned.

Illustrative investor economics

Illustrative only, non-guaranteed, shown for a single investor at the minimum commitment over the 12-month term.

Subscribed Capital	$10,000,000
Target Yield (20% p.a.)	$2,000,000 per year → $500,000 per quarter
Distributions over term	$2,000,000 (four quarterly payments)
Return of Capital at maturity	$10,000,000
Total returned over 12 months	$12,000,000 (principal + target yield)

At full subscription of $250,000,000, the 20% target represents approximately $50,000,000 of aggregate annual distributions, serviced from net trading margin generated across multiple concurrent matched contracts. Actual results depend on transaction volume, achieved spreads, and verified per-shipment margin, and are not guaranteed.

10. Illustrative Contract Economics

The following worked example applies the Platts-linked pricing structure to a single representative EN590 supply contract, run against a market-forecast price path for the next 12 months. It demonstrates the central safeguard: even as the forecast price falls sharply, the percentage spread is preserved and margin holds. The program runs multiple such contracts concurrently.

Product & Volume	EN590 diesel — 200,000 MT per month for 12 months (2,400,000 MT total)
Purchase Price	Platts − 15% (gross)
Sale Price	Platts − 8%
Preserved Spread	~7% of the Platts index, on every tonne, at every price level
Sourcing Commission	$10.00 per MT ($24,000,000 over the term)
Illustrative Gross Margin (12 mo.)	~$100,558,000
Forecast price move over term	−23.7% (≈$865/MT → ≈$660/MT)
Monthly margin range	$7.24M (Platts $660) to $10.11M (Platts $865)

The safeguard in action. Over the forecast year the EN590 price falls roughly 24% — yet the contract still earns approximately $100.6M of gross margin, because the 7% percentage spread is preserved on every tonne regardless of price level. A fixed-price contract struck at today's elevated levels would have carried far greater exposure as prices fell; the percentage-of-Platts structure adjusts on both legs and holds the spread intact through the decline.

Figures are illustrative and based on the stated assumptions. They represent gross trading margin before program operating expenses, bank instrument and financing costs, insurance, logistics and inspection fees, and before application of the distribution priorities in Section 9. They are not a projection of returns on the Bonds.

11. Market Outlook — EN590 Demand & Supply (Next 12 Months)

The 12-month outlook for EN590-grade diesel is characterized by softening but resilient demand set against a structurally tight supply picture — a combination that supports firm refining margins and active physical arbitrage, the conditions in which a matched trading model performs best.

Demand

Global oil demand is running near 103.3 million b/d in 2026 (IEA). Middle distillates — the diesel/gasoil family that includes EN590 — are seeing modest contraction, estimated at roughly 1.3% for 2026, reflecting elevated prices and macroeconomic pressure rather than a structural collapse in consumption. Asia-Pacific consumption continues to grow while European Union demand contracts more sharply, widening cross-border trade; Europe remains structurally short of diesel and dependent on imports.

Supply

Distillate inventories sit at multiyear lows following heavy 2025 draws, strong export demand, and a wave of refinery closures. New export-oriented capacity is reshaping global flows — Nigeria's Dangote refinery at full operation and new Chinese mega-refineries positioning China as a net diesel exporter — while Middle East producers remain anchor suppliers into Europe. Refining margins are expected to ease from recent peaks but remain well above 2025 levels on continued supply tightness.

Price trajectory

The market expects EN590-basis gasoil to ease over the period — front-month values near $865/MT in mid-2026 on Strait of Hormuz disruption, projected to decline toward roughly $660/MT by mid-2027, a fall of about 24%. This anticipated decline is precisely why procurement is priced as a percentage discount to Platts rather than at fixed absolute prices: because both legs reference the index, the spread is preserved as prices decline and the program is not squeezed on the differential.

Sources: IEA Oil Market Report (May 2026); U.S. EIA Short-Term Energy Outlook (June 2026); industry market outlooks (2026). Figures are indicative and subject to revision.

12. Why This Model Works

Capital-Protective Structure	Investor capital is pledged as collateral behind a top-tier-bank credit instrument and is never used to purchase fuel. It is not exposed to a single bad trade or counterparty default.
Predictable Revenue	Fixed percentage margins are applied across all transactions. The target yield is serviced from contracted spread, not from price speculation.
Secured by a Real Asset	Title passes only on payment in full, and every buyer posts a full-value bank guarantee — the position is backed by a tangible, resaleable commodity at every step.
Controlled Risk	The credit instrument functions as collateral and is not drawn as cash. Multiple pre-qualified backup buyers absorb any single-counterparty default, and bond insurance is available at the investor’s election.
Market Resilience	Refined fuel products show low correlation to equity and bond markets and have historically held resilience through geopolitical volatility, providing portfolio de-risking.

13. Counterparty Vetting

A rigorous, dual-layer vetting process applies to all participants. No seller or buyer is permitted to participate without successfully completing all four stages — ensuring only credible, financially stable, legally compliant entities take part, and minimizing counterparty default, fraud, and regulatory exposure.

Seller vetting

- **Proof of past transactions** — Bills of Lading, commercial invoices, and delivery records.
- **Corporate Info Sheet** — ownership, financial standing, and capacity to supply at scale.
- **Background check** — corporate history, reputational and sanctions screening, AML/CFT verification.
- **Refinery contract verification** — proof of direct refinery allocations and ability to fulfill consistent supply.

Buyer vetting

- **Proof of past purchases** — invoices, MT103 payment receipts, shipping documents.
- **Proof of Funds** — Bank Comfort Letter, account statements, or equivalent.
- **Corporate Info Sheet** — ownership, creditworthiness, financial reliability, entity structure.
- **Background check** — reputational and legal-compliance review, AML/CFT verification of beneficial owners.

14. Risk Factors, Mitigations & Key Features

The program is engineered around the containment of identified risks. Investor capital is never used to purchase fuel; it sits behind a top-tier-bank credit instrument as collateral only. A vetted seller/buyer panel, multiple backup off-takers, third-party document verification, optional bond insurance, and price-floor circuit breakers collectively reduce structural exposure on each shipment.

Risk type	Severity	Mitigation
Counterparty	Low	Rigorous vetting; multiple pre-qualified backup buyers ready to absorb defaults. Title passes only on payment in full, so the asset can be resold; each buyer also posts a full-value SBLC/DLC guaranteeing payment.
Fraud	Low	Third-party verification of all trade documents (MT103s, Bills of Lading); comprehensive KYC/AML screening on every counterparty for the life of the program.
Credit	Low	Credit instruments issued only by top-tier, investment-grade banks. Optional bond insurance further protects capital against bank-level events.
Supply / origin	Low–Med	Origin diversification across multiple vetted refinery and supplier relationships. Matched 12-month contracts reserve takeoff capacity in advance and include backup-source clauses.
Market / price	Medium	Matched buy-sell contracts lock the fixed percentage spread before execution; returns are not contingent on Platts price levels. Floor-price circuit breakers are pre-defined and disclosed.
Geopolitical / sanctions	Low	Transacts only in non-sanctioned product flows with sanctions-screened counterparties, limited to vetted, allowable jurisdictions.

Key features

- **Capital as collateral** — investor capital backs the bank instrument and is not drawn upon to buy fuel, materially reducing capital risk.
- **Title passes only on payment** — sellers retain legal title until fuel is paid for in full, keeping the position secured by a tangible, resaleable asset.
- **Full-value buyer SBLC / DLC** — every buyer posts a 100%-value bank guarantee before delivery.
- **Backup buyers** — pre-qualified, investment-grade off-takers ensure transaction continuity if a primary buyer cannot lift.
- **Optional bond insurance** — investors may elect to wrap underlying transactions for additional capital protection.

15. Floor-Price Contingencies

Reference and floor price levels are pre-defined and disclosed, providing a substantial cushion below current market levels.

Product	Reference	Floor	Cushion
EN590 diesel	~$865/MT (mid-2026), easing toward ~$660/MT	$200/MT	3x+
Jet A	~$85/bbl	$25/bbl	≈3.4x

If EN590 prices fall below $200/MT or Jet A below $25/bbl for 30 or more consecutive days, EnergySource1 may, at its discretion: (1) temporarily suspend distributions while maintaining principal protection; (2) adjust the target return rate in line with reduced trading margin; or (3) in extreme cases, wind the program down early and return investor principal. All such actions will be communicated to investors promptly and transparently, with full market rationale.

16. Eligibility & Subscription Process

Participation is strictly limited to accredited / qualified investors under applicable securities laws. Before any commitment, prospective investors review this Memorandum and the definitive subscription and bond documentation, which set out the complete structure, terms, and risk disclosures.

1	Execute a mutual NDA and confirm accredited / qualified investor status.
2	Review this Memorandum and the definitive subscription and bond documentation.
3	Complete investor onboarding, KYC/AML, and source-of-funds verification.
4	Execute the subscription agreement (minimum $10,000,000) and fund the subscription.
5	Bonds are issued; capital is pledged as collateral, the credit instrument is arranged, and the initial contract cycle begins.

> **Contact & next steps.** James De Sotle · EnergySource1 · [insert investor-relations email / phone] — Qualified investors may request the definitive documentation to proceed.

17. Legal Notice & Important Disclosures

This Offering Memorandum has been prepared by EnergySource1 solely for informational purposes and does not constitute a prospectus, a registered offering document, or a solicitation to invest. It is directed exclusively at accredited / qualified, sophisticated investors capable of evaluating the merits and risks of the arrangement described herein and who have sufficient resources to bear any loss that may result.

All investments involve risk, including the potential loss of principal. Returns are generated from trading margin and are **targets only and not guaranteed** except as expressly provided in the definitive documentation. Past performance is not indicative of future results. Insurance and contractual protections mitigate but do not eliminate risk.

All commercial terms are indicative and non-binding. The definitive subscription and bond documentation, once executed, shall govern the arrangement and shall supersede this Memorandum in all respects. The identities, ratings, and terms of the issuing bank, counterparties, and any insurer will be set forth in the definitive documentation and are subject to selection at the time of contract. Illustrative figures, worked examples, and market data are provided for explanatory purposes only, rest on stated assumptions, and are not a projection of returns on the Bonds.

Prospective investors are strongly advised to consult their own legal, financial, accounting, and tax advisors before making any investment decision. Nothing herein constitutes legal, tax, accounting, or investment advice.

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