1.0 U.S. COMPANY SUMMARY

On May 15, 2019, formed PH Group, LLC to operate as a specialized hauling firm to oil- field service companies. Its services include hauling oil- field fluids and removing on-site flow-back and produced water. The Company is located at #202 - 125 Main Street, Williston, ND 58801. The Company operates 365 days a year, 24 hours a day, based on client need.

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1.1 COMPANY OWNERSHIP

On May 15, 2019, Michael Price-Herweier formed PH Group, LLC, a Limited Liability Company in the State of North Dakota. Michael Price-Herweier owns 100% of PH Group, LLC. The Company will be doing business as PH Transport.

1.2 LOCATION

On June 27, 2019, the Company signed a twelve-month lease agreement with The Renaissance Companies to lease a 144 square foot office space located at #202 - 125 Main Street, Williston ND 58801. The monthly rent, including taxes and common area maintenance fees, is $450.00 per month. The credit card processing fee for rent is an additional $10.00 per month. The lease commenced on July 1, 2019. Upfront costs included a one-month security deposit. PH Transport also paid $900.00 to cover the cost of insuring the leased space for the duration of the lease (one year). The Agreement provides an option to renew.

The Company has also leased land to park the two trucks and trailers in Dickinson at 100 S. State Ave, Dickinson ND, 58601 on a month to month term. Cost is $500/month, and the lease commenced on August 1, 2019.

Williston is located in Williams County, North Dakota, United States. The 2018 estimated population was 27,096, making Williston the sixth-largest city in North Dakota. The municipality is 18 miles (29 km) from the Montana-North Dakota border and 60 miles (97 km) from the United States-Canadian border. Williston's economy, while historically agricultural, is increasingly being driven by the oil industry. Williston lends its name to the Williston Basin, a huge subterranean geologic feature known for its rich deposits of petroleum, coal, and potash (https://en.wikipedia.org/wiki/Williston,_North_Dakota#Geography). Williston sits atop the Bakken formation, which was predicted to be producing more oil than any other site in the United States, surpassing even Alaska's Prudhoe Bay, the longtime leader in domestic output in the United States. North Dakota maintains a Daily Activity Report Index that catalogs the production of oil statewide (https://www.dmr.nd.gov/oilgas/dailyindex.asp).

1.3 RATIONALE IN STARTING THE BUSINESS

With a long career in the field, Price-Herweier decided to dedicate operations to an area where the market has been and is projected to remain strong. Having all of the equipment necessary to begin operations promptly, PH Transport is well-equipped to be fully operational in the United States within a short time frame and without excessive additional capital expenditures.

1.4 THE RATIONALE FOR BRINGING THE APPLICANT TO THE U.S. ENTITY

There is an increasing demand for oilfield services in the United States. The market is very underserved as the amount of water produced as a byproduct of drilling increases. One of the biggest environmental and oil and gas production cost factors in the ongoing development of the U.S.'s massive shale basins is how the industry handles water (https://www.oilandgas360.com/water-handling-in-oilfield-operations/). Looking at each basin tracked by the United States Geological Survey (USGS), and examining the oil produced from each basin, an estimated 15-20 million barrels of water are being produced every day from the major onshore U.S. shale basins. The National Energy Technology Laboratory reports that water production from the U.S. - including the major onshore shale basins, Alaska, and the Gulf of Mexico - is roughly 57 million barrels per day (https://www.oilandgas360.com/water-handling-in-oilfield-operations/).

1.5 INVESTMENT SUMMARY

Michael Price-Herweier invested the amount shown below in PH Group, LLC to start its operations and provide the Company with sufficient operational cash to grow the business if needed.

START-UP FUNDS	
Cash amount from investor	$210,000
Loan	$0
Total Funding (A)	**$210,000**

START-UP INVESTMENTS & EXPENSES	
2015 Kenworth T800 Tri-drive - Heavy duty oilfield rigged tractor	$132,500
2006 Tremcar Tanker Trailer - Oilfield Tanker	$53,000
2013 International Prostar Tandem - Highway tractor oilfield rigged	$0
2007 Heil Tanker Trailer - Oilfield Tanker	$0
Importing	$3,061
Office Lease	$920
Dickinson Truck Parking Lease	$1,000
Stafford Immigration	$5,340
Equipment Appraisal	$375
NMFTA Application	$78
Bank Deposit	$10,000
Insurance (Office)	$900
Legal Fees	$1,035
Other Professional Fees	$1,650
Total Start-up Investments & Expenses (B)	**$209,859**
OPENING CASH BALANCE (A-B)	**$141**

1.6 NATURE OF BUSINESS

The Company provides oilfield fluid transportation services on a fee or contract basis to businesses involved in oil and gas extraction.

1.7 TYPES OF SERVICES

The Company offers services in the transport of fluid, including oilfield and natural gas drilling fluids. Such fluid, or wastewater, is produced by the extraction of oil, natural gas, flow-back, and other produced water or fluid byproducts. This water is typically contaminated in the process of drilling for either oil or natural gas, and therefore needs to be removed to an offsite location. PH Transport handles the transportation of these contaminated liquids and fluid byproducts to the proper offsite locations. To purge unnecessary fluids from the extraction process and adhere to environmental regulations, it is imperative that energy companies invest in the correct transport and disposal of such fluids.

The service the Company provides is strictly transportation of fluid. The provider that the Company contracts under may arrange for disposal service, but PH Transport only picks up, transports, and drops off at the designated locations. Such locations are designated and arranged for by the service provider, and not the Company directly.

1.8 TARGETED CUSTOMERS

The targeted customers of the Company include oil and natural gas field service providers or contractors that will assign work to the Company. The clients that PH Transport services are multinational energy companies who own or lease natural gas and oil fields in the United States, specifically within a certain radius of Williston, North Dakota. PH Transport will typically perform local work but may make the occasional exception to perform work in neighboring states or other areas.

Potential clients

The Company is looking to sub-contract through oilfield service providers such as Wisco or Running Horse, LLC. This will allow for the primary contracting company to market, field requests, and assigns jobs, while PH Transport can operate at full capacity as a sub-contractor. Those potential clients will allow the Company achieving economies of scale on large expenses such as insurance and fuel, allowing PH Transport to more effectively manage fluctuations and take advantage of volume discounts.

1.9 BUSINESS MODEL

Once PH Transport is on the platform of one or more oilfield service providers and is a sub-contractor through such providers, the contractor will assign jobs to PH Transport. The contractor arranges jobs and assignments based on the Master Service Agreements that they have in place with energy and fuel extraction companies.

The Company only handles transportation and does not handle fees or payment for disposal of the wastewater. The client or the provider that PH Transport sub-contracts will handle the arrangements and payments for disposal services. PH Transport streamlines its transport service offering by relying on the providers to communicate through dispatch the pickup and drop off locations for transporting the fluid.

In leveraging off of the contractors pre-established MSA's and working under them as a sub-contractor, PH Transport will be able to operate at its highest and best capacity, taking on as many jobs as possible while leaving business development, marketing, insurance, and other back-office tasks to its contractors.

1.10 VALUE PROPOSITION

The principal of PH Transport has been in the business of hauling and fluids transport work for much of his career. In addition to being familiar with all aspects of oil and natural gas fields, Price-Herweier has all of the necessary equipment to ensure his ability to handle all jobs within the scope of hauling and fluid transport. Additionally, Price-Herweier is in an advantageous position with no debt attached to any of PH Transport's equipment or capital expenditures. Should there be a period of slower than expected business, PH Transport's cash flow will not be hindered by the necessity of paying back costly loans. Regardless of environment or landscape, PH Transport possesses the skillset and essential equipment to attend to any fluid hauling needs.

1.11 ANTICIPATED SUCCESS

PH Transport's financial stability, investment in the necessary and appropriate equipment, and the experience to exceed client expectations will put the Company in a strong position to achieve success within the United States market. Price-Herweier has always prided himself on his ability to create strong and meaningful relationships with customers and will work to ensure that he fosters relationships that create client trust. Having found previous success attaining client exclusivity, PH Transport aims to have clients request or require its services in the future.

2.0 MARKET ANALYSIS

Industry Overview

There were 27,279 businesses operating in the U.S. Oil & Gas Field Services industry as of January 2019. This industry generated $74.7 billion in revenue in 2019 and is expected to enjoy a 3.5% average annual revenue growth rate over the next five years, reaching $88.5 billion in 2024. Oilfield support services are the largest service segment of the industry, accounting for 54.7% of industry revenue. Other major product and service segments include Oil drilling services accounting for 20.1% of industry revenue, Natural gas well support services accounting for 16% of industry revenue, Natural gas drilling services accounting for 5.5% of industry revenue, Metallic ore mining support accounting for 1.6% of industry revenue, Coal mining support accounting for 1.5% of industry revenue, and Nonmetallic ore mining support accounting for 0.6% of industry revenue[1].

Key Market Trends at National Level

The Oil and Gas Field Services industry plays a vital role in the production of oil and gas resources. Companies in the industry provide valuable services to upstream oil and gas companies and the largest companies in the industry typically sell products that oil and gas field operators use to explore and develop oil and gas deposits. Similar to upstream oil and gas companies, industry operators are highly exposed to fluctuations in crude oil and natural gas prices.

Though global companies like Schlumberger Limited and Halliburton Company dominate the industry, many small companies operate in the industry as well. The largest companies in the industry have the advantage of working on a wide variety of projects across the globe, which has provided them with an experience that smaller companies typically lack. Smaller companies can provide similar services, but they usually do not have the capital or scale to manage the most significant projects in the United States.

The US oil and gas production index measures the average annual production of oil and gas resources in the United States; from 2014 to 2019, the index was anticipated to increase at an annualized rate of 4%. Despite the fall in prices, production has trended upward on account of the cost attached to production varying wildly between individual wells and sites. Furthermore, the expenditure required for stopping and restarting production at a particular site often outweighs losses that a producer incurs amid falling prices. Therefore, production in the United States has remained steady over the past five years.

In 2018, the increase in production complemented by rebounds in the world prices of crude oil and natural gas had helped generate growth in industry revenue at an annualized rate of 11.1% for the year.

Market Growth Prospects

The Oil and Gas Field Services revenue is expected to grow at an annualized rate of 3.5% to $88.5 billion over the five years to 2024. The continuing development of shale resources and steady offshore drilling activity will drive demand for the industry's services. The high value-added nature of the industry's services and lack of substitute services will bolster industry performance.

The US oil and gas production index, which measures the annual output of oil and gas in the United States, is projected to increase at an annualized rate of 2.1% over the five years to 2024. The emergence of hydraulic fracturing and horizontal drilling has been a boon to upstream oil and gas producers, and these techniques will continue to sustain demand for the industry's services over the next five years.

Small companies will still be able to acquire contracts for small-scale oil and gas extraction projects as large operators typically only focus on the most complex and large-scale extraction projects.

Industry operators are exposed to fluctuations in oil and gas prices. When oil and gas prices fall, upstream oil and gas companies typically curtail production on their highest-cost extraction sites, which reduces demand for industry services. Over the next five years, the world price of crude oil is expected to recover from recent lows. Demand for energy and petroleum products will continue to remain strong, thus stabilizing demand from upstream oil companies. The average industry profit margin is projected to increase over the next five years, driven by persistent demand for high value-added services.

Company's Geographic Target Market

PH Group LLC will provide specialized fluid hauling services to oilfield service companies in and around North Dakota. The oilfield services industry in North Dakota has been well developed over the past decades. The North Dakota Petroleum Council represents almost 500 companies that operate in all parts of the oil and gas industry. The industry directly employs over 65,000 people, which makes up 20% of all workers and accounts for 30% of all the wages in the state[2].

1 Darshan Kalyani. IBISWorld. *IBISWorld Industry Report 21311: Oil & Gas Field Services in the US.* January 2019.

2 North Dakota Petroleum Council, *OPPOSE MEASURE 1.* Obtained at: https://www.ndoil.org/oppose-measure-1/.

Competitor Analysis

Market analyst firm IBISWorld has identified the following keys to compete successfully in the U.S. Oil & Gas Field Services industry:

1. Having a high prior success rate (including completed previous contracts).

2. Use of most efficient work practices.

3. Optimum capacity utilization.

4. Ensuring pricing policy is appropriate.

5. Access to the latest available and most efficient technology and techniques.

6. Understanding government policies and their implications[3].

PH Group, LLC is aware that it must remain abreast of existing competition, as well as any competition that may arise in the future. The following table provides an analysis of the company's top current competitors.

Competitor

QC Energy Resources

101 Nw Lincoln Street, Killdeer, ND 58640, USA

Phone: +1 701-690-5191
http://www.qc-energy.com/

QC Energy Resources was established in 1913 when B.F. Leaman saw a need in Lancaster County, PA, for timely delivery of both lime and milk. Working with his son, Clair, the two formed a small trucking company to help meet this need. Since its inception, QC Energy Resources served the transportation and logistics services to the oil and gas industry and witnessed outstanding growth in shale regions throughout the United States.

Strengths

- QC Energy Resources is part of a big group of companies, Quality Distribution, Inc. (QDI) with over 100 years' experience in transportation and logistics services.
- The company offers comprehensive transportation and logistics services to the oil and gas industry, including bulk chemical transport, water management, logistics consulting, and more.
- The company ensures that its drivers are well-trained and safety-focused and uses well-maintained equipment for high-quality service to its customers.
- Its veteran team offers customers years of experience in transportation, logistics, and oil and gas, three areas forming the company's core competencies.

Weaknesses

- QC Energy Resources lacks digital marketing and online presence, limiting its services to potential businesses.
- The company lacks funding to purchase additional trucks and equipment to reach new markets since it depends on external funders to expand.
- The company is currently losing out on a significant market share of the international trucking market since they only cover less of the customer base.
- The company continues to have increased costs for its operations, which is indirectly affecting its rates.
- The company faces intense competition locally from renowned global trucking companies in North Dakota.

Competitor

WISCO Trucking

13916 55th St NW, Williston, ND 58801, USA

Phone: +1 701-965-6031
http://www.omnienvironmentalsolutions.com/brands/wisco-trucking/

WISCO Trucking is a brand under Omni Environmental Solutions, a leading provider of comprehensive environmental waste, water management, and logistics solutions in all significant US energy plays. WISCO Trucking specifically offers complete oilfield waste hauling to operators in The Bakken and surrounding plays in North Dakota and Montana. The company focuses on providing waste- and water-related environmental, logistics, and rental services.

Strengths

- WISCO Trucking offers the following services: water transportation and disposal; pre-disposal water filtration; oil skimming and recovery for pit

3 Darshan Kalyani. IBISWorld. *IBISWorld Industry Report 21311: Oil & Gas Field Services in the US.* January 2019.

reclamation; and cuttings hauling and disposal.

- The company maintains a large fleet of specialized road and rail equipment to find and safely deploy the right-sized solution to transport waste streams.
- The company provides continuous training to its personnel to continually improve processes, demonstrate leadership, and promote comprehensive safety programs.
- Its team of experienced waste-handling specialists will safely haul, handle, and dispose of waste streams at any of its strategically located facilities.

Weaknesses

- WISCO Trucking has issues in terms of delivering its services on time since many customers have complained of the company's consistently delayed deliveries.
- Due to the company's vast scale of trucking services, not every customer is treated uniquely, and there is a possibility of mix-ups on its oilfield hauling.
- Some customers had difficulties in dealing with its staff via phone and online, giving it negative feedback for its customer service.
- The company faces intense competition locally from renowned global trucking companies in North Dakota.

Competitor

Running Horse Trucking

P.O. Box 781, New Town, ND 58763, USA

Phone: +1 701-421-9477
http://www.runninghorsetrucking.com/

Running Horse Trucking was started by the couple, Tesha and Cody Fredericks, who thought of servicing the oilfield hauling in Bakken Oilfield, ND. Ever since its establishment, the company has built a reputation for performing high-quality work in a safe and timely fashion, making it possible to keep its projects on time and maintained to the highest industry standards.

Strengths

- Running Horse Trucking has a state-of-the-art full-service shop with eight bays and two wash bays that keeps its fleet and other equipment clean and running.
- The company offers hauling services for production water, flow back water, freshwater, aggregate, crude oil, service work, and invert functions.
- The company also provides other services such as snow removal, oilfield dirt work, workover rigs, and filtering unit.
- Its team of well-trained, highly experienced individuals creates the perfect balance of quality, integrity, timeliness, and safety when it comes to getting the job done and done right.

Weaknesses

- Running Horse Trucking does not take care of its drivers and staff since it overworks its employees and does not look out for their well-being and safety.
- During contracts with other oil companies, the Running Horse withholds paychecks and deducts money from its employees without justification and explanation.
- The company is limited to offering oilfield hauling services in the Bakken Oilfield and other areas in ND State.
- Its amount of equipment is relatively small, given the frequency of needing oilfield hauling services.
- The company faces intense competition locally from renowned global trucking companies in North Dakota.

Competitor

BAR-S Services, Inc.

3330 I-80 Service Road, Cheyenne, WY 82009, USA

Phone: +1 307-637-8544
http://www.barsinc.net/

BAR-S Services is a family-owned company that started from humble beginnings in Cheyenne, WY. Currently, the company has a full fleet of cranes and more than 100 trucks to service the Rocky Mountains and its surrounding areas. It offers a wide variety of oilfield services and equipment in Wyoming, Colorado, North Dakota, and Nebraska.

Strengths

- BAR-S Services is a full-service company that provides all commercial/industrial, oil, and gas needs to everyday construction projects and oil-field services.
- It offers the following services: rig moving, water management solutions, excavation & construction, insulation, hydro-vac, roustabouts, welding & fabrication, crane services, and more.
- The company is committed to providing a safe and efficient work environment for all of its employees.
- The company has adopted the phrase “Safely Serving Our Customers” because it genuinely believes that safety, consistency, and quality control are the critical components in providing exceptional service.

Weaknesses

- BAR-S Services lacks digital marketing and online presence, limiting its services to potential businesses.
- Weight on its compensation has led to problems and difficulties with employee satisfaction and engagement in the work of the fleet and other equipment.
- The company has poor demand forecasting, leading to unnecessarily higher inventory both in its facilities and in the channel during transport.
- The company cannot meet a broader market due to its weak marketing and promotion of services.
- The company faces intense competition locally from renowned global trucking companies in North Dakota.

Market Opportunity

Operators in the Oil and Gas Field Services industry primarily provide services to oil and gas extractors, making demand highly dependent on oil and natural gas prices. Crude oil and natural gas prices began recovering beginning in mid-2017, and industry revenue has grown at an annualized rate of 11.1% since 2018.

Rising oil and gas prices typically result in increased demand for industry services, especially if prices are expected to remain high. The number of oil and gas drilling contracts rises with prices because previously unprofitable sites become more attractive to producers. Recovering energy prices fueled revenue growth through mid-2014, although government offshore drilling regulations increased in the aftermath of the Deepwater Horizon oil spill crisis.

Demand for oil and gas field services is projected to rise over the next years as the global economy recovers. Both the prices of natural gas and crude oil are anticipated to improve over the next five years.

The United States produced oil and gas industry remains strong, with the North American market being quite robust. In the event of any downturn, domestic producers can take advantage of improved US port facilities to export more efficiently to international markets. Even with a possible slowing of emerging market growth, and a shift to more reuse of plastics, the chemicals industry in the United States looks reasonably well-shielded from significant downside risk (https://www2.deloitte.com/us/en/pages/energy-and-resources/articles/oil-and-gas-industry-and-chemicals-industry-outlook.html).

When oil and gas sites are being explored or first drilled, there is a significant amount of wastewater that is created as a by-product of this process. Additionally, the maintenance and continuing use of oil and gas wells also produce contaminated liquids that need to be hauled offsite.

In oil drilling, completion and flow back fluids are produced as a byproduct to the drilling process.

The fluid circulated in the extraction process may contain significant solids and components of the drilling mud, which creates waste. During well clean-up, fluids are flowed back, generating water-based waste containing solids, mud, additives in the mud, and oil (http://www.drillingcontractor.org/innovative-filtration-process-for-well-clean-up-fluids-reduces-amount-of-water-based-waste-1580). This results in additional waste, which needs to be hauled offsite by a service provider such as PH Transport.

In natural gas extraction, the longer a site has been in operation, the more accumulated fluids build up. This, in turn, slows down the extraction process, causing many energy companies to opt for the use of lifts, which purge accumulated fluids from the drill site. Due to the significant methane emission reductions and economic benefits from implementing one or more lift options to remove accumulated liquids in gas wells, many natural gas sites are using these lifts and thereby producing more wastewater. The use of the lifts provides both the benefit of increased gas production and lower methane emissions, making them a popular option for natural gas wells. As the lifts are used by much of the industry today, the demand for hauling of wastewater services has increased (https://www.epa.gov/sites/production/files/2016-06/documents/ll_options.pdf).

3.0 STRATEGY

3.1 DEVELOPMENT STRATEGY

The Company will work to become a leader in the oil and gas field liquid hauling and removal service. With PH Transports' strong leadership and track record of trustworthy client relationships, the Company hopes to see repeat and return customers. The Company hopes to build a loyal client base quickly. The Company will position itself as an expert liquid removal service for oil and gas extraction sites and wells.

PH Group, LLC will undertake the following seven marketing actions to go to market with its services in the United States.

Website

The Company will focus on developing a website that provides contact information, the scope of services, and client testimonials.

Mail and Email Campaigns

Building a distribution list of current and potential clients will be important to enable the Company to execute blast mailing and emailing campaigns. These campaigns may act as initial outreach or specific promotional material. These campaigns will have contact information, testimonials, and scope of services offered.

Client Feedback

The Company intends to ensure that it captures feedback from clients. Requesting feedback and testimonials from clients will help measure the quality of the services and will generate new business based on current customer satisfaction.

Networking

Establishing contacts and a strong network within the oilfield services industry will help open up new opportunities for PH Transport.

Industry Conferences

The Company intends to remain active within the industry, including participating in conferences and fairs related to oil and gas drilling services.

SEO

PH Group, LLC will launch a Search Engine Optimization advertising campaign to help bring in new business and generate new client accounts online.

Referrals

The Company will offer its services at a competitive price and hopes to engage long term client accounts. The Company hopes to engage new clients through referrals and word-of-mouth. This will likely have the strongest return and the most impact on building a client portfolio and generating new and continuing business.

3.2 COMPETITIVE ADVANTAGE

In addition to PH Group, LLC's vast experience in the oilfield, its equipment is specialized and much larger than most similar equipment in service today. This provides the ability to serve better the needs of clients, in addition to enabling the Company to serve a niche group of customers that was previously unserved or underserved.

The Company can effectively use available capital and resources by undertaking work at several sites simultaneously.

The Company has a competitive and appropriate pricing policy.

The Company uses the most efficient work practices and processing to exceed client expectations.

The Company has access to the latest available and most efficient technology and techniques.

The leadership of PH Transport has a high prior success rate with prior contracts and working alongside companies providing oil and gas field support services. The key to remaining competitive is based on reputation as well as fair pricing for services rendered.

4.0 MANAGEMENT AND PERSONNEL

4.1 MANAGEMENT TEAM

Michael Price-Herweier

In 2006, Michael Price-Herweier graduated from Spruce Grove Composite High School in Canada.

In 2007, Mr. Price-Herweier graduated from Cameron Truck Driving School in Canada.

From 2008 to 2012, Mr. Price-Herweier was an Owner/Operator and Class 1 Driver for M9 Transport & Holdings LTD, which contracted to Triple Hitch Transport in Canada. His duties in-cluded managing employees and day-to-day operations, including dispatching, billing payroll, and invoicing. He was also responsible for managing operations, maintenance, and recordkeeping, as well as business development.

From 2012 to 2014, Mr. Price-Herweier was a Heavy Equipment Operator and Driving Mentor for Trican Well Services, located in Western Canada. His responsibilities involved being on-call 24 hours a day for shifts operating specific equipment. He was a team lead and managed onsite operations and training on specific equipment. While offsite, he managed computer training, signing off on drivers' competency, and maintaining equipment.

From 2014 to 2015, Mr. Price-Herweier worked for Cleanwater Hauling LTD as a Heavy Equipment Operator in the Wood Buffalo Region, Fort McMurray municipality in Alberta, Canada. In this position, he was on-call on a 24-hour basis for 10-16 hour shifts operating various equipment including Water Trucks, Vac Trucks, and Sour Seals. He also performed assessments of hazards and daily logging of driver activity.

From 2015 to 2016, Mr. Price-Herweier worked as a Heavy Equipment Operator for URS Flint / Aecom in Fort McMurray municipality, Alberta, Canada. He worked 12-hour shifts operating various equipment including Water Trucks, Vac Trucks, Semi-Vacs, High-Pressure Trucks, and Sour Seals. He performed hazard assessments and maintained driver logs.

From 2016 to 2017, Mr. Price-Herweier was an Oilfield Truckdriver for Beaut Oilfield Services in Canada. His duties included hauling Tri-Axle Tankers using Tri-Drive tractors, as well as dealing with production byproducts in the form of water, oil, hydrochloric acid, and methanol.

From 2014 to the present, Mr. Price-Herweier has Co-Managed a personal Real Estate investment portfolio with properties in two Canadian provinces. He created the business and developed it be a self-sustaining operation which performs property assessment, development, project management, contractor communications, budgeting, and negotiations. Among his achievements were converting underperforming rental units to sellable properties, expanding into new markets, and reducing project timelines while strengthening relationships with contractors and key stakeholders. This approach has led to working with over 20 contractors, reaching a portfolio of 13 properties with a valuation of $3 million, with properties ranging in value from $35k - $650k.

From 2017 to the present, Mr. Price-Herweier has worked for PH Transport INC as a Contractor providing oilfield fluid hauling services for Beaut Oilfield Services in Canada. His role involves day-to-day managing operations of as many as ten employees and contractors. He has created and implemented safety and maintenance programs that are compliant with regulatory requirements. He also oversees maintenance, recordkeeping, and all financial management, including AP/AR, invoicing, and payroll.

In addition to the above experience, Michael Price-Herweier has had the training and holds certifications in many safety and regulatory standards as well as various brands of heavy equipment operation. He has over twenty years of experience in leadership roles of progressive responsibility and has cultivated entrepreneurial ventures in the heavy equipment hauling niche and the real estate market. His ability to learn and adapt quickly to market changes, and his in-depth knowledge and business leadership experience make him an essential member of the U.S. company.

4.2 PERSONNEL PLAN

Michael Price-Herweier is the Executive Manager of PH Group, LLC As such, he will oversee all operation and management aspects and will lead the development of the company's business initiatives.

As shown in the table, the company's number of employees is forecast to increase to 9 employees by year 5.

PERSONNEL					
	Year 1	Year 2	Year 3	Year 4	Year 5
PERSONNEL COUNT					
Executive Manager - Michael Price Herweier	1	1	1	1	1
Supervisor / Driver		1	1	1	1
Supervisor / Driver (part - time)	1				1
Drivers			2	4	4
Drivers (part - time)					2
TOTAL PERSONNEL	**2**	**2**	**4**	**6**	**9**
PERSONNEL GROSS WAGE PER EMPLOYEE					
Executive Manager - Michael Price Herweier	$120,000	$123,600	$127,308	$131,127	$135,061
Supervisor / Driver		$97,850	$100,786	$103,809	$106,923
Supervisor / Driver (part - time)	$47,500				$53,462
Drivers			$90,177	$92,882	$95,668
Drivers (part - time)					$47,834
PERSONNEL COST					
Executive Manager - Michael Price Herweier	$134,400	$138,432	$142,585	$146,863	$151,268
Supervisor / Driver		$109,592	$112,880	$116,266	$119,754
Supervisor / Driver (part - time)	$53,200				$59,877
Drivers			$201,995	$416,110	$428,594
Drivers (part - time)					$107,148
TOTAL PAYROLL (after ss, medicare & benefits)	**$187,600**	**$248,024**	**$457,460**	**$679,239**	**$866,642**
TOTAL SUBCONTRACTOR	**$0**	**$0**	**$0**	**$0**	**$0**
TOTAL PAYROLL + SUBCONTRACTOR	**$187,600**	**$248,024**	**$457,460**	**$679,239**	**$866,642**

5.0 FINANCIAL FORECAST

In the financial forecast, a slow-growth economy has been taken into account. The Company has prepared a financial forecast for its operations.

5.1 SALES

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Annual Sales	$425,000	$600,233	$974,967	$1,375,197	$1,750,729
Total Monthly Sales	$35,417	$50,019	$81,247	$114,600	$145,894
Total Daily Sales	$1,168	$1,649	$2,678	$3,778	$4,810
Average Profit (EBITDA) per year	$75,100	$157,883	$280,244	$397,463	$505,067
Average Profit (EBITDA) per month	$6,258	$13,157	$23,354	$33,122	$42,089
Average Profit (EBITDA) per day	$206	$434	$770	$1,092	$1,388

UNIT SALES & PROFIT SUMMARY

		Year 1	Year 2	Year 3	Year 4	Year 5
	Number of days of operations	365 days	365 days	365 days	365 days	365 days
	Gross margin	100%	100%	100%	100%	100%
Per Year	Average number of clients for support services on a fee basis - based on hour charge	320	444	709	966	1,203
Per Year	Average number of clients for support services on a fee basis - based on volume charge	28	37	56	78	94
Per Year	Average transaction per client for support services on a fee basis - based on hour charge	$1,000	$1,030	$1,061	$1,093	$1,126
Per Year	Average transaction per client for support services on a fee basis - based on volume charge	$3,750	$3,863	$3,978	$4,098	$4,221
Per Year	Total sales derived from clients for support services on a fee basis - based on hour charge	$320,000	$457,320	$752,178	$1,055,574	$1,353,987
Per Year	Total sales derived from clients for support services on a fee basis - based on volume charge	$105,000	$142,913	$222,789	$319,623	$396,742
	Total Annual Sales	**$425,000**	**$600,233**	**$974,967**	**$1,375,197**	**$1,750,729**

5.2 PROFIT AND LOSS

The Company forecasts a sales increase from $425,000 in year 1 to $1,750,729 in year 5. Earnings Before Depreciation, Amortization, Interest and Taxes (EBITDA) is forecast to increase from $75,100 in year 1 to $505,067 in year 5. The EBITDA margin is forecast to reach 29% in year 5. Net profit is forecast to grow from $47,748 in year 1 to $313,924 in year 5.

PROFIT AND LOSS ('000 $)

	Year 1	Year 2	Year 3	Year 4	Year 5
SALES	**425**	**600**	**975**	**1,375**	**1,751**
Cost Of Sales	0	0	0	0	0
GROSS MARGIN	**425**	**600**	**975**	**1,375**	**1,751**
PAYROLL (incl. taxes & benefits)	188	248	457	679	867
Advertising & Marketing	4	4	5	6	7
Fuel Expense	42	53	66	83	105
Bank Charges	2	2	2	3	3
Subcontractor	0	0	0	0	0
Dues & Subscriptions	1	1	1	1	1
Insurance & Licenses	15	17	22	29	40
Legal & Accounting	3	3	4	4	5
Merchant Account fees	0	0	0	0	0
Miscellaneous	20	25	31	40	50
Rent	11	13	15	17	20
Repairs & Maintenance of Equipment	35	42	50	66	87
Supplies	5	6	8	11	15
Taxes (Other)	0	0	0	0	0
Telephone & Internet	5	6	8	9	12
Travel & Entertainment	20	23	26	30	35
Utilities (incl. Trash)	0	0	0	0	0
TOTAL OPERATING COST	350	442	695	978	1,246
EBITDA	**75**	**158**	**280**	**397**	**505**
Start-up/Non-Recurring Expenses	13.5	0.0	0.0	0.0	0.0
Depreciation & Amortization	3	5	13	21	28
Net Interest Expense	0	0	0	0	0
EARNINGS BEFORE TAXES	59	153	267	377	477
Income taxes	11	39	80	123	163
NET PROFIT	**48**	**113**	**187**	**254**	**314**
GROSS MARGIN %	100%	100%	100%	100%	100%
EBITDA / SALES	18%	26%	29%	29%	29%
NET PROFIT / SALES	11%	19%	19%	18%	18%

5.3 CASH FLOW

As shown in the table below, the Cash Flow from Operations (CFO) is forecast to grow to $359,318 in year 5. The Cash Flow balance at the end of year 5 is forecast to reach $508,582.

CASH FLOW ('000 $)	Year 1	Year 2	Year 3	Year 4	Year 5
CASH FLOW FROM OPERATIONS (CFO)					
EBITDA	**75**	**158**	**280**	**397**	**505**
Non Recurring Expense	-13	0	0	0	0
Payment of income taxes	0	-11	-39	-80	-123
(Incr) Decr in Account Receivable	-35	-14	-31	-33	-31
(Incr) Decr in Prepayments & Accrued income	0	0	0	0	0
(Incr) Decr in Inventory	0	0	0	0	0
Incr (Decr) in Account Payable	0	0	0	0	0
Incr (Decr) in Other Creditors (payroll taxes)	8	2	9	9	8
(Incr) Decr in Other Assets (rent & other deposits)	-35	0	0	0	0
Total Cash Flow From Operations	**-1**	**135**	**219**	**293**	**359**
CASH FLOW FROM INVESTMENTS (CFI)					
Increase in Intangible Fixed assets	0	0	0	0	0
Increase in Tangible Fixed assets	-186	0	-190	-190	-190
Total Cash Flow From Investments	**-186**	**0**	**-190**	**-190**	**-190**
CASH FLOW FROM FINANCING (CFF)					
Net Interest Income (expense)	0	0	0	0	0
Principal repayment of Debt	0	0	0	0	0
Increase in Debt	0	0	0	0	0
Issue of ordinary shares	210	0	0	0	0
Total Cash Flow From Financing	**210**	**0**	**0**	**0**	**0**
NET CASH FLOW	**23**	**135**	**29**	**103**	**169**
Cash Flow Balance - Beginning of Period	0	23	158	187	290
Cash Flow Balance - End of Period	23	158	187	290	460
Cash Flow From Operations / Sales	**-0%**	**22%**	**22%**	**21%**	**21%**
Net Cash Flow / Sales	**6%**	**22%**	**3%**	**8%**	**10%**

5.4 BALANCE SHEET

This table shows the annual balance sheet results with total equity ("net worth") increasing to $1,126,410 at the end of year 5.

BALANCE SHEET ('000 $)	Year 1	Year 2	Year 3	Year 4	Year 5
ASSETS					
Current Assets					
Cash	23	158	187	290	460
Accounts Receivable	35	49	80	113	144
Prepayments & Accrued income	0	0	0	0	0
Inventory	0	0	0	0	0
Other	11	11	11	11	11
Total Current Assets	**69**	**218**	**278**	**414**	**614**
Long Term Assets					
Gross Intangible Fixed assets	0	0	0	0	0
Gross Tangible Fixed assets	186	186	376	566	756
Accumulated Depreciation & Amortization	-3	-8	-21	-41	-69
Total Long Term Assets	**183**	**178**	**355**	**524**	**686**
Total Assets	**252**	**396**	**633**	**938**	**1,301**
LIABILITIES & EQUITY					
Current Liabilities					
Account Payable	0	0	0	0	0
Other Creditors	8	10	19	28	36
Taxes Payable	11	39	80	123	163
Short-Term Notes Payable	24	24	24	24	24
Total Current Liabilities	**43**	**74**	**124**	**175**	**223**
Long Term Liabilities	**0**	**0**	**0**	**0**	**0**
Total Liabilities	**43**	**74**	**124**	**175**	**223**
Equity					
Shareholders Equity	210	210	210	210	210
Retained Earnings	0	48	161	348	602
Start-up/Non Recurring Expenses	-13	0	0	0	0
Net Earnings (excl. Start Up/ Non Recu. Exp.)	61	113	187	254	314
Total Equity (Net worth)	**258**	**371**	**558**	**812**	**1,126**
Total Liabilities and Equity	**301**	**445**	**682**	**987**	**1,349**