

**DATED 22 NOVEMBER 2016**

**IA CAPITAL STRUCTURES (IRELAND) PLC**

**Texoil - U.S. Oil & Gas (Series 93) Notes due 2020**

**issued under its € 5,000,000,000 Secured Note Programme**

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**SERIES MEMORANDUM**

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## General

This Series Memorandum (as used herein, this "**Series Memorandum**") is prepared in connection with the EUR 5,000,000,000 Secured Note Programme (the "**Programme**") of IA Capital Structures (Ireland) plc (the "**Issuer**") and is issued in conjunction with, and incorporates by reference the contents of, the Programme Memorandum dated 15 March 2012 relating to the Programme (the "**Programme Memorandum**").

Neither this Series Memorandum nor the Programme Memorandum constitutes a prospectus for the purposes of the Prospectus Directive.

This document should be read in conjunction with the Programme Memorandum and the Master Conditions (March 2014 Edition). Save where the context otherwise requires, terms defined in the Programme Memorandum have the same meaning when used in this Series Memorandum.

Subject as set out below the Issuer accepts responsibility for the information contained in this Series Memorandum other than the information in sections (i) *Information relating to the Arranger, Placing Agent, Sale Agent and the Calculation Agent*; and (ii) *the information contained in the Texoil SNR Corp. Private Offering Memorandum (as defined herein and which is attached hereto as Appendix 1)*. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), such information for which it accepts responsibility contained in this Series Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer confirms that the information in the sections referred to in (i) to (ii) above has been accurately reproduced from information provided by the Arranger, Placing Agent, Sale Agent and Calculation Agent, and as far as the Issuer is able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Series Memorandum does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Series Memorandum in any jurisdiction where such action is required.

No person has been authorised to give any information or to make representations other than those contained in this Series Memorandum in connection with the issue or sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Arranger, the Trustee or any of them. Neither the delivery of this Series Memorandum nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof.

Sanne Fiduciary Services Limited (the "**Trustee**") has not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking is made, whether express or implied, and no responsibility or liability is accepted by the Trustee as to the accuracy, completeness or nature of the information contained in this Series Memorandum, the *Texoil SNR Corp. Private Offering Memorandum (as defined herein)* or with respect to the legality of investment in the Notes by any prospective investor or purchaser under applicable legal investment or similar laws or regulations.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the provisions set out within this Series Memorandum and the Programme Memorandum.

For as long as the Notes remain outstanding, copies of the following documents will be available for inspection in physical form during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer:

- (i) This Series Memorandum and the Programme Memorandum;
- (ii) The Master Documents;
- (iii) The Constituting Instrument dated the Issue Date; and
- (iv) The Certificate of Incorporation and the Memorandum and Articles of Association of the Issuer.

***The Notes, which are described in this Series Memorandum, have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any of the States of the United States. Accordingly, the Notes are being offered and sold only in bearer form pursuant to the exemption afforded by Regulation S promulgated under the Securities Act solely outside of the United States and solely to non-U.S. persons and in specific reliance upon the representations by each Noteholder that (1) at the time of the offer and sale of the Notes to Noteholder, the Noteholder was not a U.S. Person as defined in Regulation S promulgated under the Securities Act, and (2) at the time of the offer and sale of the Notes to Noteholder and, as of the date of the execution and delivery of the purchasing or subscription agreement by the Noteholder, the Noteholder was outside of the United States. The Notes may not be offered or sold in the United States or to U.S. Persons (as defined in Regulation S) unless the securities are registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available. The Notes are subject to certain United States tax law requirements.***

The following legend will appear on all Temporary or Permanent Global Notes and any Receipts, Coupons or Talons in respect thereof:

**"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE U.S. INTERNAL REVENUE CODE."**

The sections of the U.S. Internal Revenue Code referred to in the foregoing legend provide that, with certain exceptions, a United States taxpayer will not be entitled to deduct any loss, and will not be entitled to capital gains treatment in respect of any gain realised, on any sale, disposition or payment of a Note, Receipt, Coupon or Talon for U.S. federal income tax purposes.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), an offer of Notes to the public has not and may not be made in that Relevant Member State.

The Notes are illiquid investments, the purchase of which involves substantial risks. Any investor investing in the Notes should fully consider, understand and appreciate those risks.

**Purchasers of Notes should conduct such independent investigation and analysis regarding the Issuer, the Charged Assets and the Notes as they deem appropriate to evaluate the merits and risks of an investment in the Notes, as the Notes described in this Series Memorandum may not be suitable for all purchasers of Notes. Purchasers of Notes should have sufficient knowledge and experience in financial, taxation, accounting, capital treatment and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate the information contained in this Series Memorandum and the merits and risks of investing in the Notes in the context of their financial and regulatory position and circumstances. This Series Memorandum does not describe all of the risks and investment considerations applicable to an investment in the Notes. The risks and investment considerations identified in this Series Memorandum are provided as general information only and the Issuer disclaims any responsibility to advise purchasers of Notes of the risks and investment considerations associated with the purchase of the Notes as they may exist at the date hereof or as they may from time to time alter.**

**PARTICULAR ATTENTION IS DRAWN TO THE SECTION OF THIS SERIES MEMORANDUM HEADED "RISK FACTORS".**

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### **Documents incorporated by reference**

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The Programme Memorandum is incorporated in, and shall be taken to form part of this Series Memorandum. This Series Memorandum must be read and construed in conjunction with the Programme Memorandum and shall be deemed to modify and supersede the contents of such document to the extent that a statement contained herein is inconsistent with such contents.

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## Risk factors

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### General

The purchase of the Notes involves substantial risks. Each prospective purchaser of the Notes should be familiar with instruments having characteristics similar to the Notes and should fully understand the terms of the Notes and the nature and extent of its exposure to risk of loss.

Before making an investment decision prospective purchasers of the Notes should conduct such independent investigation and analysis regarding the Issuer, the Charged Assets, the Notes and all other relevant persons and such market and economic factors as they deem appropriate to evaluate the merits and risks of an investment in the Notes. As part of such independent investigation and analysis, prospective purchasers of Notes should consider carefully all the information set forth in this Series Memorandum and in the Programme Memorandum and the considerations set out below.

Investment in the Notes is only suitable for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the information contained in this Series Memorandum and in the Programme Memorandum and the merits and risks of an investment in the Notes in the context of the investor's own financial circumstances and investment objectives.

Investment in the Notes (or a participation therein) is only suitable for investors who:

- (1) are capable of bearing the economic risk of an investment in the Notes (or a participation therein) for a period up to and until the redemption of the Notes;
- (2) are acquiring an interest in the Notes (or a participation therein) for their own account for investment, not with a view to resale, distribution or other disposition of such interest (subject to any applicable law requiring that the disposition of the investor's property be within its control); and
- (3) recognise that it may not be possible to make any transfer of the Notes (or a participation therein) for a substantial period of time, if at all.

Each of the Issuer and the Arranger may, in its discretion, disregard interest shown by a prospective investor even though that investor satisfies the foregoing suitability standards.

**Each prospective investor should ensure that it fully understands the nature of the transaction into which it is entering and the nature and extent of its exposure to the risk of loss of all or a substantial part of its investment. Attention is drawn, in particular, to the sections of the Programme Memorandum entitled "Conditions of the Notes - Security" and "Conditions of the Notes - Enforcement and Limited Recourse" and the section in this Series Memorandum entitled "Information relating to the Charged Assets".**

## Risks relating to the Issuer and Transaction Parties

### *Special purpose company*

The Issuer is a special purpose company and has been established for the purpose of issuing multiple Series of secured Notes under the Programme. The Issuer has issued share capital only in the amount of EUR 38,100. Should any unforeseen expenses or liabilities (which have not been provided for) arise, the Issuer may be unable to meet them, leading to an Event of Default under the Notes.

There is no certainty that Noteholders will recover any amounts payable under the Notes. Due to the limited recourse nature of the Notes (see "*Limited recourse*" below), claims in respect of the Notes are limited to the proceeds of enforcement of the Mortgaged Property and after the deduction of any applicable expenses. In addition, if a claim is brought against the Issuer (whether under statute, common law or otherwise) which is not subject to such contractual limited recourse provisions, the only assets available to meet such claim would be the proceeds of the issuance of the Issuer's ordinary shares and any transaction fees (see "*Fees*" below), to the extent any remain as at the date of such claim and are available to meet such claim. The only other assets of the Issuer will be the assets on which each Series is secured, which will be subject to the prior security interests of the relevant Noteholders and any other secured parties under that Series.

### *Limited recourse*

The Notes will be limited recourse obligations of the Issuer secured on the Mortgaged Property (including the Charged Assets) and are not or will not (as the case may be) be obligations or responsibilities of, or guaranteed by, any other person or entity. **For the avoidance of doubt, none of the Trustee, the Arranger, any other Agent appointed by the Issuer or any other person has any obligation to any Noteholder for payment of any amount by the Issuer in respect of the Notes. There is no person that guarantees to Noteholders that they will recover any amounts payable under the Notes.**

The ability of the Issuer to meet its obligations in respect of the Notes will be dependent on the receipt by the Issuer of moneys due to it under the Mortgaged Property (including the Charged Assets comprised therein). The Noteholders shall have no recourse to the Issuer beyond the moneys derived by or on behalf of the Issuer in respect of the Mortgaged Property. To the extent that investment by the Issuer in the Charged Assets held by the Issuer results in such investment being less than the obligations of the Issuer under the Notes, the Issuer will have insufficient funds available to meet its obligations in respect of the Notes. In such event, any shortfall would be borne by the Noteholders in accordance with the priorities specified in the Conditions. See "*Nature of the investment*" below.

For the avoidance of doubt, Notes are not, and do not represent or convey any interest in the Charged Assets nor do they confer on the Noteholder any right (whether in respect of voting, dividend or other distribution) which a holder of any Charged Assets may have had. The Issuer is not an agent of the Noteholder for any purpose.

### *Liability for the obligations of other Series*

The Issuer has undertaken not to incur any obligations with respect to any other Series of Notes unless recourse in respect of such obligations is limited to the proceeds of enforcement of the Security over the assets of the Issuer on which such obligations are secured (which assets shall exclude the Mortgaged Property securing any other Series of Notes). Nevertheless, to the extent there are any creditors with respect to a Series of Notes whose recourse is not so limited Noteholders may be exposed to risks incurred for the account of other Series.



## Risks relating to the Notes

### *Nature of the investment*

These Notes are not principal protected and are a high-risk investment in the form of a debt instrument. The Noteholders are neither assured of repayment of the capital invested nor are they assured of payment of a stated rate of interest. The Notes give Noteholders exposure to the Series Assets.

Any payments to be made on the Notes depend on the value of the Charged Assets held by the Issuer, which is the value of the amounts received by the Issuer in respect of the Charged Assets. Should the Charged Assets decrease in value, Noteholders will incur a partial or total loss of their investment.

In certain circumstances, described in the Conditions of the Notes, the Notes will be redeemed early pursuant to a Mandatory Redemption Event, an Additional Mandatory Redemption Event or a redemption event pursuant to Condition 2(c)(A)(1) and Noteholders shall be entitled to receive only such amount as is available following the sale or redemption of the Charged Assets, or a proportion of such Charged Assets, as the case may be, subject to the provisions of the Notes described under "*Limited recourse*" above.

**In general, redemption payments to be made on the Notes are calculated with reference to the value of the Charged Assets. However, if and to the extent that the amount payable by the Issuer in accordance with the Notes to the Noteholders is greater than the amount received by the Issuer in respect of the redemption of the Charged Assets, the Noteholder shall be entitled to receive only its *pro rata* share of such amount as is received by the Issuer under the Charged Assets after deduction of any applicable costs and expenses.**

### *Change of law, tax and administrative practice*

The structure of the transaction and, inter alia, the issue of the Notes are based on law, tax and administrative practice in effect at the date hereof, and having due regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given that law, tax or administrative practice will not change after the Issue Date or that such change will not adversely impact the structure of the transaction and the treatment of the Notes.

### *Fees*

In addition to the fees due to the Trustee and any Agents, and any other transaction related fees incurred by the Issuer in respect of the issuance of the Notes, the amounts payable under the Notes are based on the performance of the Charged Assets after deduction of certain fees, which is further described in Special Condition (XI) of the Notes. The fees will be applied in calculating the value of the Portfolio and therefore will result in a reduction in the value of the Notes.

In connection with the offer and sale of the Notes, the Arranger or any of its associated companies may, directly or indirectly, pay fees in varying amounts to third parties or, as the case may be, receive fees (including but not limited to distribution fees and retrocessions) in varying amounts, including, from third parties (which may include any Transaction Participants as defined below). Each Noteholder acknowledges that the Arranger or any of its associated companies may retain all or part of such fees.

### *Foreign exchange risk*

The Notes are denominated in USD. The Charged Assets may be denominated in U.S dollars, euro, or any other currencies. The Issuer will effect foreign exchange transactions to convert amounts received in respect of the Charged Assets into USD in order to meet its payment obligations under the Notes. In order to mitigate the foreign exchange risk the Issuer may enter into foreign exchange hedging transactions with such banks and other providers of treasury products ("**Derivatives Counterparties**") as may in the sole discretion of the Issuer be appropriate given the Charged Assets and the obligations of the Issuer under the Notes. Accordingly, the Issuer and the Noteholders may be exposed to credit risk of such Derivatives Counterparties providing foreign exchange hedging to the Issuer.

### *Optional Redemption by the Noteholder*

Noteholders have no right to request the Issuer to redeem the Notes at any time prior to their Scheduled Maturity Date or, as applicable, Extended Maturity Date.

### *Optional Redemption by the Issuer*

Investors in the Notes should be aware that the Issuer has the option to redeem any amount of the Notes at their Optional Redemption Amount on the Optional Redemption Payment Date, by giving not less than ten (10) Business Days' prior notice to the Noteholders, the Trustee and the Principal Paying Agent. Such notice may be revoked by the Issuer at any time prior to the Optional Redemption Date. The Optional Redemption Payment Date may be significantly later than the Optional Redemption Date. See "*Risk Factors – Payments*".

### *Optional Redemption by the Arranger*

Investors in the Notes should further be aware that the Arranger has the option, without limitation, at any time to redeem any amount of the Notes at their Optional Redemption Amount on the Optional Redemption Payment Date. The Arranger would redeem Notes if it is the holder of such Notes, pursuant to the Conditions of the Notes. While the Arranger may actively become involved in the secondary market in the Notes (if any), such participation would be at the Arranger's sole discretion and the Arranger shall not have any obligation to make a secondary market. See "*Liquidity*" below.

### *Restrictions on Transfer*

The Notes are subject to restrictions on transfer, as described in section "SUBSCRIPTION AND SALE" in the Programme Memorandum and "SELLING RESTRICTIONS" in this Series Memorandum. In particular, the Notes have not been registered under the Securities Act, under any U.S. state securities or "Blue Sky" laws or under the securities laws of any other jurisdiction and are being issued and sold in reliance upon exemptions from registration provided by such laws. No Note may be sold, assigned, participated, pledged or transferred unless such sale, assignment, participation, pledge or transfer (a) is exempt from the registration requirements of the Securities Act (for example, the exemption provided by Rule 144A under the Securities Act or the exemption provided by Regulation S under the Securities Act and applicable state securities laws) and (b) is in compliance with the transfer restrictions and certification requirements described in the section entitled "SUBSCRIPTION AND SALE" in the Programme Memorandum and "SELLING RESTRICTIONS" in this Series Memorandum.

### *Arranger default*

The Notes will be redeemed if the Arranger is dissolved or becomes unable to perform its obligations in relation to the Notes unless a substitute arranger (the "**Substitute Arranger**") is appointed by the Issuer within 90 days of such event.

### *Payments*

Payments under the Notes will only be made after receipt of the Sale Proceeds by the Issuer. The date of payment of the redemption amount under the Notes is therefore not fixed. Payment of redemption amounts under the Notes depends on the liquidation of the Charged Assets. It may take a considerable period of time to redeem the Charged Assets, in particular in the case of a redemption pursuant to Early Redemption. Noteholders may only receive payment of the relevant redemption amount under the Notes significantly later than the specified redemption date of the Notes.

### *Liquidity*

No secondary market for the Notes currently exists. Prospective purchasers of the Notes should therefore recognise that, they may not be able to liquidate their investment in the Notes or transfer the Notes for a substantial period of time, if at all. Investment in the Notes is therefore only suitable for investors who are capable of bearing the economic risk of an investment in the Notes for an indefinite period of time and are not acquiring the Notes with a view to a potential resale, distribution or other disposition at some future date.

Application has been made to list the Notes on the Third Market of the Vienna Stock Exchange. Listing is expected to take place on or about the Issue Date but no assurance can be given that such application will be granted. Even if the Notes are listed, there is no assurance that a secondary trading market or liquidity will develop.

Notwithstanding the foregoing, the Arranger may provide a secondary market with a monthly dealing frequency and monthly purchases and sales by investors. The Arranger will not provide a secondary market in circumstances where the Calculation Agent is unable to calculate the Net Asset Value of the Portfolio for any reason, such as an event of default on the Charged Assets or due to the illiquidity or suspension of trading of any of the Series Assets comprising the Portfolio. The Arranger does not have and will not assume any liability, whether legal or otherwise, *vis-à-vis* the Noteholders to provide a market for the Notes or with regard to the level of the applicable prices nor how they are determined. To the extent that the Arranger purchases Notes in a secondary market provided by the Arranger, the Arranger will impose a EUR 500 fee in respect of its administration expenses.

### *Extended Maturity Date*

The term of the Notes may be extended for further periods of up to ten years, provided that, at the request of the Issuer, the Calculation Agent, on behalf of the Issuer, has given a notice (the "**Extension Notice**") to the Trustee, the Principal Paying Agent and the Noteholders three (3) calendar months prior to the Scheduled Maturity Date or the anniversary thereof in each subsequent year, if applicable, stating that such extension shall take place in respect of the Notes. If no Extension Notice, or no further Extension Notices (if applicable) are delivered by the Calculation Agent, the Notes shall be redeemed on the Scheduled Maturity Date or the anniversary thereof in accordance with the final Extension Notice (such date being the "**Extended Maturity Date**") or on the Final Maturity Payment Date if later.

### *Market and Legal Risk*

The Notes will constitute secured, limited recourse obligations of the Issuer, recourse in respect of which will, in effect, be limited to the proceeds of the Mortgaged Property (which principally comprises the Charged Assets) relating to the Notes and no other assets of the Issuer will be available to satisfy claims of Noteholders. The Issuer's obligations to the Noteholders are solely funded by, and primarily secured on, the Charged Assets. Therefore, to the extent that the value of the Charged Assets falls, payment under the Charged Assets is not made, the Charged Assets cannot be sold or if the relevant security arrangements would not be enforceable, a loss of principal under the Notes will result. Noteholders therefore assume the market and legal risk of the Charged Assets.

None of the Transaction Participants (as defined below) nor any affiliate of any of them or other person on their behalf has made any investigation of, or makes any representation or warranty, express or implied, as to the financial or other condition of the Charged Assets.

None of the Issuer, the Arranger, the Trustee, the Principal Paying Agent, the Calculation Agent, the Sale Agent or any other Agent (together, the "**Transaction Participants**") nor any affiliate of any of them (or any person on their behalf) assume any responsibility *vis-à-vis* the Noteholders for the economic success or lack of success of an investment in the Notes, or the performance, the value or terms of the Charged Assets. No Transaction Participant will have any responsibility or duty to make any such investigations, to keep any such matters under review, to provide the Noteholders, or prospective purchasers of the Notes, with any information in relation to such matters or to advise as to the attendant risks.

### *Independent review and advice*

Each prospective purchaser of Notes must determine, based on its own independent review and such legal, financial and tax advice as it deems appropriate under the circumstances, that its acquisition of the Notes (i) is fully consistent with its financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines, authorisations and restrictions (including as to its capacity) applicable to it, (iii) has been duly approved in accordance with all applicable laws and procedures and (iv) is a fit, proper and suitable investment for it, undertaken for a proper purpose.

### *Legality of purchase*

None of the Transaction Participants or any affiliate of any of them or other person on their behalf has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective purchaser of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it.

### *No reliance*

The Transaction Participants and all affiliates of any of them disclaim any responsibility to advise purchasers of the Notes of the risks and investment considerations associated with the purchase of the Notes as they may exist at the date hereof or from time to time hereafter.

### *No restrictions on activities*

Any of the Transaction Participants and any affiliate of any of them or other person on their behalf may have existing or future business relationships (including depository, lending, advisory or any other kind of commercial or investment banking activities or other business) with any of the other Transaction

Participants and any affiliate of any of them or other person on their behalf and may purchase, sell or otherwise deal in any assets or obligations of, or relating to, any such party. Any of the Transaction Participants and any affiliate of any of them or other person on their behalf may act with respect to any such business, assets or obligations without regard to any possible consequences for the Issuer, the Notes or any Noteholder (or the impact of any such dealing on the interests of any Noteholder) or otherwise.

#### *Provision of information*

Any of the Transaction Participants or any affiliate of any of them or any other person acting on their behalf may at the date hereof or at any time hereafter be in possession of information in relation to the other Transaction Participants or any affiliate of any of them or any other person acting on their behalf or on behalf of the Charged Assets (which may or may not be publicly available or confidential). None of such persons shall be under any obligation to make any such information available to Noteholders or any other party other than as provided in the Conditions of the Notes.

#### *Taxation*

Each Noteholder will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessment or charges, that may be applicable to any payment to it in respect of the Notes. Neither the Issuer nor any other person will pay any additional amounts to the Noteholders to reimburse them for any tax, assessment or charge required to be withheld or deducted from payments in respect of the Notes by the Issuer or by the Principal Paying Agent (or any other Paying Agent), although such requirement will give rise to an obligation to redeem the Notes early in the circumstances described in Condition 2 as amended by Special Condition IV of the Conditions of the Notes set out below.

#### *Legal opinions*

No legal opinions will be obtained with respect to any applicable laws, including the laws governing the Charged Assets or as to the validity, enforceability or binding nature of the Charged Assets.

#### *Conflict of interests*

Any of the Transaction Participants or any affiliate of any of them or any other person acting on their behalf may from time to time, as principal or agent, have positions in, or may buy or sell, or make a market in any securities (including shares in a Transaction Participant), currencies, financial instruments or other assets owned by a Transaction Participant. Any trading and/or hedging activities of Transaction Participants or any affiliate of any of them or any other person acting on their behalf related to this transaction may have an impact on the price of the underlying assets. It should also be noted that FlexFunds Ltd. acts as both the Arranger of the issue of the Notes and as Calculation Agent in respect of the Charged Assets.

#### *Clearing systems*

The Notes will be represented by one or more Temporary Global Notes and Permanent Global Notes. Such Global Notes will be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes the Issuer will discharge its payment obligations under the Notes by making payments to the common depository for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

#### *Limitations of the ability to grant security over Notes while in global form*

Because transactions in the Notes will be effected only through Euroclear or Clearstream, Luxembourg, direct or indirect participants in their respective book-entry-systems and certain banks, the ability of a Noteholder to pledge such interests to persons or entities that do not participate in the Euroclear or Clearstream systems, or otherwise to take actions in respect of such interests, may be limited due to the lack of physical security representing such interest.

### **Risks relating to the Charged Assets**

#### *Investment in Series Assets*

The Issuer intends to use the proceeds of the issuance of the Notes to invest, within 30 days following the Issue Date, in ordinary shares of Texoil SNR Corp., a British Virgin Islands company limited by shares incorporated under the BVI Companies Act, 2004 on 16 September 2016 and having its registered office at OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands.

The company intends to invest in a Texas based limited liability company that will pursue real economy U.S. oil and gas opportunities located mainly in Texas, Oklahoma and New Mexico.

Simple NR Corp., a Belize company limited by shares under the International Business Companies Act Chapter 270, shall serve as the Investment Manager of Texoil SNR Corp.

#### *Lack of diversification*

To the extent that all of the proceeds arising from the issue of the Notes are invested in ordinary shares of Texoil SNR Corp., such asset may be more susceptible to a single adverse economic or regulatory occurrence, and lead to greater fluctuations in the value of Notes than may have been the case when investing in a diversified pool of assets.

#### *Security for the Notes*

As the Series Assets held in respect of the Notes are held in, and governed by the law of the British Virgin Islands, the Issuer will grant security interests over the Charged Assets pursuant to a security instrument governed by the law of the British Virgin Islands entered into between the Issuer and the Trustee on or about the Issue Date or if later, the date of acquisition of the Charged Assets. The Issuer will also grant security interests over the Mortgaged Property pursuant to the Trust Deed. See "Description in relation to the Security Arrangements in respect of the Notes" below.

### *Redemption and transfer of the Charged Assets*

Realisation of the Charged Assets may in certain circumstances be deferred in accordance with their relevant terms. The period of deferral may be significant. Therefore in certain circumstances, including where the Security for the Notes (and any Further Notes) becomes enforceable, there may be a significant delay in payments under the Notes and/or it may be impossible to transfer the Charged Assets as a means of realising their value.

### *Security may be declared invalid*

The Issuer will grant security interests in favour of the Trustee for itself and for the benefit of the Noteholders in the Mortgaged Property pursuant to the Trust Deed. However, if the security interest of the Trustee in the Mortgaged Property was determined to be invalid or unperfected, Noteholders would be unsecured creditors and would rank on a *pari passu* basis with other unsecured creditors (if any) of the Issuer. Each of the foregoing factors may delay or reduce investors' return on their Notes and investors may suffer a loss (including a total loss) on their investment.

### *Not a bank deposit*

Any investment in the Notes does not have the status of a bank deposit in Ireland and is not within the scope of the deposit protection scheme operated by the Central Bank of Ireland. The Issuer is not regulated by the Central Bank of Ireland by virtue of the issue of the Notes.

## **Summary of Principal Underlying Investment Risks**

As with any investment, you could lose all or part of your investment in the Notes, and the Notes' performance could trail that of other investments. The Notes are subject to the principal risks noted below (either directly or through its investments in the Series Assets), any of which may adversely affect the Notes' Net Asset Value, trading price, yield, total return and ability to meet its investment objective.

**Asset Class Risk:** Securities in an underlying portfolio may underperform in comparison to the general securities markets or other asset classes.

**Concentration Risk:** To the extent that the Notes' underlying investments are concentrated in a particular issuer, region, country, market, industry or asset class, the Notes may be susceptible to loss due to adverse occurrences affecting that issuer, region, country, market, industry or asset class.

**Counterparty Risk:** The Issuer bears the risk that the counterparty to a contract with a third party may default on its obligations or otherwise fail to honor its obligations. If a counterparty defaults on its payment obligations the Issuer will lose money and the value of an investment in the Notes may decrease. In addition, the Issuer may engage in such investment transactions with a limited number of counterparties.

**Credit Risk:** The financial condition of an issuer of securities may cause it to default or become unable to pay interest or principal due or otherwise fail to perform. The Issuer cannot collect interest and principal payments on securities if the issuer defaults. While the Issuer attempts to limit credit exposure in a manner consistent with its investment objective, the value of an investment in the Notes may change quickly and without warning in response to issuer defaults and changes in the credit ratings of the Issuer's portfolio investments.

**Currency Exchange Rate Risk:** Changes in currency exchange rates and the relative value of non-U.S. currencies may affect the value of the Issuer's investment and the value of the Notes. Currency exchange rates can be very volatile and can change quickly and unpredictably. As a result, the value of an investment in the Notes may change quickly and without warning and you may lose money.

**Interest Rate Risk:** Interest rate risk is the risk that fixed income securities will decline in value because of changes in interest rates and other factors, such as perception of an issuer's creditworthiness.

**Investment Risk:** As with all investments, an investment in the Notes is subject to investment risk. Noteholders could lose money, including the possible loss of the entire principal amount of an investment, over short or long periods of time.

**Issuer-Specific Risk:** Issuer-specific events relating to the underlying issuer of securities, including changes in the financial condition of any such issuer, can have a negative impact on the value of the Notes.

**Liquidity Risk:** The Issuer may invest in the Series Assets which may be less liquid than other types of investments. The derivatives in which the Issuer invests may not always be liquid. This could have a negative effect on the Issuer's ability to achieve its investment objective and may result in losses to holders of the Notes.

**Non-Diversification Risk:** The Portfolio is considered to be non-diversified, which means that it may invest more of its assets in the securities of a single issuer or a smaller number of issuers than if it were a diversified Portfolio. To the extent the Issuer invests a significant percentage of its assets in a limited number of issuers, the Issuer is subject to the risks of investing in those few issuers, and may be more susceptible to a single adverse economic or regulatory occurrence. As a result, changes in the market value of a single security could cause greater fluctuations in the value of the Notes than would occur in a diversified note.

**AS WITH ANY INVESTMENT YOU COULD LOSE ALL OR PART OF YOUR INVESTMENT IN THE NOTES AND THE NOTES' PERFORMANCE COULD TRAIL THAT OF OTHER INVESTMENTS. YOUR ATTENTION IS DRAWN TO THE TEXOIL SNR CORP. PRIVATE OFFERING MEMORANDUM AS DEFINED BELOW AND ATTACHED AS APPENDIX OR APPENDIXES TO THIS SERIES MEMORANDUM. IN PARTICULAR PROSPECTIVE INVESTORS SHOULD NOTE THE SECTION OF THE TEXOIL SNR CORP. PRIVATE OFFERING MEMORANDUM ENTITLED "RISK FACTORS". PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE NOTES WITHOUT TAKING INDEPENDENT ADVICE ON THE RISKS SET OUT THEREIN.**

**THE CONSIDERATIONS SET OUT ABOVE ARE NOT, AND ARE NOT INTENDED TO BE, A COMPREHENSIVE LIST OF ALL CONSIDERATIONS RELEVANT TO A DECISION TO PURCHASE OR HOLD ANY NOTES. THE ATTENTION OF INVESTORS IS ALSO DRAWN TO THE SECTIONS HEADED "RISK FACTORS" IN THE PROGRAMME MEMORANDUM.**



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## Summary of the Transaction

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The following summary of the transaction does not purport to be complete and is qualified in its entirety by the more detailed information contained elsewhere in this Series Memorandum including, without limitation, the Conditions of the Notes. Words and expressions used but not expressly defined in this summary of the transaction shall have the meanings given to them in the Conditions.

<b>Issuer:</b>	IA Capital Structures (Ireland) plc, a special purpose company incorporated for the sole purpose of carrying out the activities described in the Programme Memorandum. See " <i>Information relating to the Issuer</i> " below.
<b>Programme:</b>	The Notes are issued pursuant to the Issuer's €5,000,000,000 Secured Note Programme.
<b>Arranger:</b>	FlexFunds Ltd.
<b>Calculation Agent:</b>	FlexFunds Ltd.
<b>Placing Agent:</b>	Both GWM Group, Inc. and GWM LTD.
<b>Sale Agent:</b>	Both GWM Group, Inc. and GWM LTD.
<b>Issue Agent:</b>	Citibank N.A., London Branch.
<b>Principal Paying Agent:</b>	Citibank N.A., London Branch.
<b>Trustee:</b>	Sanne Fiduciary Services Limited.
<b>Principal Amount:</b>	USD 50,000,000 (subject to the provisions of Further Notes and Redemptions below).
<b>Currency:</b>	USD.
<b>Authorised Denomination:</b>	USD 1,000
<b>Issue Price:</b>	100% of the Authorised Denomination.
<b>Interest:</b>	Interest is determined based on the total return of the Portfolio, such that an amount in respect of Interest shall be payable in respect of each Note on the Interest Payment Date equal to the greater of:  (a) Distribution Net Proceeds; and  (b) Zero.
<b>Interest Payment Date:</b>	The Maturity Date.
<b>Issue Date:</b>	22 November 2016.
<b>Charged Assets:</b>	The Series Assets and the Related Rights. See " <i>Information relating</i>

to the Charged Assets" below.

**Fees:** The amounts payable under the Notes are based on the performance of the Charged Assets after deduction of fees due to the Arranger. Such fees are in addition to the fees due to the Trustee and any Agents, and any other transaction related fees incurred by the Issuer in respect of the issuance of the Notes as determined by the Calculation Agent.

All fees are payable prior to any amounts being payable in respect of the Notes to any Noteholders. The fees will be applied in calculating the value of the Portfolio and therefore will result in a reduction in the value of the Notes.

**Scheduled Maturity Date:** 20 November 2020

**Reports:** The Arranger will publish a summary of the NAV Report received from the Calculation Agent on Bloomberg and will disseminate the NAV to SIX Financial Information USA Inc. and to the Vienna Stock Exchange

See Special Condition V below.

**Redemption Amount:** Unless previously redeemed the Notes will be redeemed by a payment in respect of each Note on the Final Maturity Payment Date of an amount in USD (the "**Redemption Amount**") equal to the Net Proceeds.

See "*Limited recourse*" below.

The Final Maturity Payment Date may be significantly later than the Maturity Date. See "*Risk Factors – Payments*" above.

**Optional Redemption by the Noteholder:** Noteholders have no right to request the Issuer to redeem the Notes at any time prior to their Scheduled Maturity Date or, as applicable, the Extended Maturity Date. See "*Risk Factors – Payments*" above.

**Optional Redemption by the Issuer or Arranger:** The Issuer may, on giving not less than ten (10) Business Days' prior notice to Noteholders, redeem any amount of the Notes by a payment to the holders of the Notes that are so redeemed on the Optional Redemption Payment Date of an amount equal to the Early Redemption Amount.

The Arranger may at any time instruct the Issuer to redeem any amount of the Notes by a payment to the holders of the Notes that are so redeemed on the Optional Redemption Payment Date of an amount equal to the Early Redemption Amount.

**Early Redemption:** (a) If the Notes become due and repayable in accordance with Condition 2(b)(1), the Notes will be redeemed by a payment in respect of each Note on the Early Redemption Payment Date of an amount in USD equal to the Net Proceeds.

- (b) If the Notes become due and repayable in accordance with Condition 2(b)(2), 2(b)(3), 2(b)(4) or Condition 2(c) (as the case may be), the Notes will be redeemed at the applicable Early Redemption Amount by a payment in respect of each Note on the Early Redemption Payment Date of an amount in USD equal to the Early Redemption Amount.

**Early Redemption Amount:** Subject to the provisions of Special Condition (IV) below, the Early Redemption Amount shall be determined as an amount equal to the Redemption Amount as if the Early Redemption Date was the Final Maturity Payment Date.

**Net Proceeds:** An amount determined by the Calculation Agent being the *pro rata* share of the Sale Proceeds of the Charged Assets in respect of one Note; less the *pro rata* share in respect of one Note of any redemption and settlement costs and expenses in respect of the Charged Assets; less the *pro rata* share in respect of one Note of any fees, costs or expenses owing to the Trustee and the Agents in connection with the Notes; and less the *pro rata* share in respect of one Note of any fees payable to the Arranger pursuant to the Conditions of the Notes, less the *pro rata* share in respect of one Note of USD 1,000 per annum to be retained by the Issuer.

**Sale Proceeds:** An amount determined by the Calculation Agent being: (a) the proceeds of sale or other means of realisation of the Charged Assets; less (b) any costs, expenses, taxes and duties incurred in connection with the disposal or transfer of the Charged Assets by the Sale Agent or any agent of the Issuer.

**Payment:** Payments in respect of redemption of the Notes will be made on the Final Maturity Payment Date, the Optional Redemption Payment Date or the Early Redemption Payment Date, as the case may be, in accordance with the Conditions.

**Distribution Proceeds:** An amount determined by the Calculation Agent being: (a) the proceeds of a dividend or other distribution in respect of the Charged Assets; less (b) any costs, expenses, taxes and duties incurred in connection with the receipt of such dividend or other revenue.

**Distribution Net Proceeds:** An amount determined by the Calculation Agent being the *pro rata* share of the Distribution Proceeds of the Charged Assets in respect of one Note; less the *pro rata* share in respect of one Note of any redemption and settlement costs and expenses in respect of the Charged Assets; less the *pro rata* share in respect of one Note of any fees, costs or expenses owing to the Trustee and the Agents in connection with the Notes; and less the *pro rata* share in respect of one Note of any fees payable to the Arranger pursuant to the Conditions of the Notes.

**Limited recourse:** Amounts due under the Notes will be payable only to the extent that funds are available from the Mortgaged Property and the proceeds

thereof. If the Mortgaged Property is insufficient to pay any amounts due in respect of the Notes, the Issuer will have no other assets available to meet such insufficiency. In the event that Charged Assets are sold or realised or the Security is enforced and after payment of all other claims with a senior priority in the relevant order of priority the remaining proceeds of such sale, realisation or enforcement are insufficient to pay in full all amounts whatsoever due in respect of the Notes, then the Noteholders' claims against the Issuer in respect of the Notes shall be limited to their respective shares of such remaining proceeds and, after payment to each Noteholder of its respective share of such remaining proceeds, the obligations of the Issuer to such Noteholder shall cease to be due and shall be extinguished.

**Security:**

The Security for the Notes will be constituted by the Constituting Instrument, a Trust Deed entered into by the execution of a Constituting Instrument dated the Issue Date between the Issuer and the Trustee, amongst others (the "**Trust Deed**") and the Charging Instrument as described in the Conditions of the Notes. See "*Description of the Security Arrangements in respect of the Notes*" below.

**Priority on Enforcement of Security:**

On enforcement of Security in respect of the Notes the Trustee will apply the enforcement proceeds in the following order of priority:

1. payment of the fees, costs, charges, expenses (including legal fees), liabilities, indemnity payments and all other amounts payable to the Trustee or incurred by the Trustee or by any receiver, custodian or other person appointed by it in connection with the performance of its duties and obligations;
2. *pro rata* and *pari passu* according to the respective amounts thereof payment of the fees, costs, charges, expenses (including legal fees), liabilities, indemnity payments and all other amounts payable to the respective Agents in connection with the performance of their respective duties and obligations;
3. payment of any unpaid taxes or other governmental duties or charges owing by the Issuer;
4. in meeting the amounts due to Noteholders *pari passu* and rateably; and
5. in payment of the balance (if any) owed to the Issuer.

**Events of Default:**

The Security in respect of the Notes will become enforceable in the circumstances described in Condition 4 relating to Events of Default. The Events of Default include, without limitation, unremedied defaults by the Issuer relating to the payment of amounts due on the Notes and the insolvency of the Issuer. Upon the occurrence of an Event of Default the Trustee may at its discretion (or, in certain cases, shall) deliver a notice to the Issuer and others declaring the Notes to be immediately due and payable and the amount payable in respect of

each Note is set out in Condition 2(e)(2). See “*Conditions of the Notes*” below, see also Conditions 4 and 5.

- Form:** The Notes will initially each be represented by beneficial interests in a temporary global note (the "**Temporary Global Note**") in bearer form. Pursuant to the Conditions of the Notes, each Temporary Global Note may be exchanged for a permanent global note in bearer form (the "**Permanent Global Note**"). Except in limited circumstances, bearer definitive Notes will not be issued in exchange for beneficial interests in the Permanent Global Notes.
- Status:** The Notes are limited recourse obligations of the Issuer secured in the manner described herein.
- Use of Proceeds:** The entire net proceeds from the issue of the Notes will be used by the Issuer to purchase the Charged Assets.
- Further Notes:** Further Notes may be issued which will be consolidated and form a single series with the Notes.
- Listing:** Application has been made to list the Notes on the Third Market of the Vienna Stock Exchange. Listing is expected to take place on or about the Issue Date but no assurance can be given that such application will be granted.
- Rating:** The Notes will not be rated.
- Business Days:** New York, Dublin and London
- Governing Law:** The Notes and all non-contractual obligations and any other matters arising from them will be governed by, and construed in accordance with, the laws of Ireland. The courts of Ireland shall have non-exclusive jurisdiction in respect of any dispute. The Supplemental BVI Security is governed by British Virgin Islands law and the British Virgin Islands Courts may have jurisdiction over any dispute or enforcement proceedings relating thereto.
- Placing Agreement:** The Issuer has entered into the Placing Agreement with the Placing Agent, whereby the Placing Agent agreed to place the Notes with investors, subject to the selling restrictions.
- The Issuer, after prior consultation with the Arranger, reserves the right to modify the total nominal amount of the Notes to which investors can subscribe.
- Risk Factors:** The Notes are not principal protected and involve significant risks. The attention of prospective Noteholders is drawn to the section "*Risk Factors*" in the Programme Memorandum and in this Series Memorandum and the section "*Information Relating to the Charged Assets*" of this Series Memorandum.

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## Conditions of the Notes

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### Texoil - U.S. Oil & Gas (Series 93) Notes due 2020

The Noteholders should note that words and expressions not otherwise defined below shall have the meanings respectively ascribed to them by Special Condition (I) below.

The Notes designated as above (the "**Notes**") shall have the following terms and conditions which shall complete, modify and amend the Master Conditions (March 2014 Edition), which shall apply to the Notes as so completed, modified and amended. References to "**Conditions**" or "**Condition**" shall mean references to the Conditions of the Notes as modified herein.

The Issuer intends that any Further Notes which are issued pursuant to Condition 16 as amended by Special Condition (VI) (as defined herein) shall (save in respect of the relevant issue date) have the same Conditions as, and form a single Series with, the Notes of this Series.

- |    |      |                             |                                                                                                                                                                                                                                                                                                                        |
|----|------|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | (i)  | Issuer:                     | IA Capital Structures (Ireland) plc.                                                                                                                                                                                                                                                                                   |
|    | (ii) | Arranger:                   | FlexFunds Ltd.                                                                                                                                                                                                                                                                                                         |
| 2. | (i)  | Series Number:              | 93.                                                                                                                                                                                                                                                                                                                    |
|    | (ii) | Tranche Number:             | 1.                                                                                                                                                                                                                                                                                                                     |
| 3. |      | Principal Amount:           | USD 50,000,000.                                                                                                                                                                                                                                                                                                        |
|    |      |                             | The Principal Amount of the Notes may be increased, at the discretion of the Issuer, by the issue of Further Notes from time to time (without requiring the consent of Noteholders) which shall be consolidated and form a single Series with the Notes of this Series, subject as provided in Special Condition (VI). |
| 4. |      | Issue Price:                | 100% of the Authorised Denomination.                                                                                                                                                                                                                                                                                   |
| 5. |      | Authorised Denomination:    | USD 1,000                                                                                                                                                                                                                                                                                                              |
| 6. | (i)  | Issue Date:                 | 22 November 2016                                                                                                                                                                                                                                                                                                       |
|    | (ii) | Interest Commencement Date: | Not applicable.                                                                                                                                                                                                                                                                                                        |
| 7. |      | Maturity Date:              | The later of (i) 20 November 2020 (the " <b>Scheduled Maturity Date</b> "); (ii) any Extended Maturity Date, and (iii) the date that all of the Notes are fully redeemed.                                                                                                                                              |
| 8. |      | Extended Maturity Date      | The date to which the term of the Notes may be extended under Special Condition (XIII)                                                                                                                                                                                                                                 |
| 9. |      | Interest Basis:             | Variable Coupon Amount.                                                                                                                                                                                                                                                                                                |

10. Status of the Notes:
- (i) Status of the Notes: Secured and limited recourse obligations of the Issuer ranking *pari passu* without any preferences amongst themselves secured as set out under Security below and subject to the priority set out under Priority below.
- (ii) Priority: Counterparty Priority applies.
11. Listing: An application has been made for admission of the Notes to the official list of the Third Market of the Vienna Stock Exchange. Such listing is expected to take place on or about the Issue Date. However, no assurance is given that approval of such application will be granted.
12. Fixed Rate Note Provisions: Not applicable.
13. Floating Rate Note Provisions: Not applicable.
14. Zero Coupon Note provisions: Not applicable.
15. Dual Currency Note Provisions: Not applicable.
16. Variable Coupon Amount Note Provisions: Applicable.
- (i) Interest Period: As regards the first interest period, the period from and including the Issue Date to and excluding the first Interest Determination Date and as regards all subsequent interest periods the period from and including an Interest Determination Date to and excluding the next Interest Determination Date or to and including the Scheduled Maturity Date or an Extended Maturity Date as applicable.
- (ii) Interest Determination Date: Any Business Day at the discretion of the Arranger, or the Issuer.
- (iii) Interest Rate: The Notes shall receive a total return based on the performance of the Portfolio during the Interest Period.
- (iv) Interest Amounts: The greater of:
- (a) Distribution Net Proceeds; and
- (b) Zero.
- (v) Interest Payment Date: The Maturity Date.

	(vi) Business Day Convention:	Following Business Day Convention in Dublin, London, and New York.
17.	Optional Redemption:	Condition 2(f)(2) applies as amended by Special Condition (III).
18.	Redemption Amount:	Special Condition (II) applies.
19.	Early Redemption Amount:	Special Condition (IV) applies.
20.	Redemption Amount on redemption for taxation:	Condition 2(c)(A)(1) shall apply as amended by Special Condition (IV).
21.	Form of Notes:	Bearer Notes:
	(i) The Notes will initially be represented by:	Temporary Global Note.
	(ii) Applicable TEFRA exemption:	D Rules
	(iii) Temporary Global Note exchangeable for Permanent Global/Definitive Bearer/Registered Notes:	Condition 10(a) applies.
	(iv) Permanent Global Note exchangeable for Definitive Bearer/ Registered Notes:	Permanent Global Note is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.
	(v) Registered Notes:	Not applicable.
22.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	Not applicable.
23.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No.
24.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not applicable.
25.	Redenomination applicable:	Not applicable.
26.	Portfolio Management:	
	(i) Portfolio Manager:	Not applicable.
	(ii) Portfolio Management Agreement:	Not applicable.



- (iii) Investment Objective: Not applicable.
- (iv) Management Criteria: Not applicable.
- (v) Portfolio: Not applicable.

27. Security:

- (i) Charged Assets: The Charged Assets shall be the Series Assets and the Related Rights.

On the Issue Date, or as soon as practicable thereafter, the Issuer shall invest in the Series Assets, (such Series Assets, together with the Related Rights applicable thereto, the "**Original Charged Assets**").

If the Issuer issues Further Notes pursuant to Condition 16 as amended by Special Condition (VI) with the intention that such Further Notes be consolidated and form a single Series with the Notes issued on the Issue Date (and all other Further Notes issued from time to time) the Issuer shall, in connection with each such issue of Further Notes, invest in further assets which shall be combined with the Series Assets (such further assets, together with the Related Rights applicable thereto, referred to as the "**Further Charged Assets**") with the issue proceeds of the relevant Further Notes such that the Notes and the Further Notes from time to time so issued shall be secured collectively on the Original Charged Assets and all of the Further Charged Assets. All references to "*Charged Assets*" shall be to the Original Charged Assets and the Further Charged Assets from time to time so purchased by the Issuer.

The assets comprising the Portfolio will be registered in the name of the Issuer and certificates in respect of the Charged Assets will be held by the Issuer subject to the security constituted by the Constituting Instrument and the Charging Instrument.

- (ii) Charging Instrument Pursuant to a security share charge in respect of the ordinary shares of Texoil SNR Corp. entered into between the Issuer and the Trustee dated on the date of the purchase of the relevant Charged Assets (the "**Charging Instrument**") the Issuer will grant in favour of the Trustee, as security for itself, and the Secured Parties, a security interest

governed under the law of the British Virgin Islands over the Issuer's interest in the Charged Assets from time to time (such security the "**Supplemental BVI Security**").

Furthermore, the Issuer will grant, in favour of the Trustee, as security for itself, and the Secured Parties, a security interest over the Issuer's interest in any Series Assets acquired by the Issuer, from time to time.

(iii)	Depository Account	Not applicable.
(iv)	Charged Agreement:	Not applicable.
(v)	Swap Counterparty:	Not applicable.
28.	Securities Lending Agreement:	Not applicable.
29.	Portfolio Administrator:	Not applicable.
30.	Fees:	Special Condition (XI) applies.
31.	Additional selling restrictions	As set out in " <i>Selling Restrictions</i> " below.
32.	ISIN Code:	XS1519032400
33.	Common Code:	151903240
34.	Alternative Clearing System:	Not applicable.
35.	Delivery:	Free of payment.
36.	Principal Paying Agent:	Citibank N.A., London Branch.
37.	Sub-Custody:	Not applicable.
38.	Calculation Agent:	FlexFunds Ltd.

The Calculation Agent shall provide the NAV Report to the Arranger on each NAV Report Date.

The Arranger will publish a summary of the NAV Report received from the Calculation Agent on Bloomberg and will disseminate the NAV to SIX Financial Information USA Inc. and to the Vienna Stock Exchange.

All determinations made by the Calculation Agent hereunder shall, in the absence of manifest error, wilful default or bad faith, be final and conclusive. Whenever a Calculation Agent is required to act or to exercise judgment in any way, it will do so in

good faith and in a commercially reasonable manner. Furthermore, each party agrees that the Calculation Agent is not acting as a fiduciary for or as an advisor to such party in respect of its duties as Calculation Agent in connection with any determinations hereunder.

39. Exchange of Permanent Global Note: The Permanent Global Note will be exchangeable, in whole but not in part, for a definitive Bearer Note if:
- (i) Euroclear or Clearstream, Luxembourg or any other clearing system in which the Permanent Global Note is for the time being deposited is closed for business for a period of 14 days (other than by reason of holidays statutory or otherwise) or announces an intention to permanently cease business or to cease to make its book-entry system available for settlement of beneficial interests in such Permanent Global Note or does in fact do either of such things and no alternative clearing system, satisfactory to the Trustee and the Principal Paying Agent is available, or
  - (ii) the Notes become due and payable in accordance with Condition 4 and payment is not made on due presentation of the Permanent Global Note for payment.

40. Governing law: The Notes and all non-contractual obligations and any other matters arising from it will be governed by and construed in accordance with the laws of Ireland. The courts of Ireland shall have non-exclusive jurisdiction in respect of any dispute. The Supplemental BVI Security is governed by British Virgin Islands law and the British Virgin Islands Courts may have jurisdiction over any dispute or enforcement proceedings relating thereto.

### **Admission to trading, public offer and listing**

Application has been made to list the Notes on the Third Market of the Vienna Stock Exchange.

The Notes will not be offered to the public in any jurisdiction. See "*Selling Restrictions*" below and in the Programme Memorandum.

GWM Group, Inc. and GWM LTD, in their capacity as the Placing Agent, will be solely responsible for the placing of the Notes with prospective investors.

## Special Conditions:

### (I) Definitions

Words set out in italics in these Conditions do not form part of the definitions for the purpose of the Constituting Instrument and the documents constituted thereby. In the event of a conflict between the Conditions and the Special Conditions, the Special Conditions shall prevail.

**"Additional Mandatory Redemption Event"** means, for the purpose of Condition 2(b)(2) (as amended), that the Issuer determines that its obligations under the Notes at any time become illegal.

**"Agents"** means, the Principal Paying Agent, the Issue Agent, the Sale Agent, the Placing Agent and the Calculation Agent.

**"Arranger Default"** means if any of the follow events occur (in the sole discretion of the Issuer) in respect of the Arranger. If the Arranger:

- (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (iv) (A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (A) above and either (I) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (II) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof;
- (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (vii) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter;
- (viii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) to (vii) above (inclusive);

- (ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or
- (x) becomes unable to, or fails to within 10 days of receiving notice from the Trustee or the Issuer, perform its duties under the Notes.

**"Business Day"** means a day on which banks are generally open for business in New York, Dublin and London.

**"Calculation Agent"** means FlexFunds Ltd. and any successor appointed by the Issuer (with the prior approval of the Trustee) in accordance with the provisions of the Agency Agreement.

**"Collateral Default"** means either (i) a compulsory redemption (howsoever described) of the Charged Assets; or (ii) a distribution or return of capital and / or assets to holders of the Charged Assets following the winding up or liquidation of the ordinary shares of Texoil SNR Corp.

**"Distribution Date"** means a date on which the Issuer receives an interest payment, dividend, distribution or similar payment in respect of the Series Assets.

**"Distribution Net Proceeds"** means an amount determined by the Calculation Agent being the *pro rata* share of the Distribution Proceeds of the Charged Assets in respect of one Note; less the *pro rata* share in respect of one Note of any redemption and settlement costs and expenses in respect of the Charged Assets; less the *pro rata* share in respect of one Note of any fees, costs or expenses owing to the Trustee and the Agents in connection with the Notes; and less the *pro rata* share in respect of one Note of any fees payable to the Arranger pursuant to the Conditions of the Notes.

**"Distribution Proceeds"** means an amount determined by the Calculation Agent being: (a) the proceeds of a dividend or other distribution in respect of the Charged Assets; less (b) any costs, expenses, taxes and duties incurred in connection with the receipt of such dividend or other revenue.

**"Early Redemption Date"** means in relation to Conditions 2(b) or 2(c), the date specified in the notice given by or on behalf of the Issuer to the Noteholders in accordance with the Conditions.

**"Early Redemption Payment Date"** means five (5) Business Days following the day that the Issuer receives the aggregate Sale Proceeds pursuant to Special Condition (IV). The Early Redemption Payment Date may be significantly later than the Early Redemption Date. See "*Risk Factors – Payments*".

**"Extended Maturity Date"** means the date to which the term of the Notes may be extended under Special Condition (XIII).

**"Final Maturity Payment Date"** means, subject as provided in Special Condition (VII), five (5) Business Days following the day that the Issuer receives the aggregate Sale Proceeds pursuant to Special Condition (II). The Final Maturity Payment Date may be significantly later than the Scheduled Maturity Date or the Extended Maturity Date, as applicable. See "*Risk Factors – Payments*".

**"Mandatory Redemption Event"** means any of the events described in Conditions 2(b)(1), (2) or (3).

**"NAV Report"** means a report provided to the Issuer by the Calculation Agent setting out the calculation of the Net Asset Value of the Portfolio (net of any fees as described under Special Condition (XI) below).

**"NAV Report Date"** means the last Business Day of each calendar month.

**"Net Asset Value"** means the value for each component of Series Assets (net of any fees as described under Special Condition (XI) below), as provided by the Calculation Agent to the Issuer, as the case may be, on or before the NAV Report Date, and **"Net Asset Value of the Portfolio"** means the aggregate of the Net Asset Value of each component (net of any fees as described under Special Condition (XI) below) comprised in the Portfolio.

**"Net Proceeds"** means an amount determined by the Calculation Agent being the *pro rata* share of the Sale Proceeds of the Charged Assets in respect of one Note; less the *pro rata* share in respect of one Note of any redemption and settlement costs and expenses in respect of the Charged Assets; less the *pro rata* share in respect of one Note of any fees, costs or expenses owing to the Trustee and the Agents in connection with the Notes; and less the *pro rata* share in respect of one Note of any fees payable to the Arranger pursuant to the Conditions of the Notes, less the *pro rata* share in respect of one Note of USD 1,000 per annum to be retained by the Issuer.

**"Optional Redemption Date"** means the date specified in an Optional Redemption Notice given by the Issuer or the Arranger pursuant to Condition 2(f)(2), as amended by Special Condition (III) (*Optional Redemption by the Issuer or Arranger*).

**"Optional Redemption Payment Date"** means five (5) Business Days following a day that the Issuer receives the aggregate Sale Proceeds pursuant to Special Condition (III). The Optional Redemption Payment Date may be significantly later than the Optional Redemption Date. See *"Risk Factors – Payments"*.

**"Placing Agent"** means both GWM Group, Inc. and GWM LTD.

**"Portfolio"** means the Series Assets.

**"Related Rights"** means all rights of the Issuer derived from or connected to the Series Assets including, without limitation, any rights to receive additional shares or other securities, assets or rights or any offers in respect thereof (whether by way of bonus issue, option rights, exchange, substitution, conversion or otherwise) or to receive monies (whether by way of redemption, return of capital, interest, dividend, distribution, income or otherwise) in respect of the Series Assets.

**"Sale Agent"** means both GWM Group, Inc. and GWM LTD.

**"Sale Proceeds"** means an amount determined by the Calculation Agent being: (a) the proceeds of sale or other means of realisation of the Charged Assets; less (b) any costs, expenses, taxes and duties incurred in connection with the disposal or transfer of the Charged Assets by the Sale Agent or any agent of the Issuer.

**"Series Assets"** means the ordinary shares of Texoil SNR Corp. acquired by the Issuer, the Subscription Agreement and any and all investments, monies, credit balances, assets or related contracts and deposit accounts, trading positions or beneficial interests in any assets to the extent any of the foregoing is:

(i) held, carried and / or maintained by the Issuer and / or any of the Agents, in relation to the Notes, or

(ii) established, agreed or obtained by the Issuer in relation to the Notes.

See "*Information relating to the Charged Assets*" below.

**"Security"** means the Charging Instrument and the security constituted by the Trust Deed entered into by the execution of the Constituting Instrument dated the Issue Date between the Issuer and the Trustee, amongst others.

**"Subscription Agreement"** means the agreement entered into by the Issuer pursuant to which the Issuer purchases any of the Series Assets (as the same may be amended, restated, substituted, supplemented or otherwise modified or replaced).

**"Texoil SNR Corp. Private Offering Memorandum"** means the Private Offering Memorandum, dated November 2016, appended to this Series Memorandum.

(II) **Redemption Amount**

Unless previously redeemed the Notes will be redeemed by a payment in respect of each Note on the Final Maturity Payment Date of an amount in USD (the "**Redemption Amount**") equal to the Net Proceeds.

No interest or other amount shall accrue or be payable in respect of the Notes in respect of the period from and including the Scheduled Maturity Date or, as applicable, the Extended Maturity Date, to and including the Final Maturity Payment Date.

(III) **Optional Redemption by the Issuer or Arranger**

The amount payable in respect of any Notes pursuant to an Optional Redemption by the Issuer or an Optional Redemption by the Arranger will be an amount in USD determined by the Calculation Agent equal to the Early Redemption Amount (the "**Optional Redemption Amount**").

*Optional Redemption by the Issuer*

Condition 2(f)(2) shall apply to the Notes.

The Issuer:

- (A) may, on giving not less than ten (10) Business Days' prior notice to the Trustee and the Noteholders (in accordance with Condition 7);
- (B) shall, at any time after receipt of a notice pursuant to this Special Condition (III) from the Arranger,

(such notice an "**Optional Redemption Notice**") redeem any amount of the Notes at their Optional Redemption Amount on the Optional Redemption Payment Date. The provisions of Condition 2(f)(2) is hereby amended accordingly.

### *Optional Redemption by the Arranger*

The Issuer shall, subject to compliance with all relevant laws, regulations and directives, at the option of the Arranger, where the Arranger is the holder of any Note, redeem such Note on the Optional Redemption Date.

To exercise such option the Arranger must deposit the relevant Note with any Paying Agent (in the case of Bearer Notes) or the Registrar or any Transfer Agent (in the case of Registered Notes) at their respective specified offices, together with a duly completed notice of redemption ("**Redemption Notice**") in the form obtainable from any Paying Agent (in the case of Bearer Notes) or from the Registrar or any Transfer Agent (in the case of Registered Notes) not more than 30 nor less than 2 Business Days prior to the relevant date for redemption and provided that, in the case of any Note represented by a Global Note or a Global Registered Certificate registered in the name of a nominee for Euroclear or Clearstream, Luxembourg or an Alternative Clearing System, the Arranger must deliver such Redemption Notice together with an authority to Euroclear or Clearstream, Luxembourg or the relevant Alternative Clearing System (in each case, as appropriate) to debit such Arranger's account accordingly and provided that, in the case of any Note represented by a Global Registered Certificate registered in the name of any other person, the Arranger must deliver such Redemption Notice together with an instruction to such person to amend its records accordingly. No Note (or authority) so deposited may be withdrawn (except as provided in the Constituting Instrument) without the prior written consent of the Issuer.

The Optional Redemption Payment Date may be significantly later than the Optional Redemption Date. See "*Risk Factors – Payments*".

#### (IV) **Early Redemption Amount**

Condition 2(c)(B) shall apply to the Notes.

(A) The Early Redemption Amount of the Notes (in respect of principal and interest (if applicable)) shall be determined in accordance with Condition 2(e)(2) read with this Special Condition (IV) as follows:

- (i) In the event the Notes become due and payable pursuant to Condition 2(b)(1), the Sale Agent shall, on behalf of the Issuer sell or procure the sale or other means of realisation of the Charged Assets in accordance with the Master Charged Assets Sale Terms. The applicable Early Redemption Amount payable in respect of each Note pursuant to Condition 2(b)(1) will be the *pro rata* share of the Net Proceeds; or
- (ii) If the Notes become due and repayable in accordance with Conditions 2(b)(2) or 2(c),

then the applicable Early Redemption Amount shall be determined as an amount equal to the Redemption Amount had the Early Redemption Date been the Final Maturity Payment Date.

The Early Redemption Amount shall be payable on the Early Redemption Payment Date and shall not exceed the Net Proceeds of the Charged Assets. In the event that such Early Redemption Amount is less than the Net Proceeds of the Charged Assets, Noteholders shall receive such lesser amount.



- (B) Subject as provided in Special Condition (VII), the Early Redemption Amount will be paid on the Early Redemption Payment Date. No interest or other amount shall accrue or be payable in respect of the Notes in respect of the period from and including the Early Redemption Date to and including the Early Redemption Payment Date.
- (C) The Early Redemption Payment Date may be significantly later than the Early Redemption Date, see "*Risk Factors – Payments*".
- (D) For the avoidance of doubt, reference in Condition 4 and Condition 2(e) to the Early Redemption Amount payable pursuant to an Event of Default shall mean the amount payable on redemption of each Note upon its becoming due and payable as provided in Condition 4 being the lesser of (i) the outstanding principal amount of such Note and (ii) the amount available by applying the portion available to the Noteholders pursuant to Condition 3(d) of the Net Proceeds of the enforcement of the Security in accordance with Condition 3 *pari passu* and rateably between the Notes.

(V) **Calculations, determinations and notifications**

Following receipt by the Arranger of the NAV Report from the Calculation Agent on the NAV Report Date, the Arranger will publish a summary of the NAV Report on Bloomberg, and will disseminate the NAV to SIX Financial Information USA Inc. and to the Vienna Stock Exchange

The NAV Report and the summary thereof will be an estimated valuation of the Series Assets and shall not be interpreted as an indication of expected redemption values of the Notes. The NAV Report and the summary thereof shall take account of any fees, expenses or charges that apply to the Notes, and is subject to amendments and / or corrections at any time without giving notice to any person.

Whenever any matter falls to be determined, considered or otherwise decided upon by the Calculation Agent or any other person (including where a matter is to be decided by reference to the Calculation Agent's or such other person's opinion), unless otherwise stated, that matter shall be determined, considered or otherwise decided upon by the Calculation Agent or such other person, as the case may be, in its sole and absolute discretion. The Calculation Agent has agreed in the Constituting Instrument to comply with its obligations set out in these Conditions.

Each of the Issuer, the Principal Paying Agent and the Trustee shall be entitled to rely on any certification, notification, calculation or determination of the Calculation Agent given or copied to it as being true and accurate for all purposes and none of them shall be obliged to make any investigation or enquiry into any such certification, notification, calculation or determination or into the basis on which such certification, notification, calculation or determination was prepared, given or made.

The Calculation Agent is entitled to rely on any certification, notification, calculation, determination or announcement made by or on behalf of Simple NR Corp. and / or any agent of Texoil SNR Corp. in connection with the Texoil SNR Corp. Private Offering Memorandum and shall not be obliged to make any investigation or enquiry into, and shall incur no liability to any person for relying on, any such certification, notification, calculation, determination or announcement reasonably believed by it to be genuine and made by or on behalf of Simple NR Corp. and / or any agent of Texoil SNR Corp.

The Calculation Agent shall consider the value of Series Assets which do not have a valuation provided to remain at cost and shall not be required to modify the recorded value of such Series Assets until provided with supported valuation by Simple NR Corp. and / or any agent of Texoil SNR Corp. The Calculation Agent is entitled to rely on any certification, notification, calculation, determination or announcement made by or on behalf of Simple NR Corp. and / or any agent of Texoil SNR Corp. in connection with the Series Assets.

(VI) **Further Notes**

Pursuant to Condition 16 as amended and supplemented by this Special Condition (VI), the Issuer shall be at liberty to issue Further Notes with the express intention that such Further Notes be consolidated and form a single series with the Notes (and with any subsequent Further Notes so issued) provided that:

- (A) the net proceeds of the issue of such Further Notes shall be used to acquire further assets (such further assets and the Related Rights applicable thereto being the Further Charged Assets);
- (B) each of the Further Notes that the Issuer may issue from time to time, together with the Notes, are secured collectively on the Issuer's right, title and interest in and to the Original Charged Assets and each of the Further Charged Assets such that the Security for the Notes and any Further Notes shall be the identical and all references to "*Charged Assets*" shall be to the Original Charged Assets and the Further Charged Assets from time to time;
- (C) the Conditions of each of the Further Notes are identical to the Conditions of the Notes (save in respect of their date of issue);
- (D) each issue of Further Notes will be constituted and secured by a supplement to the Constituting Instrument in the form substantially set out in the Constituting Instrument (or in such other form as is legally effective to constitute and secure the Further Notes) (the "**Further Constituting Instrument**") and so that upon the execution by the Issuer of the Further Constituting Instrument, all references to the Constituting Instrument shall be construed as being to such document as supplemented from time to time; and
- (E) the security interests granted by the Issuer in such Further Constituting Instrument are granted to the Trustee for all the Noteholders of the consolidated Series on a *pari passu* basis.

(VII) **Collateral Default and Arranger Default**

- (A) If the Calculation Agent determines in its sole discretion that a Collateral Default or a Charged Assets Default has occurred then it shall give notice as soon as practicable thereafter to the Issuer, the Trustee, the Principal Paying Agent and the Noteholders (in accordance with Condition 7) of the occurrence of such event. The Issuer shall redeem the Notes in full by payment to each Noteholder of a *pro rata* amount of the Net Proceeds of the Charged Assets five (5) Business Days following the day on which the Issuer receives the Sale Proceeds.
- (B) If the Issuer (in its sole discretion) determines that an Arranger Default has occurred then it shall give notice as soon as practicable thereafter to the Trustee, the Principal Paying Agent and the Noteholders (in accordance with Condition 7) of the occurrence

of such event. The Issuer shall redeem the Notes in full by payment to each Noteholder of a *pro rata* amount of the Net Proceeds of the Charged Assets five (5) Business Days following the day on which the Issuer receives the Sale Proceeds.

(VIII) **Purchase**

Condition 2(g) shall apply subject as amended by this Special Condition (VIII). In determining what proportion of Charged Assets corresponds to the proportion of Notes to be purchased, the Issuer shall be entitled to rely on advice given to it by the Calculation Agent. The Issuer has absolute discretion to designate which part of the Series Assets to select in order to fulfil its obligations pursuant to Condition 2(g) as hereby amended.

(IX) **The Trustee**

The Trustee shall not be responsible for, or be obliged to monitor or verify or investigate:

- (A) the performance, operation or calculation of the Portfolio or other element of the calculation thereof but shall be entitled to rely absolutely on any calculation thereof by the Calculation Agent;
- (B) the performance, operations or financial condition of the Portfolio or the terms of the Charged Assets or the calculation of amounts payable in respect thereof;
- (C) the performance by the Issuer of any agreement relating to, or in connection with, the Portfolio and shall be entitled to assume that the Issuer is in compliance with the terms thereof unless and until expressly notified to the contrary in writing by the Issuer or the Calculation Agent;
- (D) whether or not any Additional Mandatory Redemption Event or other event referred to in Special Condition (IV), any Event of Default or any Collateral Default and shall be entitled to assume that no such event has occurred unless and until expressly notified to the contrary in writing by the Issuer or the Calculation Agent; or
- (E) save to the extent caused by its own negligence or wilful default the Trustee shall not be responsible or liable for any failure to sell, realise or redeem the Charged Assets and the Mortgaged Property or any delay in doing so nor for any loss suffered or incurred by any person as a result of the Net Proceeds, the Sale Proceeds or any other proceeds of sale, realisation or redemption of the Charged Assets or the Mortgaged Property being insufficient to discharge any Redemption Amount, Early Redemption Amount or Optional Redemption Amount in full.

(X) **Sale Agent**

The Sale Agent shall, on behalf of the Issuer, sell or procure the sale or other means of realisation of the Charged Assets and shall be entitled to deduct any costs, expenses, taxes and duties incurred in connection with any disposal, realisation or transfer of such Charged Assets.

In the event of an Early Redemption Event or Mandatory Redemption Event, at the discretion of the Issuer and the Arranger, the Sale Agent may enter into agreements with third parties for the purpose of liquidation, realisation, disposal or transfer of Charged Assets, and shall be entitled to deduct any costs, expenses, taxes, duties and / or interest due and incurred in connection with such liquidation, realisation, disposal or transfer.

The Sale Agent may sell or procure the sale or other means of realisation of the Charged Assets in such manner and to and/or involving such person as it thinks fit and shall be entitled to sell and procure the sale or other means of realisation of the Charged Assets at such price in its sole discretion. The Sale Agent shall not be responsible or liable for any failure to sell or realise the Charged Assets or any delay in doing so nor for any loss suffered or incurred by any person as a result of their sale or other means of realisation.

(XI) **Fees**

In addition to the fees due to the Trustee and any Agents, and any other transaction related fees incurred by the Issuer in respect of the issuance of the Notes, as determined by the Calculation Agent, the Issuer has agreed to pay certain fees to the Arranger, which shall be paid by Simple NR Corp. or Texoil SNR Corp. In the event that Simple NR Corp. or Texoil SNR Corp. fails to make such payments the fees will be deducted from the Portfolio when determining the Redemption Amount.

The following fees shall be determined by the Calculation Agent as at the date expected to be two Business Days immediately prior to the following: (i) each NAV Report Date, (ii) the Final Maturity Payment Date, and (iii) any Optional Redemption Payment Date or Early Redemption Payment Date (any such date, a "**Fees Determination Date**"):

- 1) The fees payable to the Arranger:
  - a. 0.45% per annum of the first USD 50,000,000 of the Net Asset Value of the Portfolio, 0.40% per annum of any further amount up to USD 100,000,000 and 0.10% of any sum thereafter, as applicable, as at the most recent NAV Report Date, provided that on and from the date falling on the third anniversary of the Issue Date the Arranger Fee shall be a flat rate of 0.40% of the Net Asset Value of the Portfolio of any amount up to USD 100,000,000, payable in arrear on the fifth Business Day of January, April, July and October in each year, on any Optional Redemption Payment Date or Early Redemption Payment Date and on the Final Maturity Payment Date. (the "**Arranger Fee**")

The Arranger Fee is subject to an aggregate minimum payment of USD 1,500 per month.

The Issuer will incur fees in relation to the issuance of the Notes, which shall be met by Simple NR Corp. or Texoil SNR Corp. In the event that Simple NR Corp. or Texoil SNR Corp. fails to make such payments the fees will be deducted from the Portfolio when determining the Redemption Amount. Such fees will include, but shall not be limited to:

- (A) any fees, costs and expenses payable by the Issuer which are directly attributable to the Notes, including:
  - (aa) costs incurred in connection with the issuance, listing, clearing of the Notes and / or the performance of obligations in relation thereto;
  - (bb) any commissions, fees, costs and expenses payable by the Issuer pursuant to the Constituting Instrument and the Series Documents as defined therein;
  - (cc) any fees, costs and expenses of the administrator of the Issuer payable by the Issuer, or the Arranger in respect of the Notes; and

(dd) any legal fees and disbursements payable by the Issuer, the Arranger or the Trustee to Mason Hayes & Curran or to A&L Goodbody or any other legal advisers to the Issuer, the Arranger or the Trustee in respect of the issuance of the Notes; and

(B) in relation to any realisation of the Charged Assets, all commissions, fees, charges and expenses (including, without limitation, any stamp duty, documentary or transfer or other taxes or duties payable in respect of the sale or other realisation of any such Charged Assets) incurred or payable by the Sale Agent in respect of such sale or other realisation, as certified by the Sale Agent to the Issuer and the Trustee.

Any amounts payable under the Notes are based on the performance of the Charged Assets net of the fees described above. The fees will be applied in calculating the value of the Portfolio and therefore will result in a reduction in value of the Notes.

Estimated fees include a set-up fee of €15,000 (euro) and other Administration fees estimated at €8,300 (euro) per year.

## 2) Fees payable in respect of the underlying investment

Investors in the Notes should take note of the fees payable to Simple NR Corp. (or its designee) and any other fees payable in respect of the underlying investment. Details of the fees payable to Texoil SNR Corp. are set out in the Texoil SNR Corp. Private Offering Memorandum (a copy (or copies) of which is appended hereto).

## (XII) Interest

Interest (if any) shall be paid on the Maturity Date only. The Interest Determination Date shall be any Business Day at the discretion of the Arranger, the Calculation Agent or the Issuer. On the Interest Determination Date the Calculation Agent shall calculate the amount of Interest owing on the Notes and shall inform the Trustee, Paying Agent and Issuer of the amount payable and interest shall be paid in accordance with the Conditions and the Agency Agreement.

## (XIII) Extended Maturity Date

The term of the Notes may be extended for further periods of up to ten (10) years, provided that, at the request of the Issuer, the Calculation Agent, on behalf of the Issuer, has given a notice (the "**Extension Notice**") to the Trustee, the Principal Paying Agent and the Noteholders three (3) calendar months prior to the Scheduled Maturity Date or the anniversary thereof in each subsequent year, if applicable, stating that such extension shall take place in respect of the Notes. If no Extension Notice, or no further Extension Notices (if applicable) are delivered by the Calculation Agent, the Notes shall be redeemed on the Scheduled Maturity Date or on the date stated in the final Extension Notice (such date being the "**Extended Maturity Date**").

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## **Use of Proceeds**

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The entire net proceeds from the issue of the Notes and any Further Notes, will be invested by the Issuer in the Charged Assets and the relevant Further Charged Assets (in the case of any Further Notes) in each case as soon as practical following the Issue Date or, as applicable, the relevant date of issue in respect of any Further Notes.

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## Information relating to the Charged Assets

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### General

The Issuer intends to use the proceeds of the issuance of the Notes to invest, within 30 days following the Issue Date, in ordinary shares of Texoil SNR Corp., a British Virgin Islands company limited by shares incorporated under the BVI Companies Act, 2004 on 16 September 2016 and having its registered office at OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands.

The company intends to invest in a Texas based limited liability company that will pursue real economy U.S. oil and gas opportunities located mainly in Texas, Oklahoma and New Mexico.

Simple NR Corp., a Belize company limited by shares under the International Business Companies Act Chapter 270, shall serve as the Investment Manager of Texoil SNR Corp.

On the Issue Date, the Original Charged Assets will consist of the Series Assets and the Related Rights.

### The Series Assets

For a detailed description of the Series Assets see the **TEXOIL SNR CORP. PRIVATE OFFERING MEMORANDUM**, a copy (or copies) of which is appended to this Series Memorandum.

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## Description of security arrangements in respect of the Notes

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### Introduction

The Notes will be secured, limited recourse obligations of the Issuer. The purpose of this section is to provide further information in respect of these important features of the Notes, which are included in the Conditions. However, the following description is a summary only of certain aspects of the security arrangements and is subject in all respects to the terms of the Trust Deed and the Conditions of the Notes, of which Noteholders are deemed to have notice and by which they are bound.

The Issuer will, pursuant to the provisions of the Trust Deed, grant the Security described below to the Trustee as continuing security for the payment of all sums due under the Trust Deed and the Notes. The Trustee shall hold such Security on behalf of itself, the Agents and the Noteholders.

### Security arrangements

The Notes will be secured by a charge over the Series Assets from time-to-time and the Related Rights obtained with the entire net proceeds of the issue of the Notes and all rights and sums derived therefrom in favour of the Trustee for itself and as trustee for the Secured Parties (which includes the Noteholders).

Under the Trust Deed, as amended by the terms of the Constituting Instrument, the Issuer, in favour of the Trustee for itself and as trustee for the Secured Parties, and as continuing Security, will:

- (A) assign by way of fixed security assignment in favour of the Trustee for itself and as trustee for the Secured Parties all of the Issuer's rights, title, benefit and interest in, to and under the Charged Assets;
- (B) charge by way of fixed charge and assign by way of fixed security assignment in favour of the Trustee for itself and as trustee for the Secured Parties all of the Issuer's rights, title, benefit and interest in and to all funds and any other assets now or thereafter standing to the credit of the account of the Principal Paying Agent in respect of the Notes, the Further Notes and the debts represented by such moneys;
- (C) assign by way of fixed security assignment in favour of the Trustee for itself and as trustee for the Secured Parties all of the Issuer's rights, title, benefit and interest in, to and under the Agency Agreement and the Placing Agreement and all sums and any other assets derived therefrom; and
- (D) charge by way of fixed charge and assign by way of fixed security assignment in favour of the Trustee for itself and as trustee for the Secured Parties all of the Issuer's rights with respect to (a) the Charged Assets and (b) any moneys and/or assets received in respect of such Charged Assets,

in each case on terms that the Trustee shall hold the proceeds of such Security for itself and on trust for itself, and the Secured Parties (and the holders of any Further Notes in accordance with the terms of the Trust Deed).



## **Charging Instrument**

Pursuant to the Charging Instrument the Issuer will grant a security interest governed by the law of the British Virgin Islands over the Charged Assets obtained with the net proceeds of the issue of the Notes and all rights of the Issuer derived from or connected to the Charged Assets as security in favour of the Trustee for itself and as trustee for the Secured Parties.

## **Enforcement of the Mortgaged Property**

The Mortgaged Property may become enforceable if the Notes or any of them have become due and repayable (for example, due to acceleration following the occurrence of a Tax Event, Mandatory Redemption Event, Additional Mandatory Redemption Event or an Event of Default) and have not been repaid.

In such circumstances the Trustee may at its discretion, and upon being indemnified, secured and/or prefunded to its satisfaction and shall if so requested or directed by the relevant parties (as more fully described in Condition 7), realise the Charged Assets. In realising the Charged Assets the Trustee may, but shall not be obliged to, procure the sale of the Charged Assets or may request the redemption of the Charged Assets.

## **Priority of claims and potential for insufficient security on sale of Charged Assets and/or on enforcement**

In the event that any Charged Assets are required to be sold pursuant to the Conditions or the Security constituted by the Trust Deed; the Constituting Instrument and the Charging Instrument becomes enforceable in accordance with the Conditions, the net sums realised could be insufficient to pay all the amounts due to the Noteholders under the Notes. The sums realised from any such sale of the Charged Assets will be subject to deduction of the costs and expenses associated with such sale. In addition, all costs and expenses incurred by the Trustee in enforcing the Security (including any costs of a receiver or similar official) and amounts due to the Agents will be deducted from the proceeds of such enforcement before such proceeds are paid to the Noteholders. After taking action to enforce the Security as provided in the Conditions, the Trustee shall not be entitled to take any further steps against the Issuer to recover any sum still unpaid and no debt shall be owed by the Issuer in respect of such sum. In particular, no Agent or Noteholder may petition or take any other step for the winding-up of the Issuer nor shall any of them have any claim in respect of any sum over or in respect of any assets of the Issuer which are security for any other liability of the Issuer.

## **Limited recourse provisions**

The Trustee, the Agents and the Noteholders (in each case to the extent that their claims are secured) shall have recourse only to the Mortgaged Property. If, the Trustee having realised the Mortgaged Property, the proceeds thereof are insufficient for the Issuer to make all payments then due to all such parties, the obligations of the Issuer will be limited to such proceeds of realisation of the Mortgaged Property and no other assets of the Issuer will be available to meet such shortfall; the Trustee, the Agents, the Noteholders or anyone acting on behalf of any of them shall not be entitled to take any further steps against the Issuer to recover any further sum and no debt shall be owed to any such persons by the Issuer. The Trustee (including any costs of a receiver or similar official) and the Agents, shall rank prior to the Noteholders in the application of all moneys received in connection with the realisation or enforcement of the Security. In particular, none of the Trustee and the Agents or any holder of the Notes may petition or take any other step for the winding-up of the Issuer, and none of

them shall have any claim in respect of any sum arising in respect of the Mortgaged Property for any other Series.

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## **Information relating to the Arranger and Calculation Agent**

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FlexFunds Ltd. is the Arranger in respect of the Notes and has been appointed as Calculation Agent, and as such is responsible for certain management and administrative functions in relation to the Notes.

FlexFunds Ltd. is an exempted company incorporated in the Cayman Islands with limited liability. The company administers the Note program with all participants and prepares the notes for issuance and calculation of NAV.

FlexFunds Ltd. has a presence in the Cayman Islands.

As Calculation Agent, FlexFunds Ltd. is responsible for determining the Interest Payment Date and any Extended Maturity Date in addition to calculating interest payment on the Notes.

The Calculation Agent may at any time resign and the Issuer may at any time terminate its appointment, subject to giving 60 days' prior written notice. In such case the Issuer would, with the prior written consent of the Trustee, appoint a successor.

The holder of the Notes will have claims against the Issuer only, and shall not have any rights directly against the Arranger or any Agent of the Issuer.

### **Fees**

The fees payable to FlexFunds Ltd. as the Arranger are described in Special Condition (XI) of the Notes.

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## Information relating to the Sale Agent and Placing Agent

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GWM Group, Inc. and GWM LTD have been appointed as Sales Agent and Placing Agent, and as such are responsible for certain management and administrative functions in relation to the Notes.

GWM Group, Inc. is a full service broker dealer based in Stamford, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. Its clients' accounts are introduced on a fully disclosed basis to Interactive Brokers, LLC.

GWM Group, Inc. offers execution services to clients ranging from retail clients to institutional investment firms, and services ranging from wealth management services to custody and clearing services. The company also offers investment solutions, such as fee-based programs, retirement products and programs, asset management accounts, margin borrowing, mutual fund solutions, and wealth management.

GWM Group, Inc. has a presence in Connecticut and Miami.

GWM LTD was incorporated in Bermuda in December 2014 and is licensed to conduct investment business by the Bermuda Monetary Authority.

The Bermuda Monetary Authority granted approval to GWM LTD for a license under section 16 of the Investment Business Act 2003.

As Placing Agent, GWM Group, Inc. and GWM LTD have agreed to comply with all duties and responsibilities set out in the Conditions of the Notes, and to strictly adhere to the Selling Restrictions.

As Sales Agent, GWM Group, Inc. and GWM LTD are responsible to the Issuer for taking any steps in order to realise the Charged Assets as required for the purposes of the Notes.

The holder of the Notes will have claims against the Issuer only, and shall not have any rights directly against the Arranger or any Agent of the Issuer.

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## Information relating to the Issuer

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### General

The Issuer was incorporated in Ireland as a public limited liability company on 29 August 2011, with registration number 502865 under the name IA Capital Structures (Ireland) plc, under the Companies Acts 1963 – 2013.

The registered office of the Issuer is at 22 Clanwilliam Square, Grand Canal Quay, Dublin 2, Ireland. The telephone number of the Issuer is +353 1 609 9184. The authorised share capital of the Issuer is EUR 100,000,000 divided into 100,000,000 Ordinary Shares of EUR 1 each (“**Shares**”). The Issuer has issued 38,100 Shares all of which are fully paid. The issued Shares are held by a Jersey-incorporated company, Sanne Trustee Services Limited (the “**Share Trustee**”), on trust for charitable purposes. The Share Trustee has, inter alia, undertaken not to exercise its voting rights to wind up the Issuer unless and until it has received written confirmation from the Directors of the Issuer that the Issuer does not intend to carry on further business.

The Issuer has been established as a special purpose vehicle. The principal activities of the Issuer are the issuance of financial instruments, the acquisition of financial assets and the entering into of other legally binding arrangements.

The Issuer is not, and will not be, regulated by the Central Bank of Ireland (the “Central Bank”) by virtue of the issue of the Notes. Any investment in the Notes does not have the status of a bank deposit and is not subject to the deposit protection scheme operated by the Central Bank.

The Issuer has not underwritten and will not underwrite the issue of, place, offer, or otherwise act in respect of the Notes, otherwise than in conformity with the provisions of all laws applicable in the jurisdiction in which the Notes are offered.

### Directors and company secretary

The Directors of the Issuer are as follows:

- Wendy Merrigan
- Rory Williams

The Company Secretary is Sanne Capital Markets Ireland Limited.

Sanne Capital Markets Ireland Limited is the administrator of the Issuer. Its duties include the provision of certain administrative, accounting and related services. The appointment of the administrator may be terminated forthwith if the administrator commits any material breach of the corporate service agreement between the Issuer and the administrator, or if the administrator is unable to pay its debts as they fall due or if the administrator becomes subject to insolvency or other related proceedings. The administrator may retire upon 90 days’ written notice subject to the appointment of an alternative administrator on similar terms to the existing administrator. The business address of the administrator is 22 Clanwilliam Square, Grand Canal Quay, Dublin 2, Ireland.

The auditors of the Issuer are PricewaterhouseCoopers who are chartered accountants qualified to practice in Ireland.

**Financial statements**

The Issuer has published financial statements for up to 30 June 2015.

**Authorisation**

The issue of the Notes was authorised by a resolution of the board of directors of the Issuer passed on 22 November 2016.

**Litigation**

There are no legal, governmental or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had a significant effect on the Issuer's financial position.

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## Selling restrictions

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In addition to the Selling Restrictions set out in the Programme Memorandum the restrictions set out below shall apply.

The Issuer has not underwritten and will not underwrite the issue of, place, offer, or otherwise act in respect of the Notes, otherwise than in conformity with the provisions of all laws applicable in the jurisdiction in which the Notes are offered.

The Notes have not been and will not be registered under the U.S Securities Act of 1933, as amended, and may not be directly or indirectly offered or sold in the United States or to or for the benefit of any U.S person (as defined in Regulation S) unless the securities are registered under the Securities Act of 1933, or an exemption from the registration requirements of the Securities Act of 1933 is available.

Where:

“**U.S person**” means a “*US person*”, as the term is defined in Regulation S under the Securities Act of 1933 (as amended from time to time) and more particularly are references to: (i) any natural person that resides in the U.S; (ii) any entity organised or incorporated under the laws of the U.S; (iii) any entity organised or incorporated outside the U.S that was formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act of 1933, unless it is organised or incorporated, and owned, by accredited investors (as defined in Section 501 of Regulation D promulgated under the Securities Act of 1933) who are not natural persons, estates or trusts; (iv) any estate of which any executor or administrator is a US person ; (v) any trust of which any trustee is a U.S person; (vi) any agency or branch of a foreign entity located in the U.S; or (vii) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person; and (viii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or resident in the U.S. For the purposes hereof, the term “**U.S person**” shall not include any discretionary or non-discretionary account (other than an estate or trust) held for the benefit or account of a non-U.S person by a dealer or other professional fiduciary organised or incorporated in the US. The term “**U.S person**” includes entities that are subject to the U.S Employee Retirement Income Securities Act of 1974, as amended, or other tax-exempt investors or entities in which substantially all of the ownership is held by U.S persons.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), an offer of Notes to the public has not and may not be made in that Relevant Member State.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Programme Memorandum, this Series Memorandum or any part thereof or any other offering material, in any country or jurisdiction where action for that purpose is required.

NO OFFER, SALE OR DELIVERY OF THE NOTES, OR DISTRIBUTION OR PUBLICATION OF ANY OFFERING MATERIAL RELATING TO THE NOTES, MAY BE MADE IN OR FROM ANY JURISDICTION EXCEPT IN CIRCUMSTANCES WHICH WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. ANY OFFER OR SALE OF THE NOTES SHALL COMPLY WITH THE SELLING RESTRICTIONS AS SET OUT IN THE ISSUER'S OFFERING DOCUMENTS AND ALL APPLICABLE LAWS AND REGULATIONS.





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## General Information

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For so long as the Notes remain outstanding, the following documents will be available in physical form from the date hereof during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for inspection at the registered office of the Issuer and the specified office of the Principal Paying Agent in London:

- (a) the Master Documents which are incorporated by reference by the Constituting Instrument so as to constitute the Trust Deed, Agency Agreement, Placing Agreement and Charged Assets Sale Agreement with respect to the Notes (to the extent not otherwise amended, modified and/or supplemented by the Constituting Instrument);
- (b) any deed or agreement supplemental to the Master Documents;
- (c) the Programme Memorandum;
- (d) the Certificate of Incorporation and the Memorandum and Articles of Association of the Issuer; and
- (e) the Constituting Instrument

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**APPENDIX 1 – TEXOIL SNR CORP. PRIVATE OFFERING MEMORANDUM**

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**TEXOIL SNR Corp.**

**a British Virgin Islands business company limited by shares**

**Offering of Ordinary Shares**

**November, 2016**

# Texoil SNR Corp.

## PRIVATE OFFERING MEMORANDUM

November, 2016

Introduction. Texoil SNR Corp., a British Virgin Islands business company (the “Company”) is offering (the “Offering”) prospective investors (the “Purchasers”) an opportunity to purchase Ordinary Shares of the Company (the “Shares”), for an aggregate Offering amount of \$ 50,000,000 (the “Maximum Offering Amount”). The Board of Directors of the Company may increase the Maximum Offering Amount at its sole discretion. The offering price for each Share is \$ 1,000 (the “Offering Price”). The minimum investment of any investor in the Offering shall be \$ 50,000; however, the Company, in its discretion, may accept subscriptions for a lesser amount. The Company intends to offer the Shares through November 30, 2017 (the “Offering Expiration Date”), subject to extension or termination without further notice to or consent of prospective investors at the discretion of the Company.

The Company seeks to provide income and capital appreciation to its investors through an investment structure (the “Investment Structure”) whereby the Company will acquire all of the membership interests of Texoil SNR LLC, a Texas based Limited Liability Company (LLC). Texoil SNR LLC has a company agreement with Texoil Simple LLC, a Texas based Limited Liability Company (LLC). Texoil Simple LLC will then enter into company agreements with companies that specialize in investment in different U.S. Oil & Gas Assets mainly located in Texas, Oklahoma and New Mexico which companies will include but not be restricted to Polaris Energy Capital LLC, a Texas based Limited Liability Company (LLC).

The Offering is being made without registration of the Shares under the Securities Act of 1933, as amended (the “Securities Act”), or any securities law of any state of the United States or of any other jurisdiction, and is being made only to prospective investors that are not U.S. Persons in offshore transactions in reliance on Regulation S under the Securities Act. Each Purchaser (as defined below) will be required to pay the entire subscription price for the Shares subscribed for at the time of the execution and delivery of the Subscription Agreement (the “Agreement”) to the Company. The Company will accept subscriptions only from investors who are not U.S. Persons and who have no intention of becoming a U.S. Person during the period in which they will own the Shares. Further, the Shares may not be resold within the United States or to U.S. Persons. There is no public market for the Shares, and no public market will develop.

The Shares offered in this Offering are speculative in nature and involve a high degree of risk and are suitable only for persons of substantial means who have no need for liquidity in this investment and who are able to bear the economic risks of this investment. In addition to the other information contained in this Private Offering Memorandum (the “Offering Memo”), each Purchaser should carefully consider the risk factors disclosed in this Offering Memo , including

those set forth under “Risk Factors,” in evaluating an investment in the Shares. The Company reserves the right to withdraw or amend for any reason this Offering and reject any subscription for any reason.

### **IMPORTANT NOTICES**

**THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OR ANY OTHER JURISDICTION, NOR IS SUCH REGISTRATION CONTEMPLATED, AND ARE BEING OFFERED AND SOLD IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH LAWS. FURTHERMORE, THE SECURITIES OFFERED HEREBY HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OF ANY OTHER JURISDICTION, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**THIS OFFERING MEMO IS INTENDED SOLELY FOR THE USE OF THE PERSON TO WHOM IT HAS BEEN DELIVERED BY THE COMPANY FOR THE PURPOSE OF EVALUATING A POSSIBLE INVESTMENT BY THE RECIPIENT IN THE SHARES, AND IT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSONS (OTHER THAN PROFESSIONAL ADVISORS OF SUCH RECIPIENT).**

**NO ACTION HAS BEEN TAKEN BY THE COMPANY WHICH WOULD PERMIT AN OFFERING OF OR DISTRIBUTION OF THIS OFFERING MEMO OR ANY OFFERING MATERIAL IN RELATION TO THE COMPANY OR THE SHARES IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, EACH PROSPECTIVE PURCHASER OF THE SHARES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS THE SHARES OR DISTRIBUTES THIS OFFERING MEMO AND MUST OBTAIN ANY APPROVAL OR PERMISSION REQUIRED BY IT FOR THE PURCHASE OF SALE BY IT OF THE SHARES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFER OR SALES, AND THE COMPANY SHALL HAVE NO RESPONSIBILITY THEREFOR.**

**THE COMPANY RESERVES THE RIGHT TO REJECT ANY COMMITMENT TO SUBSCRIBE FOR THE SHARES IN WHOLE OR IN PART AND TO ALLOT TO ANY PROSPECTIVE INVESTOR LESS THAT THE FULL AMOUNT OF SHARES SOUGHT BY SUCH INVESTOR.**

**THE SHARES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND THE SECURITIES LAWS OF ALL OTHER**

**APPLICABLE JURISDICTIONS. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.**

**THIS OFFERING MEMO DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY OF THE SHARES OFFERED HEREBY IN ANY JURISDICTION OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH JURISDICTION.**

**THE INFORMATION CONTAINED IN THIS OFFERING MEMO WAS PREPARED OR PROVIDED BY THE COMPANY AND NO OTHER PARTY HAS MADE ANY INDEPENDENT INVESTIGATION OF SUCH INFORMATION AND ASSUMES NO RESPONSIBILITY FOR THE ACCURACY OR ADEQUACY OF SUCH INFORMATION. THE INFORMATION CONTAINED HEREIN IS PRESENTED AS OF THE DATE OF THIS OFFERING MEMO SET FORTH ABOVE AND IS SUBJECT TO CHANGE, COMPLETION OR AMENDMENT WITHOUT NOTICE. NEITHER THE DELIVERY OF THIS OFFERING MEMO AT ANY TIME NOR ANY SALE OF THE SHARES OFFERED HEREBY SHALL IMPLY THAT INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF THIS OFFERING MEMO SET FORTH ABOVE.**

**PROSPECTIVE INVESTORS ARE URGED TO CAREFULLY READ THIS OFFERING MEMO AND ALL DOCUMENTS AND EXHIBIT HERETO. THIS OFFERING MEMO DOES NOT PURPORT TO BE ALL-INCLUSIVE OR CONTAIN ALL THE INFORMATION THAT A PROSPECTIVE INVESTOR MAY REQUIRE IN INVESTIGATING THE COMPANY OR EVALUATING AN INVESTMENT IN THE SHARES OFFERED HEREBY. IN MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING, WITHOUT LIMITATION, THE MERITS AND RISKS INVOLVED.**

**PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS OFFERING MEMO AS LEGAL, INVESTMENT OR TAX ADVICE. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CAREFULLY REVIEW AND CONSIDER THIS OFFERING MEMO AND SHOULD CONSULT THEIR OWN ATTORNEYS, INVESTMENT ADVISORS AND TAX ADVISORS AS TO LEGAL, INVESTMENT AND TAX RELATED MATTERS CONCERNING THIS OFFERING.**

**THIS OFFERING MEMO WAS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING U.S. FEDERAL, STATE, OR LOCAL TAX PENALTIES. THIS OFFERING MEMO WAS PREPARED TO SUPPORT THE PROMOTION OR MARKETING OF THE SHARES. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.**

Section 1. Closings.

(a) The initial closing of the Offering will occur when the Company has received \$5,000,000 (the “Minimum Offering Amount”). The Company shall be entitled to deploy any and all proceeds of the Offering once the Minimum Offering Amount is achieved.

(b) The Company may have additional closings of the Offering (the “Additional Closings”) at such times as the Company shall determine. All proceeds received by the Company in connection with any Additional Closings, shall be immediately available for deployment by the Company.

(c) The final closing of the Offering shall occur upon the earlier of: (i) the Offering Expiration Date; or (ii) the date the Maximum Offering Amount is achieved.

Section 2. Use of Proceeds. The Company is seeking to raise up to \$50,000,000 from the sale of the Shares in accordance with the terms of this Offering; however, the Company shall have the discretion to proceed with the closing of this Offering or return all funds received from the Purchasers if less than the Maximum Offering Amount is raised. The Purchaser understands that the proceeds of this Offering are to be used by the Company (i) to acquire all of the membership interests of Texoil SNR LLC, (ii) to reimburse the Company or its affiliates for out-of-pocket expenses incurred or other amounts advanced with respect to the organization of the Company, (iii) to pay Simple NR Corp. (the “Manager”) the structuring fee (as defined below) (iv) to pay up to 2,5% (two and a half percent) of raised capital as placement fees to certain placement agents that will assist the Company in raising the targeted Maximum Offering Amount hereunder and (v) to pay certain structuring and maintenance expenses relating to this Offering and the investment in the Company. The Company may change the amount and timing of the expenditure of uncommitted funds depending on numerous factors. The Company’s management will have a broad discretion as to the allocation of the net proceeds of this Offering.

Section 3. The Company.

(a) The Company is authorized to issue a maximum of 50,000 ordinary shares. The Company shall be managed by a board of directors (the “Board of Directors”). The initial member of the Board of Directors of the Company will be the Manager.

(b) The Company shall pay a structuring fee in an amount equal to 5% (five percent) of the proceedings from the sale of shares to the Purchasers in accordance with the terms of this Offering. Such acquisition fee shall be payable by the Company to the Manager for the total value of the shares sold, until it reaches the total amount of the Offering ( \$ 50,000,000).

(c) The Company will furnish to the Purchasers hereunder copies of any reports and financial statements provided by the Manager to the Company from time to time.

(d) The Company seeks to provide income and capital appreciation to its investors through an investment structure (the “Investment Structure”) whereby the Company

will acquire all of the membership interests of Texoil SNR LLC, a Texas based Limited Liability Company (LLC). Texoil SNR LLC has a company agreement with Texoil Simple LLC, a Texas based Limited Liability Company (LLC). Texoil Simple LLC will then enter into company agreements with companies that specialize in investment in different U.S. Oil & Gas Assets mainly located in Texas, Oklahoma and New Mexico which companies will include but not be restricted to Polaris Energy Capital LLC, a Texas based Limited Liability Company (LLC).

For additional information regarding the business of the Company, please refer to the Investment Summary attached as Appendix A hereto.

Section 4. Information Regarding Forward-Looking Statements. This Offering Memo and other information, if any, provided to the Purchaser by the Company, contains forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to be materially different from any future results, performances or achievements express or implied by the forward-looking statement. Forward-looking statements relate to matters which include, but are not limited to:

- the ability of the Company and the Manager to implement their business strategies;
- the ability of the Company and the Manager to operate and expand their businesses;
- the capabilities of the Company and the Manager; and
- the impact of competitors, the current circumstances in the industry in which the Company and the Manager operate and general economic factors.

All statements other than statements of historical fact are “forward-looking statements,” including any projections of earnings, revenues or other financial items, any statements of the plans and objectives of management for future operations, any statements regarding future economic conditions or performance and any statement of assumptions underlying any of the foregoing. Some forward-looking statements may be identified by the use of such terms as “expects,” “will,” “anticipates,” “estimates,” “believes,” “plans” and words of similar meaning. These forward-looking statements relate to business plans, programs, trends, results of future operations, satisfaction of future cash requirements, funding of future growth, acquisition plans and other matters. In light of the risks and uncertainties inherent in all such projected matters, the inclusion of forward-looking statements in this Offering Memo should not be regarded as a representation by the Company or any other Person that the Company’s objectives or plans will be achieved or that the Company’s operating expectations will be realized. Actual results could differ from those projected in any forward-looking statements.



These forward-looking statements reflect the Company's current views with respect to future events and are based on assumptions and subject to risks and uncertainties, not all of which may be specifically delineated or recognized. Although management believes that the expectations reflected in any forward-looking statements are reasonable, the Company does not guarantee future results, events, levels of activity, results of operations, or achievements. Given these uncertainties, you should not place undue reliance on these forward-looking statements. For a discussion of these factors and others, please see "Risk Factors" below. All forward-looking statements attributable to the Company are expressly qualified in their entirety by such language, and the Company is not obligated, and does not intend, to update any forward-looking statements at any time unless an update is required by applicable securities laws. Also, these forward-looking statements represent the Company's estimates and assumptions only as of the date of this Offering Memo and should not be relied upon in making an investment in the Company.

The projections included in Appendix A to this Offering Memo were prepared by the Company's management based upon their knowledge and analysis of the Company's business. Projected financial information set forth in the exhibit to this Offering Memo necessarily reflects numerous assumptions with respect to general business and economic conditions and other matters, some of which are set forth in this Offering Memo, and many of which are inherently uncertain or beyond the control of the Company. It is not possible to predict whether the assumptions made in preparing the projected financial information will be valid, and actual results may prove to be materially higher or lower than those contained in the projections. The inclusion of this information should not be regarded as an indication that the "Company", or anyone else who prepared this information considered it a reliable predictor of future events, and this information should not be relied on as such. The projections are subject to considerable risks and uncertainties that can cause future results to vary from expectations. Projections are based on current information and assumptions, and are subject to change as conditions develop. None of the Company or any of its representatives makes any representations regarding any projections.

Section 5. U.S. Federal Income Tax Considerations. This Offering Memo does not discuss any material U.S. federal, state, local or foreign income tax considerations relevant to the purchase, ownership and disposition of the Shares by U.S. and non-U.S. investors. Prospective non-U.S. investors should be aware that they may be subject to complex U.S. income tax, withholding tax, and compliance rules. Prospective Purchasers are strongly urged to consult their own tax advisors as to the particular tax consequences to that Purchaser of acquiring, holding and disposing of the Shares, including the applicability and effect of any U.S., state, local or foreign tax laws and recent changes in applicable tax laws.

## Section 6. British Virgin Islands Taxes

**Company Level.** The Company is not subject to any income, withholding or capital gains taxes in the British Virgin Islands. No capital or stamp duties are levied in the British Virgin Islands on the issue, transfer or redemption of Shares.

**Purchaser Level.** Purchasers who are not tax resident in the British Virgin Islands will not be subject to any income, withholding or capital gains taxes in the British Virgin Islands, with respect to the Shares owned by them and dividends received on such Shares, nor will they be subject to any estate or inheritance taxes in the British Virgin Islands.

## Section 7. Other Taxes

Depending on the tax laws of any other jurisdiction, there may be withholding taxes imposed on dividend, interest income or capital gains received by the Company on securities issued by governments or corporations of those jurisdictions.

## Section 8. Risk Factors.

*An investment in the Shares is highly speculative and involves a high degree of risk. You should not purchase Shares if you cannot afford the loss of your entire investment. The investment is a long-term illiquid investment. You should carefully consider the risks described below, as well as the other information in the Memorandum and its Exhibits when evaluating whether or not to make an investment in the Shares. The risks described below are not the only risks associated with an investment in the Shares. You should consult with your own legal, tax, and financial advisers about an investment in the Shares. If any of the following risks actually occur, the return on your investment could be materially and adversely affected and you could lose all or part of your investment.*

**Introduction:** As with any investment, an investment in the Shares carries a high degree of risk. The value of the Shares and the performance of the Shares can be affected by a number of factors. Please note, the risks mentioned below are not intended to be an exhaustive list. Investors are advised to read this section carefully and obtain their own independent advice.

**No Operating History:** The Company is a newly formed entity with no operating history upon which to base the evaluation of an investment in the Shares. The Company will be subject to the risks involved with any speculative new venture. There can be no assurance that the Company will be able to operate profitably.

**Arbitrary Offering Price and Terms:** The offering price and terms for the Shares were arbitrarily fixed by us. The offering price and terms bear no relationship to the Shares's assets, expected future earnings or book value, and are not the result of any arm's-length negotiations. There is no established public market for the Shares. No investment banker or other appraiser was consulted regarding such price and terms.

**Lack of Liquidity:** We do not anticipate that there will be any market for resale of the Shares. Each purchaser of Shares must represent that he is acquiring his Shares for his own account or

for the account of his spouse for investment and not with a view to the distribution or resale thereof and that he understands and agrees that the Shres have not been registered under the Securities Act or any state securities laws and, if in the future the Purchaser decides to offer, resell, pledge or otherwise transfer the Shares, such Shares may be offered, resold, pledged or otherwise transferred only pursuant to an exemption from the registration requirements of the Securities Act, and in each case in accordance with any applicable securities laws of any state of the United States

## General Risks

Speculative Nature: All drilling to establish productive oil and natural gas properties is inherently speculative. The techniques presently available to petroleum engineers and geologists to identify the existence and location of pools of oil and natural gas are indirect, and therefore, a considerable amount of personal judgment is involved in the selection of any prospect for drilling. In addition, even when drilling successfully encounters oil and natural gas and a well is completed as a producing oil or natural gas well, unforeseeable operating problems may arise which render it uneconomical to produce such oil and natural gas. Further, the economics of oil and natural gas drilling and production are affected or may be affected in the future by a number of factors, including (i) the general demand in the economy for energy fuels, (ii) availability of drilling rigs, casing and other necessary goods and services, (iii) governmental policies with respect to oil imports and other factors affecting potential competition from foreign sources of oil and natural gas and competing fuels, (iv) governmental regulation of prices for oil and natural gas and (v) state regulations affecting allowable rates of production, well spacing and other factors. Recently, prices for oil and natural gas have fluctuated over a wide range. If such fluctuations continue or the price of oil and natural gas decreases substantially, investment in the Shares may not be profitable.

Initial Potential Figures and Decline in Production: Some of the available data on oil and gas wells might refer to “initial production” or “initial potential,” which is a term of art in the oil and gas business meaning the early production of a well. Such data is typically recorded after testing operations and the recovery of oil or other fluids used to fracture and stimulate the target formation have been completed. This information is used as a potential indicator of the maximum ability of a well to produce upon completion. Historically, however, the actual sustained production of oil and gas realized from a well is usually less, and may be substantially less on an ongoing basis, than initial production or initial potential (“Initial Potential”). There can be no assurance, therefore, that the actual production to be realized from a well on an ongoing basis following the conclusion of all completion activities with respect thereto will be equal to or approximate the well’s initial production or Initial Potential. Prospective participants, when viewing Initial Potential figures as an indication of the extent to which a well may actually produce, or has produced, should keep in mind that actual production is generally less than the Initial Potential figures reported to the state agencies regulating oil and gas production in their jurisdictions.

Further, production from all oil and gas wells by its very nature will decline over time. The actual decline curve is subject to numerous factors and cannot, in normal circumstances, be calculated in advance. The production from oil and gas wells is also subject to fluctuation for a myriad of reasons. Oil and/or gas production may not be stable on a month-to-month basis and is subject to drastic decline. Prospective participants should understand that, over the economic life of a well, any oil or gas production obtained will decline and the well may, as a result of such decline, become noncommercial.

New Venture: The Company is a newly organized venture which has no properties and has not previously engaged in acquiring, exploring for, developing or operating oil and gas properties.

Delay in Receipt of Income: The Company through the Investment Structure will be engaged in the possible development of oil and gas reserves. Although not expected, unavailability of or delay in obtaining necessary materials for drilling or completion activities of the wells or title opinions to date of first production could delay the receipt of income, if any, for significant periods after discovery. Although not expected, unavailability of or delay in connection with pipelines or other transportation systems, delays in obtaining satisfactory contracts and connections for oil and/or gas wells (together hereinafter referred to as the “Wells”), and other unforeseen circumstances, could also postpone the distribution of income from the Wells, if any. Although not expected, other delays, such as problems with pipeline connections and transportation systems may also be experienced with respect to the Wells, and could cause delays in the receipt of income, if any, from the Wells.

Lack of Certainty of Market Prices at Which Oil and Gas Can be Sold: No arrangements have been made with an end-user for the sale of any oil discovered and produced by the Company through the Investment Structure. Such arrangements will be sought with both local and distant companies. If such contract cannot be obtained, the Company anticipates such gas will be sold on the spot market at the prevalent price from time to time. Such contracts by their very nature are short-term. Currently, sales to the spot market are unlimited but no assurance can be made as to the availability of such a market in the future. Consequently, there is no assurance that discovered gas wells will not be shut-in pending suitable arrangements for sale of the gas. Even though the price of oil is volatile, it is anticipated that the oil can be easily sold on the spot market.

Lack of Diversification: The Company will have a comparatively small capitalization. The ability of the Company to diversify its activities is limited due to this small capitalization, and there will be less spreading of risk than would occur in a more highly capitalized program.

Limited Transferability of Shares: The Shares are not suitable for participants desiring or requiring investment liquidity. No public market for the Shares presently exists nor is one expected to develop. In addition, the Shares are subject to significant restrictions on transfer and the transfer of a Share, when permitted, may result in adverse tax consequences for the transferor. Consequently, Purchasers may not be able to liquidate their investment in the Company in the event of an emergency or for any other reason, and Shares may not be readily accepted as collateral for loans. Thus, it is not anticipated that there will be a market for resale of the Shares and a Purchaser may be unable to sell or otherwise dispose of his Shares.

Manager’s Purchase of Shares: The Manager and/or its affiliates may, but shall not be required to, purchase Shares, including Shares sufficient to complete the Minimum Offering. To the extent that Shares are purchased by the Manager, or its affiliates, the ability of the remaining Purchasers to contest matters to be voted upon will be diminished since the Manager or its affiliates will vote such interest as any other Purchaser.

## Risks Inherent in Oil and Gas Operations

High Degree of Risk: Exploration for oil and gas is extremely unpredictable and involves a high degree of risk of loss. While at present the availability of drilling services has increased, there can be no assurance that the Wells will produce at such economic levels as will enable the Company to recoup all or any part of its investment in the acquisition, drilling and completion of such Wells. No combination of experience, knowledge and scientific evaluation can overcome the risks inherent in oil and gas exploration and assure a profit to the investor. Accordingly, the purchase of Shares should be considered only by those persons who can bear the risk of loss of investment.

Fluctuating Oil and Gas Prices: From 1973 through 1980, the prices received by oil and gas producers escalated dramatically. A decline in the price received for crude oil commenced in 1981 and there has been a similar decline in the price received for natural gas. A decline in crude oil prices could adversely affect natural gas market prices. Such declines would reduce the amount of revenue generated by the Partnership's activities. Future prices received for crude oil and natural gas will be subject to a variety of factors, none of which is within the control of the Manager or the Company.

Fluctuating Natural Gas Prices: The natural gas market is also currently unsettled due to a number of factors. Recently, production from natural gas wells in many geographic areas of the United States has been curtailed for considerable periods of time due to a lack of market demand, and such curtailments may continue in the future. In addition, there may be an excess supply of natural gas in areas where the Company Wells are located. In that event, it is possible that such Wells will be shut-in or that natural gas in those areas will be sold on terms less favorable than might otherwise be obtained. Effective January 1, 1985, federal price controls on a substantial percentage of domestic natural gas production were lifted. In many instances, price decontrol did not affect current prices because the last applicable ceiling price was in excess of the contract price. In other instances, price decontrol triggered "market out" or "regulatory out" clauses in existing contracts, with the result that the price being paid is now less than that paid during the period of regulation. Throughout this period, competition for available markets has been vigorous, and there remains great uncertainty about prices that purchasers will pay. Recently, significant court decisions and regulatory changes have affected the natural gas markets. As a result of such court decisions, regulatory changes and unsettled market conditions, natural gas regulations may be modified in the future and may be subject to further judicial review or invalidation. The combination of these factors, among others, makes it particularly difficult to estimate accurately future prices of oil and natural gas, and any assumptions concerning future prices may prove incorrect.

Hazards and Delays: Hazards such as an unusual or unexpected formation, pressures, down-hole fires, blow-outs and loss of circulation of drilling fluids are involved in drilling oil and gas wells and, if such hazards are encountered in the drilling of any wells, drilling operations or completion of the Wells may be substantially delayed. Drilling operations are also particularly susceptible to delays or termination caused by inclement weather and resulting changes in the conditions of the terrain. For instance, excessive rain or snow may impede or cause a temporary cessation of drilling and completion activities and may prevent necessary service vehicles from

reaching the Company's drill sites. This in particular may affect the ability of the Company to commence drilling on the Wells by the end of any particular tax year, including the tax year during which a participant purchases Shares. Even if the Wells are completed and are found to be productive, water or other substances may be encountered in such Wells which may impair or prevent the production or marketability of oil or gas from such Wells.

Potential Shortage of Equipment and Tubular Goods: Although there has not been any shortage in recent years, drilling rigs and tubular goods used in the production of oil and gas may, from time to time, be in short supply and in great demand. The Company may encounter strong competition for the acquisition of tubular goods, which may adversely affect the conduct of the Company's operations.

Pollution: Environmental Matters: The activities of the Company may expose it to potential liability for pollution and other damages and are subject to various environmental regulations. Compliance with such environmental regulations may cause delays in the drilling and completion of the Wells and may prevent the Company from developing the Prospects. Natural hazards involved in the drilling of wells include unusual or unexpected formations, pressures, blowouts and other conditions not anticipated. Liability for surface damage, bodily injury or damage to or loss of equipment can result from such hazards. The Company may be subject to liability for pollution and other similar damages or may lose portions of its properties due to hazards against which it cannot insure or for which insurance proves to be inadequate.

Shut-in Wells: Production from any wells drilled in areas remote from marketing facilities or in areas where a purchaser is not in the market for gas (or to a lesser extent, oil) may be delayed for extended periods until sufficient reserves of oil and gas are established to justify construction of necessary flowing and production facilities, or until marketing conditions in the area warrant operation of the wells. The production from all such wells may cause an oversupply of gas and a partial shut-in.

Federal and State Regulation: Various federal and state regulations affect oil and gas prices which may be received for oil or gas produced, if any. On November 8, 1978, the Natural Gas Policy Act ("NGPA") was enacted which regulates the natural gas industry. The price controls on certain natural gas terminated on December 31, 1985. Other regulations affecting oil and gas were decontrolled by July 1, 1987. However, certain limited price controls continue. It cannot be presently predicted what decontrol will do to the price paid for gas. In the future, other regulations may be terminated or additional restrictions added. No assurance can be given that there will not be an adverse effect on such price which would reduce an investor's return on investment if the Company drills a gas well. Further, various local, state and federal environmental control agencies may impose regulations which could have a significant impact on the operations of the Company or could substantially increase the cost of operating the Wells.

Market Conditions: A large number of operators engage in drilling for oil and natural gas, and historically there has been intense competition within the industry. The intensity of this competition depends on the market fluctuations within the oil and natural gas industry, the price which can be obtained for the oil or natural gas produced from the Wells, the number of drilling rigs available and other factors which make it impossible to predict with any certainty the degree

of competition in the future. The Company's competitors may include major and independent oil companies, independent investors and other partnerships similar to the Company. Many of these competitors have financial resources and staffs substantially greater than those available to the Company.

The revenues generated from future operations will be highly dependent upon the future prices and demand for oil and natural gas. Various factors beyond the control of the Company affect, and will continue to affect, oil and natural gas prices. Such factors include the worldwide supply of oil and natural gas, the price of foreign imports, the levels of consumer demand, the price and availability of alternative fuels, the availability of pipeline capacity and changes in existing and proposed federal regulation and price controls. The price of natural gas is subject to market fluctuations and will be influenced by the price availability of alternative fuels. The price obtainable by an investor for any gas produced from its Wells may be reduced through government control, factors affecting the drilling, production, and marketing of natural gas, and through direct price controls. If the Company sells its gas on the spot market, the results of its operations will be subject to short-term fluctuations in the price of natural gas. The Company is unable to predict with any degree of certainty the precise effect on gas income that may result from price fluctuations over the term of the productive life of the Wells.

Section 9. Indemnification. When entering into the subscription agreement with the Company (the "Agreement"), the Purchaser will agree to indemnify and hold harmless the Company, its officers, managers, directors and affiliates from and against all damages, losses, costs and expenses (including reasonable attorney's fees) which they may incur by reason of the failure of the Purchaser to fulfill any of the terms or conditions of the Agreement or by reason of breach of any of the covenants, agreements, representations and warranties made by the Purchaser.

Section 10. Miscellaneous. The headings in this Offering Memo are for the purpose of reference only and shall not limit or otherwise affect the meaning hereof. All pronouns and any variation thereof shall be deemed to refer to masculine, feminine, or neuter, singular or plural, as the identity of the person or persons may require.

Section 11. Procedure To Purchase Shares

Persons interested in purchasing Shares of the Company should inform themselves as to:

- (a) the legal requirements within their own countries for the purchase of such Shares; and
- (b) any foreign exchange restrictions which they might encounter.

Any person desiring to subscribe for Shares of the Company is requested to complete and execute a copy of the Subscription Agreement (the "Agreement") in the form attached hereto at Appendix B, offering in the Agreement to purchase a specified dollar amount of Shares, and first fax then mail to the principal address of the Company.



Subscribers for, and each transferee of, Shares will be required to give certain representations and undertakings to the Company in the Agreement. The Agreement to be executed and delivered by prospective Purchasers will also contain the Purchaser's agreement to indemnify and hold harmless the Company and its directors, officers, agents and other representatives and its Manager (and affiliates, principals and employees thereof) against any loss, liability, cost or expense (including attorneys' fees, taxes and penalties) which may result, directly or indirectly, from any misrepresentation or breach of any warranty, condition, covenant or agreement set forth therein or in any other document delivered by the subscriber to the Company.

The acceptance or non-acceptance of any subscription is solely at the discretion of the Company and no reasons need be given for the non-acceptance of any subscription. Any subscription amounts not accepted by the Company shall be promptly returned to the Purchaser with no interest thereon.

**APPENDIX A**

**Investment Summary of**

TEXOIL SNR Corp.

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*a British Virgin Islands Limited Company*

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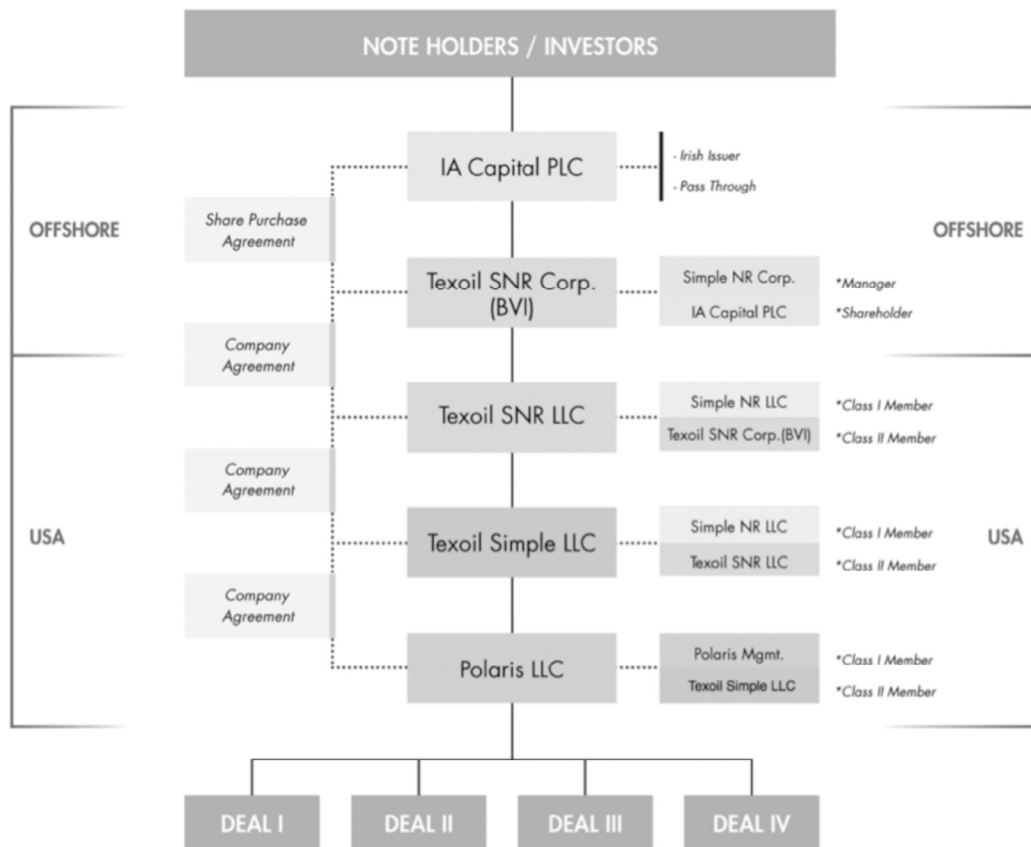
*Investment Manager:*  
**Simple NR Corp.**

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Investment Objective and Strategy: Texoil SNR Corp. (the “Company”) seeks to provide income and capital appreciation to its investors through an investment structure (the “Investment Structure”) whereby the Company will acquire all of the membership interests of Texoil SNR LLC, a Texas based Limited Liability Company (LLC). Texoil SNR LLC has a company agreement with Texoil Simple LLC, a Texas based Limited Liability Company (LLC). Texoil Simple LLC will then enter into company agreements with companies that specialize in investment in different U.S. Oil & Gas Assets mainly located in Texas, Oklahoma and New Mexico which companies will include but not be restricted to Polaris Energy Capital LLC, a Texas based Limited Liability Company (LLC).

Investment Size: The amount of capital targeted to be raised is approximately \$ 50,000,000.

Legal Structure: The below chart describes the legal structure of Texoil’s investments.



Confidentiality and Forward Looking Statements

**CUMULATIVE INVESTOR CASH FLOW AT EXIT:**

Cumulative CF at Exit 2020	(\$50,000)	\$132,657
<b>New Investor IRR at Exit in Year 4</b>	<b>27.6%</b>	<b>New Investor ROI at Exit in Year 4</b>
		<b>2.7x</b>

This Investment Summary is for the confidential use of the prospective investor to whom it was delivered by the Company and may not be copied, reproduced or distributed, in whole or in part, nor may its contents, which are deemed confidential by the Company, be divulged, without the express prior written consent of the Company.

The prospective investor acknowledges that any estimates or forward looking statements included in this Investment Summary were prepared by the Company's management in good faith, but that the attainment of such estimates or forward looking statements cannot be guaranteed by the Company or such management and should not be relied upon. The projections in this document were prepared by the Company's management based upon current information and assumptions, and are subject to change as conditions develop. Projected financial information necessarily reflects numerous assumptions with respect to general business and economic conditions and other matters, many of which are inherently uncertain or beyond the control of the Company. It is not possible to predict whether the assumptions made in preparing the projected financial information will be valid, and actual results may prove to be materially higher or lower than those contained in the projections. The inclusion of this information should not be regarded as an indication that the Company, its management or anyone else who prepared this information considered it a reliable predictor of future events, and this information should not be relied on as such.

\* \* \* \*

**DELIVERY OF THIS INVESTMENT SUMMARY SHALL NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITY OR INTEREST IN THE COMPANY. THIS DOCUMENT IS INTENDED TO PRESENT A GENERAL SUMMARY OF AN INVESTMENT IN THE COMPANY. NO OFFER TO SELL OR SOLICITATION OF AN OFFER TO BUY ANY SECURITY OR INTEREST IN THE COMPANY MAY BE MADE TO A PROSPECTIVE INVESTOR UNTIL A COPY OF THE SUBSCRIPTION AGREEMENT AND OTHER OFFERING MATERIALS HAVE BEEN PROVIDED TO AND REVIEWED BY SUCH PROSPECTIVE INVESTOR, WHICH MUST BE COMPLETED AND RETURNED IN ACCORDANCE WITH THE TERMS THEREOF, AND IN NO EVENT SHALL BE MADE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS UNLAWFUL. ANY REPRESENTATIONS TO THE CONTRARY ARE UNLAWFUL.**

**AN INVESTMENT IN THE PROPOSED OFFERING BY THE COMPANY INVOLVES A VERY HIGH DEGREE OF RISK AND YOU SHOULD CAREFULLY CONSIDER THE RISKS ASSOCIATED WITH SUCH INVESTMENT PRIOR TO INVESTING. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CAREFULLY REVIEW AND CONSIDER THE SUBSCRIPTION AGREEMENT AND OTHER OFFERING MATERIALS AND SHOULD CONSULT THEIR OWN ATTORNEYS, INVESTMENT AND TAX ADVISORS AS TO LEGAL, INVESTMENT AND TAX RELATED MATTERS CONCERNING AN INVESTMENT IN THE COMPANY.**

**APPENDIX B**

**Subscription Agreement of**

**TEXOIL SNR Corp.**

**a British Virgin Islands Limited Company**

**APPENDIX B**  
**SUBSCRIPTION AGREEMENT**

**TEXOIL SNR CORP.**

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**Items to be delivered by All Purchasers.**

Completed and signed Subscription Agreement (hereinafter known as the "Agreement") and corresponding signature page to be submitted by fax to the Company with the original to follow by courier.

\$ denominated funds in the amount of the full purchase price for Shares. Wire transfer funds for the full amount of the subscription to the Company's account to:

Bank:

bank address

Swift address:

Subscription documents should be faxed and then sent by courier to:  
TEXOIL SNR Corp.

Luis Alberto de Herrera 1248  
WTC II, Oficina 2306  
Montevideo, 11300. Uruguay

Telephone: +598 26226623  
Facsimile: +598 26226623  
Email: info@innovation.com.uy

**Please fill in the following information:**

The undersigned hereby irrevocably subscribes for and agrees to purchase \$\_\_\_\_\_ (in figures) \$\_\_\_\_\_ (in words) of Shares (the "Shares") in TEXOIL SNR Corp. (the "Company") as described in the Private Offering Memorandum dated November 2016 (the "Offering Memo"), which I/we have received and read. I/We acknowledge that I am/we are able to afford a shareholding in a speculative venture having the risks and objectives of the Company.

I/We declare that the Shares hereby subscribed for are not being:

- (a) acquired directly or indirectly by; and
- (b) will not be transferred directly or indirectly to:
  - (i) a "United States Person". (as such term is defined in the United States Internal Revenue Code of 1986, as amended) or a "U.S. Person" (as such term is defined in Regulation S under the 1933 Act)<sup>1</sup>;
  - (ii) an entity as to which any person or entity described in (i) above is, directly or indirectly, a beneficiary, fiduciary, grantor or decedent; or
  - (iii) institutions or other entities owned, in whole or in part, directly or indirectly, by the persons or entities described in (i) or (ii) above.

If the subscriber is a bank or broker-dealer, the subscriber hereby represents and warrants, when it is acquiring Shares on behalf of clients for investment purposes, that such clients are not U.S. Persons, that it will notify the Company if it shall come to its knowledge that any such client is or has become a U.S. Person, that it will not at any time knowingly transfer or deliver the Shares or any part thereof or interest therein to a U.S. Person, and that it will not make any transfer thereof in the United States of America, its territories or possessions.

Shares will be held in book entry form on behalf of the subscriber, following acceptance, by the Company.

Please insert the name of a nominee: \_\_\_\_\_

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<sup>1</sup> A "United States Person" is defined in the Code as (a) a citizen or resident of the United States; or (b) a partnership created or organized in the United States or under the laws of the United States or any state or the District of Columbia; or (c) a corporation created or organized in the United States or under the laws of the United States or any state or the District of Columbia; or (d) an estate (other than a "foreign estate," as that term is defined by the Code); or (e) a trust, with respect to which (1) a court within the United States is able to exercise primary supervision over the administration of the trust and (2) one or more United States fiduciaries have the authority to control all substantial decisions of the trust. The Code defines a "foreign estate" as "an estate the income of which, from sources without the United States which is not effectively connected with the conduct of a trade or business within the United States, is not includible in gross income under the Code. A "U.S. person" is defined in Rule 902 under the 1933 Act as (i) a natural person resident in the United States, (ii) a partnership or corporation organized or incorporated under the laws of the United States, (iii) an estate of which any executor or administrator is a U.S. person, (iv) a trust of which any trustee is a U.S. person, (v) an agency or branch of a foreign entity located in the United States, (vi) a non-discretionary or similar account (other than a trust or estate) held by a dealer or other fiduciary for the benefit or account of a U.S. person, (vii) a discretionary account or similar account (other than estate or trust) held by a dealer or other fiduciary organized, incorporated or (if an individual) resident in the United States or (viii) a partnership or corporation if: (1) organized or incorporated under the laws of any foreign jurisdiction, and (2) formed by a U.S. person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organized or incorporated, and owned, by "accredited investors" (as defined in Regulation D under the 1933 Act) who are not natural persons, estates or trusts.

## Compliance with the Anti-Money Laundering Code

### Representations

- (A) The Purchaser understands and agrees that the Company prohibits the investment of funds by any persons or entities that are acting, directly or indirectly, (i) in contravention of any applicable laws and regulations, including anti-money laundering regulations or conventions, (ii) on behalf of terrorists or terrorist organisations, including those persons or entities that are included on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Treasury Department's Office of Foreign Assets Control<sup>2</sup> ("OFAC"), as such list may be amended from time to time, (iii) for a senior foreign political figure, any member of a senior foreign political figure's immediate family or any close associate of a senior foreign political figure<sup>3</sup>, unless the Company, after being specifically notified by the Purchaser in writing that it is such a person, conducts further due diligence, and determines that such investment shall be permitted, or (iv) for a foreign shell bank<sup>4</sup> (such persons or entities in (i) – (iv) are collectively referred to as "Prohibited Persons").
- (B) The Purchaser represents, warrants and covenants that: (i) it is not, nor is any person or entity controlling, controlled by or under ordinary control with the Purchaser, a Prohibited Person, and (ii) to the extent the Purchaser has any beneficial owners<sup>5</sup>, (a) it has carried out thorough due diligence to establish the identities of such beneficial owners, (b) based on such due diligence, the Purchaser reasonably believes that no such beneficial owners are Prohibited Persons, (c) it holds the evidence of such identities and status and will maintain all such evidence for at least five years from the date of the Purchaser's complete redemption from the Company, and (d) it will make available such information and any additional information that the Company may require upon request.

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<sup>2</sup> The OFAC list may be accessed on the web at <http://www.treas.gov/ofac>.

<sup>3</sup> Senior foreign political figure means a senior official in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government-owned corporation. In addition, a senior foreign political figure includes any corporation, business or other entity that has been formed by, or for the benefit of, a senior foreign political figure. The immediate family of a senior foreign political figure typically includes the political figure's parents, siblings, spouse, children and in-laws. A close associate of a senior foreign political figure is a person who is widely and publicly known internationally to maintain an unusually close relationship with the senior foreign political figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the senior foreign political figure.

<sup>4</sup> Foreign shell bank means a foreign bank without a physical presence in any country, but does not include a regulated affiliate. A post office box or electronic address would not be considered a physical presence. A regulated affiliate means a foreign shell bank that: (1) is an affiliate of a depository institution, credit union, or foreign bank that maintains a physical presence in the United States or a foreign country, as applicable; and (2) is subject to supervision by a banking authority in the country regulating such affiliated depository institution, credit union, or foreign bank.

<sup>5</sup> Beneficial owners will include, but not be limited to: (i) Purchasers of a corporation; (ii) partners of a partnership; (iii) members of a limited liability company; (iv) investors in a Company-of-Companies; (v) the grantor of a revocable or grantor trust; (vi) the beneficiaries of an irrevocable trust; (vii) the individual who established an IRA; (viii) the participant in a self-directed pension plan; (ix) the sponsor of any other pension plan; and (x) any person being represented by the Purchaser in an agent, representative, intermediary, nominee or similar capacity. If the beneficial owner is itself an entity, the information and representations set forth herein must also be given with respect to its individual beneficial owners. If the Purchaser is a publicly-traded company, it need not conduct due diligence as to its beneficial owners.



- (C) If any of the foregoing representations, warranties or covenants ceases to be true or if the Company no longer reasonably believes that it has satisfactory evidence as to their truth, notwithstanding any other agreement to the contrary, the Company may be obligated to freeze the Purchaser's investment, either by prohibiting additional investments, declining or suspending any redemption requests and/or segregating the assets constituting the investment in accordance with applicable regulations, or the Purchaser's investment may immediately be redeemed by the Company, and the Company may also be required to report such action and to disclose the Purchaser's identity to OFAC or other authority. In the event that the Company is required to take any of the foregoing actions, the Purchaser understands and agrees that it shall have no claim against the Company, the Manager, the Company, and their respective affiliates, directors, members, partners, shareholders, officers, employees and agents for any form of damages as a result of any of the aforementioned actions.
- (D) The Purchaser understands and agrees that any redemption proceeds paid to it will be paid to the same account from which the Purchaser's investment in the Company was originally remitted, unless agreed otherwise in exceptional circumstances.
- (E) The Purchaser agrees to indemnify and hold harmless the Company, the Manager, and their respective affiliates, directors, members, partners, shareholders, officers, employees and agents from and against any and all losses, liabilities, damages, penalties, costs, fees and expenses (including legal fees and disbursements) which may result, directly or indirectly, from any inaccuracy in or breach of any representation, warranty, covenant or agreement set forth in this Section.

The Company and you (the “Purchaser”) hereby agree as follows:

Section 1. Subscription Price and Payment. The Company hereby agrees to sell to the Purchaser, and the Purchaser hereby subscribes for and agrees to purchase from the Company, that number of Shares set forth on the signature page hereto for the subscription price set forth therein. The minimum investment amount in this Offering is \$ 50,000 (US American Dollars fifty thousands) however, the Company, in its discretion, may accept subscriptions for a lesser amount. The Company is seeking to raise \$ 50,000,000 (US American Dollars fifty millions) in this Offering; however, at the option of the Company, the Maximum Offering Amount may be increased without notice to or consent of investors in this Offering. Notwithstanding the above offering amount, the Company may close this Offering without having raised \$ 50,000,000 (US American Dollars fifty millions). The undersigned understands that all amounts delivered by the undersigned pursuant to this Section 1 will be held by the Company until the Company accepts the Purchaser’s subscription, the expiration of any applicable rescission period and as otherwise provided herein; thereafter, all Companies shall be available for use by the Company in accordance with the closing schedule set forth in Section 2 below. If the undersigned’s subscription is rejected for any reason, all documents will be promptly returned by the undersigned to the Company and the Company will return the undersigned’s Companies without interest or deductions.

Section 2. Acceptance of Offers to Purchase. Until the issuance to the Purchaser of the Shares subscribed for by the Purchaser, the Company shall have the right, in its sole discretion, not to accept the Purchaser’s offer to purchase, in whole or in part, by notice to the Purchaser. Upon acceptance of an offer to purchase and receipt of the Company of the Companies necessary to fulfill the Purchaser’s subscription obligations, stock certificates representing the Shares subscribed for by the Purchaser hereunder shall be issued to the Purchaser. The Purchaser further understands and agrees that the Purchaser’s subscription shall be accepted by the Company only if and when this Agreement is countersigned by the Company and delivered to the Purchaser. Subscriptions may not be accepted in the order received and the Shares may be allocated among the subscribers at the sole discretion of the Company. The Offering of the Shares will expire at the earlier of: (a) 5:00 pm Eastern Standard Time on the Offering Expiration Date, or such other date as the Company may in its discretion extend or terminate the offering, or (b) the sale by the Company of all of the Shares offered hereby.

Section 3. Information Regarding the Company. The Purchaser acknowledges that it has been provided with an opportunity to ask any questions and to conduct any other investigations the Purchaser desires about the Company and its business. The Purchaser acknowledges that it has received and reviewed the exhibit attached hereto, any other information the Purchaser has requested and has been further advised of the following summary:

(a) Incorporation by Reference. The document set forth as Appendix A – Investment Summary, hereto is incorporated herein and made a part hereof by this reference.

(b) Corporate Information. The Company’s business address is OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands.

(c) Background. The Company was organized as a business company under the laws of the British Virgin Islands on September 16, 2016. The initial director of the Company is the Manager.

Section 4. Representations, Warranties and Agreements of the Purchaser.

(a) Suitability. The Purchaser has read carefully and understands the Offering Memo and this Agreement and has consulted and obtained the advice of its own investors, officers, directors, employees, attorneys, accountants, investment advisers, and other consultants (the “Purchaser Representatives”) with respect to the investment in the Shares contemplated hereby and its suitability for the Purchaser. The Purchaser represents and warrants that its investment in the Shares is suitable for it and that its overall commitment to investments which are not readily marketable is not disproportionate to its net worth, and its investment in the Shares will not cause such overall commitment to become excessive. Any specific acknowledgment set forth below with respect to any statement contained herein shall not be deemed to limit the generality of the representations and warranties contained in this Section 7(a). The Purchaser understands that the representations, warranties, covenants and agreements of the Purchaser contained in this Agreement are being relied upon by the Company in determining the Purchaser’s suitability as a purchaser of the Shares.

(b) Purchase for Investment. The Purchaser understands and acknowledges that the sale of the Shares is being made pursuant to an exemption from the registration requirements of the Securities Act in reliance on Section 4(2) and Regulation S promulgated thereunder. The Purchaser is purchasing the Shares for its own account, for investment purposes only, and not as a nominee or agent for the benefit of any other Person and without a view towards resale or distribution thereof, in whole or in part. By executing this Agreement, the Purchaser further represents that he or it does not have any present intent of making a transfer of, granting a participation in, or otherwise distributing or selling the Shares in a manner contrary to the Securities Act or the securities laws of any other applicable jurisdictions, nor does the Purchaser have any contract, undertaking, agreement, or arrangement with any person to transfer, grant any participation in, or otherwise distribute any of the Shares to such person.

(c) Restrictions on Transfer. The Purchaser acknowledges that there is currently no public market for the Shares and that the Company has no current plans to pursue an initial public offering of the Shares. The Purchaser understands that the Shares are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, the Shares have not been and will not be registered under the Securities Act, and, if in the future the Purchaser decides to offer, resell, pledge or otherwise transfer the Shares, such Shares may be offered, resold, pledged or otherwise transferred only pursuant to an exemption from the registration requirements of the Securities Act, and in each case in accordance with any applicable securities laws of any state of the United States. Accordingly, the undersigned therefore may be precluded from selling or otherwise transferring or disposing the Shares or any portion thereof for an indefinite period of time or at any particular time and may therefore have to bear the economic risk of investment in the Shares for an indefinite period of time. The Purchaser agrees that if any transfer of its Shares or any interest therein is proposed to

be made, as a condition precedent to any such transfer, the transferor may be required to deliver to the Company an opinion of counsel satisfactory to the Company, in its sole discretion.

The Purchaser understands that the certificates representing the Shares will bear restrictive legends to the following effect:

THE SECURITIES REPRESENTED BY THIS DOCUMENT HAVE NOT BEEN REGISTERED UNDER ANY SECURITIES LAWS AND THE TRANSFERABILITY OF SUCH SECURITIES IS RESTRICTED. SUCH SECURITIES MAY NOT BE SOLD, ASSIGNED, OR TRANSFERRED, NOR WILL ANY ASSIGNEE, VENDEE, TRANSFEREE, OR ENDORSEE THEREOF BE RECOGNIZED AS HAVING ACQUIRED ANY SUCH SECURITIES BY THE ISSUER FOR ANY PURPOSES, UNLESS (1) A REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, WITH RESPECT TO SUCH SECURITIES SHALL THEN BE IN EFFECT AND SUCH TRANSFER HAS BEEN QUALIFIED UNDER ALL APPLICABLE STATE SECURITIES LAWS, (2) SUCH TRANSFER IS MADE IN ACCORDANCE WITH THE PROVISIONS OF THE SECURITIES ACT, INCLUDING REGULATION S OR (2) THE AVAILABILITY OF AN EXEMPTION FROM SUCH REGISTRATION AND QUALIFICATION SHALL BE ESTABLISHED TO THE SATISFACTION OF COUNSEL TO THE COMPANY.

(d) Foreign Investor Status.

(i) The Purchaser hereby certifies that it is not, and will not be at any time prior to the sale of the Shares to it be, a U.S. Person and that it is not acquiring the Shares for the account or benefit of any U.S. Person. For the purposes of this Agreement, a “U.S. Person” means: (A) any natural person resident of the United States; (B) any partnership or corporation organized or incorporated under the laws of the United States; (C) any estate of which any executor or administrator is a U.S. Person; (D) any trust of which any trustee is a U.S. Person; (E) any agency or branch of a foreign entity located in the United States; (F) any non-discretionary account or similar account (other than an estate or trust) held by any dealer or other fiduciary for the benefit or account of a U.S. Person; (G) any non-discretionary account or similar account (other than an estate or trust) organized, incorporated, or (if an individual) resident in the United States; and (H) any partnership or corporation organized and incorporated under the laws of any foreign jurisdiction which was formed by U.S. Persons principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by “accredited investors” (as such term is defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts. The Purchaser has no present intention of becoming a U.S. Person, and will not become a U.S. Person during the period of time that the Purchaser owns the Shares.

(ii) The Purchaser has been advised and understands that the Company is relying on, among others, the exemption from Securities Act registration provided in Regulation S promulgated under the Securities Act for offshore transactions (“Regulation S”) and, because of the Company’s reliance on Regulation S, the Purchaser further agrees that the Shares shall not be offered or sold in the United States or to U.S. Persons unless the Shares are (A) registered under the Securities Act, (B) offered, resold, pledged or otherwise transferred in accordance with the provisions of the Securities Act, including Regulation S, or (C) offered, resold, pledged or otherwise transferred pursuant to another available exemption from the

registration requirements of the Securities Act. The Purchaser understands that any offer, sale, pledge or other transfer not made in accordance with this Section shall be null and void and will not be recognized by, or registered on, the transfer books of the Company.

(e) Knowledge and Experience. The Purchaser currently has and, the Purchaser had, immediately prior to any receipt of any offer regarding the Shares, such knowledge and experience in financial and business matters as to be able to evaluate the merits and risks of an investment in the Shares.

(f) Opportunity to Verify Information. During the course of this transaction and prior to the purchase of the Shares, the Purchaser and each Purchaser Representative has been furnished with any and all materials relating to the Company and the offering of the Shares requested by the Purchaser or such Purchaser Representative and has been afforded the opportunity to ask questions of the Company concerning the terms and conditions of the offering of the Shares and the business of the Company, and all such questions have been answered to the full satisfaction of the Purchaser or such Purchaser Representative. The Purchaser and each Purchaser Representative has also had the opportunity to obtain any additional information necessary to verify the information contained herein or to further describe the proposed activities of the Company. The Purchaser further represents that, in connection with its decision to purchase the Shares, the Purchaser has not relied on any statement or representation of the Company or any of its affiliates, attorneys, agents or other representatives, except as specifically set forth or referenced in this Agreement. It is understood by the Purchaser that information and explanations relating to the terms and conditions of the Shares provided herein shall not be considered investment advice or a recommendation to purchase the Shares, and that neither the Company nor any of its affiliates, attorneys, agents or other representatives is acting or has acted as an advisor to the Purchaser in deciding to invest in the Shares. The Purchaser further confirms that the Company has not given any guarantee or representation as to the potential success, return, effect or benefit of an investment in the Shares.

(g) Merits and Risks of an Investment in the Shares. The Purchaser has been furnished with and has carefully reviewed this Agreement including, without limitation, the section entitled “Risk Factors,” and has not relied, in making an investment in the Shares, on any other materials or other information whatsoever furnished by or on behalf of the Company. The Purchaser has examined or has had an opportunity to examine, prior to the date hereof, such other information as it deems necessary to evaluate and understand the merits and risks of an investment in the Shares. The Purchaser understands and acknowledges that: (i) the Company has recently been organized and therefore has no meaningful financial or operating history; (ii) an investment in the Shares involves significant risks, including without limitation substantial risk of loss of investment, lack of liquidity and substantial restrictions on the transferability of the Shares; (iii) neither the United States Securities and Exchange Commission (the “Commission”) nor any federal, state or foreign agency has passed upon the Shares or made any finding or determination as to the fairness of an investment in the Shares or the accuracy or adequacy of the disclosures made by the Company; and (iv) the Purchaser is not entitled to cancel, terminate or revoke this Agreement or any of the powers conferred herein.

(h) Anti-money Laundering, Etc. The Purchaser represents and warrants that the amounts contributed by the Purchaser to the Company for the purchase of the Shares were not and are not directly or indirectly derived from activities that may contravene federal, state or international laws and regulations, including anti-money laundering laws and regulations. The Purchaser acknowledges that due to anti-terrorism and anti-money laundering regulations, the Company and/or any director, officer, employee or agent acting on behalf of the Company may require further documentation verifying the Purchaser's identity and the source of funds used to purchase the Shares subscribed for hereby before this Agreement can be processed or accepted. The Purchaser further agrees to provide the Company at any time prior to and during the term of the Purchaser's investment in the Company with such information or certification as the Company determines to be reasonably necessary or appropriate to verify compliance with the anti-terrorism and anti-money laundering regulations of any applicable jurisdiction or to respond to requests for information concerning the identity of the Purchaser or any person directly or indirectly controlling or owning an interest in the Purchaser (excluding beneficiaries of the Purchaser) from any governmental authority, self-regulatory organization or financial institution in connection with the Company's compliance procedures with respect to anti-terrorism and anti-money laundering regulations and to update such information as necessary. The Purchaser acknowledges that the Company intends to maintain records of information used for verification of identity. The Purchaser certifies that (i) the information set forth on the signature pages attached to this Agreement and (ii) any other information provided to the Company by the Purchaser concerning the identity of the Purchaser is true and correct. In addition, the Purchaser certifies that neither the Purchaser nor any person directly or indirectly controlling or owning any interest in the Purchaser is identified as a specially designated national or blocked person or affiliated with any such person, entity or organization on any list maintained by governmental authorities relating to anti-terrorism or anti-money laundering, including but not limited to lists maintained by the United States Treasury Department's Office of Foreign Asset Control.

(i) No Distribution of this Agreement. The Purchaser has made no photocopies of this Agreement, nor has it distributed this Agreement or disclosed any of the contents hereof to any other Person, other than its Purchaser Representatives, and no Person, other than the Purchaser, or its Purchaser Representatives has used this Agreement, and if the Purchaser does not purchase any Shares or the offering contemplated hereby is terminated, upon request by the Company the Purchaser shall, and shall cause its Purchaser Representatives, to immediately return all copies of this Agreement to the Company.

(j) No General Solicitation or Advertising. The Purchaser confirms that the Shares were not offered to the Purchaser by any means of general solicitation or general advertising.

(k) Address of Purchaser. The Purchaser represents and confirms that the address set forth on the signature page is true and correct, and that the Purchaser has no present intention of becoming a resident of any other state or jurisdiction.

The Purchaser acknowledges and understands that the representations, warranties, and covenants contained in this Agreement are being furnished, in part, and will be relied on by the Company in determining whether this offering of the Shares is exempt from registration under

the Securities Act and the securities laws of all other applicable jurisdictions and, accordingly, confirms that all such statements contained herein are true, complete, and accurate as of the date hereof, and shall be true, accurate, and complete as of the date that this Agreement is accepted, and shall survive such acceptance. If any events occur or circumstances exist prior to the issuance of the Shares to the Purchaser which would make any of the representations, warranties, agreements, or other information set forth herein untrue or inaccurate, the Purchaser agrees to immediately notify the Company in writing of such fact specifying which representations, warranties, or covenants are not true, correct, or accurate, and the reasons therefor.

Section 5. Representations and Warranties of the Company.

(a) Organizational Status; Authorization. The Company is a business company, duly incorporated, validly existing and in good standing under the laws of the British Virgin Islands. The Company has all requisite corporate power and authority to own its assets and to carry on its business as presently conducted. The Company has full power and authority to enter into this Agreement and to carry out the transactions contemplated hereby. The execution, delivery and performance of this Agreement by the Company and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite corporate action, and this Agreement constitutes the legal, valid and binding obligation of the Company enforceable in accordance with its terms. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby requires the approval or consent of any third party.

(b) No Conflict. The execution, delivery and performance of this Agreement and the transactions contemplated by this Agreement will not conflict with, or constitute or result in a breach, default or violation of (i) the organizational documents of the Company; (ii) any law, ordinance, regulation or rule applicable to the Company; or (iii) any order, judgment, injunction or other decree by which the Company is bound.

(c) Litigation. There is no claim, action, demand, suit, lawsuit, proceeding, arbitration, grievance, citation, summons, subpoena, inquiry or investigation of any nature, civil, criminal, regulatory, or otherwise, in law or in equity, pending or threatened against the Company in any court or before any governmental or regulatory authority and the Company does not know or has reason to be aware of any basis for the same.

(d) Compliance with Applicable Law. The Company has complied with all laws, statutes, rules, regulations, judgments, decrees and orders applicable to its business, and the Company has not received any written notice alleging any such conflict, violation, breach or default.

Section 6. Purchase, Sale, Payment and Delivery of the Shares. On the basis of the representations, warranties and agreements contained herein, but subject to the terms and conditions set forth herein, the Company agrees to sell to the Purchaser, and the Purchaser irrevocably agrees to purchase from the Company, the number of Shares stated in Section 1 (the “Designated Shares”).

Section 7. Indemnification. The Purchaser agrees to indemnify and hold harmless the Company, its officers, managers, directors and affiliates from and against all damages, losses, costs and expenses (including reasonable attorney's fees) which they may incur by reason of the failure of the Purchaser to fulfill any of the terms or conditions of this Agreement or by reason of breach of any of the covenants, agreements, representations and warranties made by the Purchaser herein.

Section 8. Survival. The respective representations, warranties and agreements made by the Purchaser herein or in any certificate or other instrument delivered pursuant hereto shall survive the delivery of payment for the Designated Shares, notwithstanding any investigation made by or on behalf of any party hereto.

Section 9. Notice. All communications provided for or permitted hereunder shall be in writing and shall be deemed to have been duly given if personally delivered or sent by overnight courier if to the Purchaser, addressed to such Purchaser at the address set forth in this Agreement, or to such other address as such Purchaser may designate in writing to the Company, and if to the Company, Luis Alberto de Herrera 1248, WTC II Of. 2306, Montevideo 11300, Uruguay, Attention: Ignacio Fraschini, or to such other address as the Company may designate in writing to the Purchaser.

Section 10. Successors. This Agreement shall inure to the benefit of and be binding upon the Company, the Purchaser and their respective permitted successors and assigns.

Section 11. Assignment. This Agreement may not be assigned in any respect without the express written consent of each of the parties hereto.

Section 12. Severability of Provisions. Any covenant, provision, agreement or term of this Agreement that is prohibited or is held to be void or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability, without in any way invalidating, affecting or impairing the remaining provisions hereof.

Section 13. Miscellaneous. This Agreement constitutes the entire agreement and understanding of the parties hereto with respect to the matters and transactions contemplated hereby and supersedes all prior agreements and understandings whatsoever relating to such matters and transactions. Neither this Agreement nor any term hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought. The headings in this Agreement are for the purpose of reference only and shall not limit or otherwise affect the meaning hereof. All pronouns and any variation thereof shall be deemed to refer to masculine, feminine, or neuter, singular or plural, as the identity of the person or persons may require. This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which shall together constitute one instrument.

Section 14. Applicable Law. This agreement shall be construed in accordance with and governed by the laws of British Virgin Islands applicable to agreements made and to be performed therein without regard to conflict of laws principles.



If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to us the enclosed duplicate hereof, whereupon it will become a binding agreement between the undersigned in accordance with its terms.

***[Signatures Begin on Following Page]***

IN WITNESS WHEREOF, the undersigned has duly executed this Agreement on the appropriate signature page this \_\_\_\_ day of \_\_\_\_\_, 2016\_\_

<p style="text-align: center;"><b>Subscription Amount</b></p> <p style="text-align: center;">\$ _____</p> <p style="text-align: center;"><b>Number of Shares</b></p> <p style="text-align: center;">_____</p>
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

\_\_\_\_\_  
Name(s) Exactly as to Appear on the Share Certificates and in  
the Company's Share Register

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State and Zip Code

\_\_\_\_\_  
Telephone – Business

\_\_\_\_\_  
Tax Identification or Social Security No.

NASD Affiliation or Association, if any: \_\_\_\_\_  
If None, check here:

State of Residence or Principal Place of Business of Purchaser: \_\_\_\_\_

**SIGNATURE PAGES FOLLOW**

Please execute this Agreement by completing the appropriate section below.

1. If the prospective investor is a CORPORATION, complete the following and enclose a true copy of the charter and by-laws:

The undersigned hereby represents, warrants and covenants that the undersigned is duly authorized by the prospective investor to take all requisite action on the part of the prospective investor listed below to enter into this Agreement and, further, that the prospective investor has all requisite authority to enter into such Agreement.

The undersigned represents and warrants that each of the above representations, agreements or understandings set forth herein applies to the prospective investor and that the undersigned has authority under the charter, by-laws and corporate resolutions of such prospective investor to execute this Agreement.

---

Name of Corporation (Please type or print)

By: \_\_\_\_\_  
Name:

2. If the prospective investor is a TRUST, complete the following and enclose a true copy of the Trust Instrument of the prospective investor:

The undersigned hereby represents, warrants and covenants that the undersigned is duly authorized by the terms of the Trust Instrument for the prospective investor set forth below to enter into this Agreement and that the undersigned, as Trustee, has all requisite authority to enter into such Agreement for the prospective investor.

The undersigned, as Trustee, executing this Agreement on behalf of the prospective investor, represents and warrants that each of the above representations, agreements or understandings set forth herein applies to the prospective investor and the undersigned is authorized by such prospective investor to execute this Agreement.

---

Name of Trust (Please type or print)

By: \_\_\_\_\_  
Name:

3. If the prospective investor is a PARTNERSHIP, complete the following and enclose a true copy of the partnership agreement of the prospective investor:

The undersigned hereby represents, warrants and covenants that the undersigned is a general partner of the prospective investor named below, is duly authorized by the prospective investor to enter into this Agreement, and that the prospective investor has all requisite authority to enter into this Agreement and set forth below are the names of all partners of the prospective investor.

The undersigned represents and warrants that each of the above representations, agreements or undertakings set forth herein applies to the prospective investor and that the undersigned is authorized by such prospective investor to execute this Agreement.

\_\_\_\_\_  
Name of partnership (Please type or print)

By: \_\_\_\_\_  
Name:

Names of Partners: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Add additional sheets if necessary)

4. If the prospective investor is an entity other than a corporation, trust or partnership, complete the following and enclose a true copy of the charter or other organizational document of the entity:

The undersigned hereby represents, warrants and covenants that the undersigned is duly authorized by the prospective investor to take all requisite action on the part of the prospective investor listed below to enter into this Agreement and, further, that the prospective investor has all requisite authority to enter into such Agreement.

The undersigned represents and warrants that each of the above representations, agreements or understandings set forth herein applies to the prospective investor and that the undersigned has authority under the applicable empowering documents of such prospective investor to execute this Agreement.

\_\_\_\_\_  
Name of entity (Please type or print)

By: \_\_\_\_\_  
Name:

Description of above entity and/or list of equity owners: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. If the prospective investor is an individual, please execute this Agreement below.

\_\_\_\_\_  
Name of individual (Please type or print)

By: \_\_\_\_\_

[COMPANY SIGNATURE PAGE FOR SUBSCRIPTION AGREEMENT]

Agreed to and accepted as of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**REGISTERED OFFICE OF THE ISSUER**

**IA Capital Structures (Ireland) Plc**

22 Clanwilliam Square  
Grand Canal Quay  
Dublin 2, Ireland

**ARRANGER AND CALCULATION AGENT**

**FlexFunds LTD**

94 Solaris Avenue  
Camana Bay  
PO Box 1348  
Grand Cayman KY1-1108  
Cayman Islands

**TRUSTEE**

**Sanne Fiduciary Services Limited**

13 Castle Street, St Helier,  
Jersey JE4 5UT

**ISSUE AGENT AND  
PRINCIPAL PAYING AGENT**

**Citibank N.A., London Branch**

Citi Centre, Canada Square Canary Wharf,  
London E14 5LB,  
United Kingdom

**AUDITORS OF THE ISSUER**

**PricewaterhouseCoopers**

One Spencer Dock,  
North Wall Quay,  
Dublin 1, Ireland

**PLACING AGENT AND SALE AGENT**

**GWM Group, Inc.**

177 Broad Street, 7<sup>th</sup> Floor, Suite 708  
Stamford, CT 06901  
USA

**GWM LTD**

Cumberland House, 7<sup>th</sup> Floor  
1 Victoria Street  
Hamilton HM 11  
Bermuda

**LEGAL ADVISERS**

*To the Trustee as to Irish Law:*

**A&L Goodbody**

IFSC  
North Wall Quay  
Dublin 1  
Ireland

*To the Issuer as to Irish Law:*

**Mason Hayes & Curran**

South Bank House,  
Barrow Street  
Dublin 4  
Ireland