Private Placement Memorandum

Project Phoenix Revenue Bonds

Issuance Amount: $1.99 billion

Issued by: Project Phoenix I SPV LLC.

Dated: July 1 2025

1. Executive Summary

Project Phoenix I SPV LLC (the "Issuer") is pleased to present this Private Placement Memorandum in connection with the issuance of Project Phoenix I Asset-Backed Revenue Bonds (the "Bonds"). The purpose of this offering is to raise a total principal amount of US$1.99 billion to fund the development of the Sultan Oil Field (specifically the reopening of 42 vertical wells) and to invest in high-return AI venture opportunities. The Bonds will bear an interest rate of 5% per annum, with interest payable annually on December 1 beginning in 2026. The Issuer has further committed to provide bondholders with an additional return in the form of a 10% carried interest from profits realized through its AI ventures starting in Year 3 of the project.

The Bonds offer a compelling investment opportunity, providing dual revenue streams. Bondholders will receive regular payments from oil production revenue, derived from the reactivated operations of 42 vertical wells in the Sultan Oil Field. In addition, bondholders are entitled to participate in the upside potential of the AI ventures through the 10% carried interest, which is projected to generate significant additional returns over the long term.

Proceeds from this offering will be allocated as follows: approximately US$168 million will be applied to the reopening of 42 vertical wells in the Sultan Oil Field, expected to contribute to production within the first year; approximately US$1.58 billion will be directed toward investments in high-return AI ventures with strong growth potential, aiming to achieve 3x–5x returns over the next three years; and the balance will be held as operational reserves to cover administrative, legal, and other costs to ensure bondholder payments are secured.

The Project Phoenix I Asset-Backed Revenue Bonds provide bondholders with a secure investment underpinned by substantial physical assets in the form of oil production revenues, complemented by the growth potential of a carefully structured AI venture portfolio. Bondholders are expected to receive a stable annual return of 5% from oil revenues, with additional upside from the 10% carried interest beginning in Year 3. This dual-source revenue structure offers a balanced approach, combining stability with material upside potential.

Of the total US$1.99 billion offering, the Bonds will be offered exclusively in a private placement pursuant to Regulation D, Rule 506(c) of the U.S. Securities Act of 1933, as amended, to Accredited Investors; to eligible investors pursuant to Regulation A+ Tier 2; and to non-U.S. persons pursuant to Regulation S. The Bonds are not registered under the Securities Act or any state securities laws. Investors must provide appropriate certification and supporting documentation of their accredited or eligible status prior to acceptance of any subscription.

Each Bond will have a par value of US$1,000, bearing a fixed coupon of 5% per annum, payable annually on December 1 of each year beginning in 2026. In addition, commencing in Year 3, Bondholders will be entitled to receive a 10% carried interest in net profits generated by the Issuer's AI venture portfolio, distributed concurrently with coupon payments.

The Bonds will mature ten years from the date of issuance, unless redeemed earlier in accordance with the terms of the Trust Indenture. Principal, coupon, and carried interest distributions will be payable from (i) oil production revenues derived from the 42 vertical wells of the Sultan Oil Field, and (ii) realized profits from the Issuer's AI venture portfolio.

The offering will not be underwritten. The Issuer may engage selected placement agents or broker-dealers registered with FINRA for distribution to Accredited Investors, subject to applicable securities laws.

2. The Issuer and Project Overview

Issuer Profile

Project Phoenix I SPV LLC (the "Issuer") is a special purpose vehicle established exclusively for the issuance of the Project Phoenix I Asset-Backed Revenue Bonds. The Issuer was organized under the sponsorship and management of Tailored Bonds LLC, which holds rights under a Revenue Assignment and Security Agreement ("RASA") tied to the Sultan Oil Field through an Exploration and Production Sharing Agreement (EPSA) with the Libyan government.

The sole business of the Issuer is to raise capital through this bond issuance and to deploy the proceeds in accordance with the defined investment program: the reopening of 42 vertical wells in the Sultan Oil Field and the allocation of capital into high-growth artificial intelligence (AI) ventures. The Issuer itself does not conduct other business activities. Its operations are limited to managing the revenues, servicing bondholder obligations, and maintaining compliance with the Trust Indenture.

The governance of the Issuer is structured to ensure transparency and accountability. Tailored Bonds LLC, as Sponsor, provides structuring expertise and financial management, while specialist operators and advisors oversee the technical execution of the oil field development and AI venture investments. This structure ensures that the Issuer functions as a ring-fenced investment vehicle, with revenues dedicated to servicing bondholders.

Project Phoenix Overview

Project Phoenix I represents the first phase in a series of structured financings designed to unlock value from the Sultan Oil Field and complementary high-growth sectors. At its core, Project Phoenix I focuses on the reopening and production of 42 capped vertical wells in the Sultan Oil Field, a proven oil reservoir with significant reserves and established production history. The field is strategically positioned and is expected to generate stable revenues throughout the life of the project.

The initial development program involves the reconditioning and reopening of the 42 wells, each with expected production capacity of [insert barrels per day]. Production ramp-up is anticipated within the first year, with revenues applied to meet coupon payments and build reserves for bondholders. By leveraging modern extraction technologies and operational best practices, the project is expected to achieve efficient, sustained output.

In parallel, a significant portion of bond proceeds will be directed to the Issuer's AI venture investment program. Approximately US$1.58 billion will be deployed into a portfolio of high-growth AI ventures, selected and managed with the support of VentureSage LLC, a specialist advisor in emerging technologies. These ventures are expected to generate substantial returns, targeted at 3x–5x capital within three years, providing additional upside for bondholders through the 10% carried interest beginning in Year 3.

By combining a stable cash-generating oil production asset with an innovative AI investment portfolio, Project Phoenix I offers bondholders a diversified income structure: secure returns from commodity-linked revenues and exposure to exponential growth potential in frontier technology.

Project Rationale

The decision to proceed with Project Phoenix I is based on the combined strength of traditional energy fundamentals and the growth trajectory of artificial intelligence technologies. The Sultan Oil Field, with its proven reserves and strategic location, provides a reliable source of commodity-backed revenue, expected to deliver sustained cash flows throughout the life of the Bonds. These revenues underpin the fixed coupon, offering bondholders a secure and predictable income stream.

At the same time, the Issuer is allocating a substantial portion of proceeds to investments in high-potential AI ventures. The artificial intelligence sector is experiencing rapid global adoption, with venture-backed companies demonstrating exceptional growth and strong exit multiples. Through the involvement of VentureSage LLC, the Issuer's AI investment advisor, approximately US$1.58 billion will be deployed into a diversified portfolio of ventures designed to capture this growth. The carried interest entitlement, 10% of realized net profits beginning in Year 3, provides bondholders with direct participation in this upside.

This combination of stable oil revenue and exposure to high-growth AI ventures positions Project Phoenix I as a uniquely diversified opportunity. It balances the predictability of energy-based cash flow with the exponential return potential of frontier technology investments, offering bondholders both stability and significant upside within a single instrument.

Governance

The governance framework of Project Phoenix I is structured to provide maximum transparency, accountability, and investor protection. Project Phoenix I SPV LLC serves as the dedicated Issuer, with its activities limited solely to the issuance of the Bonds, the management of proceeds, and the servicing of bondholder obligations.

Tailored Bonds LLC acts as Sponsor, responsible for structuring the transaction, managing financial administration, and ensuring that rights under the Revenue Assignment and Security Agreement (RASA) are properly maintained and enforced. The Sponsor also coordinates specialist operators for oil field development and VentureSage LLC for AI portfolio management.

An independent Trustee is appointed under the Trust Indenture to safeguard bondholder interests. The Trustee holds security over pledged assets, monitors compliance with covenants, manages reserve accounts, and oversees distributions of both coupon payments and profit participations. In the event of default, the Trustee is empowered to enforce rights and liquidate collateral for the benefit of bondholders.

To further reinforce governance standards, the Issuer and Trustee will engage external advisors, including legal counsel, auditors, and technical consultants, on an ongoing basis. Regular reporting will be made available to bondholders, including updates on oil production performance, AI investment progress, and the financial condition of the Issuer.

This structure ensures that operational execution, financial oversight, and investor protections remain clearly defined and independently monitored throughout the life of the Bonds.

3. Terms of the Offering

The Project Phoenix I Asset-Backed Revenue Bonds (the “Bonds”) are being offered by Project Phoenix I SPV LLC (the “Issuer”), a Delaware special-purpose entity formed and managed by Tailored Bonds LLC (the “Sponsor”). The Bonds are offered pursuant to the terms of this Private Placement Memorandum (the “PPM”) and the Trust Indenture to be entered into between the Issuer and the Trustee.

Principal Amount and Coupon

The Bonds will be issued in an aggregate principal amount of up to US$1.99 billion. Each Bond will have a par value of US$1,000. The Bonds will bear interest at a fixed rate of 5.00% per annum, payable annually in arrears on December 1 of each year, commencing December 1, 2026.

Profit Participation

Beginning in Year 3, Bondholders will be entitled to receive an additional profit-participation return equal to ten percent (10%) of net profits realized from the Issuer's artificial intelligence venture portfolio, as further described in Section [●] of this PPM. Such payments, if any, will be distributed annually alongside coupon payments.

Maturity

The Bonds will mature on the date that is ten (10) years from issuance, unless earlier redeemed. At maturity, the Issuer will repay the full principal amount together with any accrued and unpaid interest.

Redemption Provisions

The Bonds may be redeemed prior to maturity, in whole or in part, at the option of the Issuer. Any redemption shall be made at par plus accrued and unpaid interest to the redemption date, together with any applicable premium specified in the Trust Indenture. Notice of redemption shall be provided to the Trustee and Bondholders not less than thirty (30) days prior to the redemption date. Early redemption will be subject to the limitations and covenants set forth in the Trust Indenture.

Investor Upside

In addition to the fixed coupon, Bondholders participate in the 10% carried interest in AI venture profits from Year 3 onward. The carried interest is calculated on net realized profits and distributed annually. This dual-income structure—fixed oil-backed coupon plus AI venture upside—is designed to provide stable cash flows with additional high-growth potential.

Regulation D and Regulation A+ Tranches

The Bonds are being offered exclusively in private placement under Regulation D, Rule 506(c) of the U.S. Securities Act of 1933, as amended, and in reliance on Regulation S for non-U.S. persons. A limited tranche, representing up to 2% of the total principal amount, may also be offered to eligible U.S. retail investors under Regulation A+ Tier 2 (the "Series R Bonds"). Series R Bonds will be issued under a separate CUSIP and pursuant to a qualified Offering Circular, but will share pari passu rights with the Regulation D Series (the "Series D Bonds") under the Trust Indenture. Investors in the Regulation A+ tranche should refer to the Offering Circular for full terms and risk disclosures applicable to Series R Bonds.

4. Collateral and Security

The Bonds issued under this Private Placement Memorandum and governed by the Trust Indenture are secured by a combination of tangible and intangible assets, which provide Bondholders with a diversified collateral base. The primary sources of collateral for the Bonds include oil production revenue derived from the Sultan Oil Field and the profits from AI venture investments. The structure of this collateral is designed to offer Bondholders a high level of security, with the ability to generate revenue from both traditional and high-growth sources.

Collateral Overview

The first source of collateral securing the Bonds is the revenue generated from oil production at the Sultan Oil Field. The Sultan Oil Field, located in a strategic region, is a proven reserve that is currently in the process of being expanded. The field consists of 42 capped wells, with full production expected to be achieved within Year 1 of the project. The revenue generated from the sale of oil produced from these wells will serve as the primary cash flow for the Bonds, ensuring regular interest payments and repayment of principal.

In addition to the revenue from the oil production, the Sultan Oil Field's reserves and related infrastructure, including the wells, processing facilities, and any future expansions, are also pledged as collateral. The Issuer has committed to maximizing the efficiency and output of the field, utilizing state-of-the-art technology and modern drilling techniques to ensure a stable and growing cash flow from this asset.

AI Venture Profits

The second source of collateral arises from the profits generated by AI venture investments. The Issuer has committed a significant portion of the bond proceeds, approximately $1.58 billion, to invest in high-return AI ventures, which are expected to provide returns of minimum 5x-12x over the next three years. These investments will be focused on high-growth sectors, such as artificial intelligence, machine learning, and other emerging technologies.

The AI venture profits contribute to the collateral in two ways:

1. **5x-12x Projected Return on Investment**: As the AI ventures mature and realize profits, the proceeds from these ventures will be used to support the bond's repayment structure. The Issuer projects that the AI venture investments will yield

returns of up to 5x-12x of the invested capital, providing significant upside for Bondholders.

2. **10% Carry**: In addition to the projected capital returns, Bondholders will receive a 10% share of the profits generated from the AI ventures. This carry will be paid annually, starting in Year 3, and will be distributed on December 1st each year. The 10% carry will be based on the net profits realized from the AI ventures, after operational costs, taxes, and any other applicable expenses have been deducted.

The AI venture profits, along with the 10% carry, add an additional layer of security to the Bonds, offering Bondholders a diversified income stream from both oil production and the rapidly growing AI sector.

Security Structure

The collateral securing the Bonds is held within the Trust Estate, which includes both tangible assets and the proceeds from the oil and AI ventures. The Trust Estate is managed by the Trustee, who holds the assets in trust for the benefit of the Bondholders. The structure of the Trust Estate ensures that Bondholders have a first-priority claim on the assets in the event of any default or liquidation of the Issuer.

The Trust Estate includes, but is not limited to, the following:

1. **Oil Production Assets:** All rights, title, and interest in the Sultan Oil Field, including the 42 capped wells, production facilities, and any future expansions.
2. **AI Venture Investments:** All rights, title, and interest in the AI ventures, including any ownership stakes, profits, and intellectual property associated with these investments.
3. **Reserves:** Any funds held in designated reserve accounts established under the terms of the Trust Indenture, including funds for the payment of principal and interest, as well as additional funds set aside for the 10% carry payments to Bondholders.
4. **Receivables and Claims**: All future claims, receivables, and other financial instruments related to the Sultan Oil Field and AI ventures, which will be pledged as additional security for the Bonds.

In the event of a default, the Trustee is authorized to liquidate the assets of the Trust Estate in accordance with the terms of the Trust Indenture and apply the proceeds to pay the outstanding principal, interest, and 10% carry due to Bondholders. The Trust Estate structure ensures that Bondholders are adequately protected, with a clear and enforceable claim on the Issuer's assets.

5. Use of Proceeds

The proceeds from the issuance of the Project Phoenix Asset-Backed Revenue Bonds (the "Bonds") will be allocated in accordance with the purposes outlined herein and as formally defined in Section 4.8 of the Trust Indenture. The Issuer has determined that the funds will be used to develop the Sultan Oil Field, invest in high-return AI ventures, and cover necessary operational costs associated with the management and execution of the project. These uses are designed to maximize the value of the Bonds, generate consistent cash flows, and provide strong returns to Bondholders over the life of the offering.

Oil Field Development

A substantial portion of the funds raised from the Bond offering will be allocated to the development of the Sultan Oil Field. Specifically, approximately $168 million will be directed towards the reopening of 42 capped wells in the Sultan Oil Field, with the goal of increasing production capacity and enhancing revenue generation. These wells have been selected based on their proven reserves and their strategic location within the field, and their revitalization is expected to generate significant production in the first year of operation.

The Issuer intends to employ advanced oil extraction techniques, alongside modern technology, to maximize the efficiency of these wells. The reinvestment into oil production infrastructure is a critical component of the project, as it will provide Bondholders with a reliable and steady stream of revenue through the sale of oil. These funds will also cover necessary operational and maintenance costs related to the oil field's production capacity.

AI Ventures

In addition to the oil field development, a significant portion of the proceeds, approximately $1.58 billion, will be allocated to investments in AI ventures. These ventures are strategically selected for their high-return potential in rapidly growing sectors, including artificial intelligence, machine learning, and other innovative technologies. The Issuer has identified a diverse portfolio of AI ventures that are expected to generate substantial returns, with projected growth rates of 5x-12x over the next three years.

The Issuer has appointed VentureSage LLC, a specialist firm in emerging technology investment, as the lead advisor for the allocation, structuring, and management of AI-related capital. VentureSage, or one or more of its designated affiliates, will oversee the deployment of approximately $1.58 billion into venture-stage opportunities. These investments will be governed in accordance with the AI investment participation terms described in the Trust and related Financing Agreements.

The investment in AI ventures will diversify the Issuer's revenue sources, providing Bondholders with the opportunity to benefit from both oil production revenues and the high-growth potential of AI technologies. By combining these two revenue streams, the Issuer is positioned to reduce risk while maximizing upside potential for Bondholders. Furthermore, profits from the AI ventures will be used to pay the 10% carry to Bondholders starting in Year 3.

Operational Costs and Reserves

The remaining proceeds from the Bond issuance will be allocated to cover operational costs and reserves required for the successful execution and management of the Project. These funds will be used for the following purposes:

1. Administrative Costs: Includes the costs associated with the ongoing management and administration of the project, including executive salaries, operational oversight, and general administrative expenses.
2. Technical Costs: Covers the costs associated with the technology and infrastructure needed to maintain and improve oil production, including the implementation of modern drilling techniques, equipment upgrades, and ongoing maintenance of production facilities.
3. Legal and Compliance Costs: Funds will also be used to cover legal and compliance-related expenses, including regulatory filings, legal advisory fees, and any other costs required to ensure the Issuer remains in full compliance with applicable laws and regulations governing the oil and AI ventures.
4. Reserve Accounts: A portion of the funds will be allocated to the creation of reserve accounts, which will be used to ensure the timely repayment of interest and

principal due to Bondholders. These reserves will provide an additional layer of security for Bondholders, ensuring that the Issuer maintains sufficient liquidity to meet its obligations under the Trust Indenture.

Summary of Use of Proceeds

The estimated allocation of net proceeds is as follows:

Use Category	Estimated Allocation
Oil Field Operations	$168,000,000
AI Venture Investments	$1,580,000,000
Operational, Legal, Reserves & Admin	$242,000,000
Total Net Proceeds	$1,990,000,000

These allocations reflect those set forth in Section 4.8 of the Trust Indenture. Deviations beyond 10% in any category require Trustee and majority Bondholder approval.

6. Risk Factors

Investing in the Project Phoenix Asset-Backed Revenue Bonds involves a number of risks, including but not limited to those outlined below. Potential investors are strongly advised to carefully consider these risk factors before making an investment. The value of the Bonds and the payments to Bondholders depend on the performance of the underlying assets, including both oil production and AI venture investments, and various market, operational, and financial factors. There is no guarantee that the Issuer will achieve the expected returns or that Bondholders will receive the anticipated payments.

Market Risks

The oil industry is subject to significant market risks, which may affect the performance of the Sultan Oil Field and, in turn, the Issuer's ability to meet its obligations to Bondholders. These risks include, but are not limited to, oil price volatility, geopolitical risks, and environmental regulations. The price of crude oil is inherently volatile and can be influenced by various global factors, including supply and demand dynamics, geopolitical tensions, and economic conditions. A decline in oil prices could adversely affect the revenue generated from the Sultan Oil Field, potentially impacting the Issuer's ability to service the Bonds.

Furthermore, geopolitical instability or regulatory changes in oil-producing regions could disrupt production, affecting the overall performance of the project. Environmental risks, such as changes in environmental regulations or potential environmental liabilities, also pose a risk to operations and production, increasing operational costs or limiting production capacity.

AI Investment Risks

In addition to oil production, the Issuer has committed a substantial portion of the bond proceeds to investments in AI ventures. These investments carry inherent risks, including regulatory uncertainties and scalability challenges. The AI industry is still evolving, and the regulatory framework around AI technologies, data privacy, and intellectual property rights is uncertain. Any changes in these regulations could limit the growth or profitability of the AI ventures in which the Issuer invests.

Furthermore, the scalability of these AI ventures is not guaranteed. While the Issuer expects these ventures to yield significant returns, challenges in market acceptance, technological development, and competition could impact the performance of these ventures, affecting both the profitability and the timing of returns.

Liquidity Risks

The long-term nature of the Bond creates certain liquidity risks. The Bonds have a maturity of 10 years, and there may be limited opportunities to liquidate the investment prior to maturity unless early redemption provisions are triggered. As such, Bondholders should be prepared to hold their investment until the Bond's maturity unless otherwise specified.

Additionally, the 10% carry from AI venture profits will not be available until Year 3, and the timing of carry payments is dependent on the performance of the AI ventures. There is no guarantee that these profits will materialize as projected, and the carry payments may be delayed or reduced if the AI ventures do not meet their expected performance benchmarks.

Operational Risks

The development and production of oil from the Sultan Oil Field also involve various operational risks. The Issuer faces the risk of unforeseen delays or cost overruns in the reopening and operation of the 42 capped wells. The success of these wells in producing oil depends on several factors, including the quality of the reserves, the effectiveness of drilling technologies, and the ability to manage operational costs. Unexpected increases in production costs, equipment failure, or operational inefficiencies could adversely affect the cash flows from oil production.

The Issuer also faces environmental and safety risks inherent in the operation of oil production facilities. Accidents, equipment failures, or environmental spills could disrupt production, increase costs, or lead to liabilities that could significantly impact the project's financial viability.

7. Financial Overview and Projections

The financial structure of the Project Phoenix Asset-Backed Revenue Bonds is designed to deliver stable returns to Bondholders through the combination of revenue from the Sultan Oil Field and the potential upside from AI venture investments. This section provides a detailed overview of the cash flow projections, expected returns, and sensitivity analysis.

Cash Flow Projections

The cash flow generated from the Sultan Oil Field forms the foundation for the bond's financial structure. The 42 vertical wells in the Sultan Oil Field are expected to generate substantial revenue, with production ramping up in Year 1. As the wells come online gradually, production is projected to reach full capacity by the end of Year 1. In Year 1, 10 wells will be reconditioned and uncapped monthly, with production increasing each month.

The projected total revenue from oil production is based on a modest price of $65 per barrel of oil, with an expected 10% decline in production per well annually due to natural reservoir depletion. In addition to oil, gas production will provide a secondary income stream. The total revenue generated from oil and gas production over the life of the project is estimated to be $8.4 billion.

The expected breakdown of the oil and gas revenue after costs, taxes, and revenue splits with the National Oil Corporation (NOC) is as follows:

- Total Revenue from Oil & Gas: $8.4 billion over 10 years.
- RASA Share: $2.98 billion.
- National Oil Corporation (NOC) Share: $2.98 billion.
- Total Costs and Taxes: $2.4 billion.

AI Venture Returns

The proceeds from the bond offering will also be allocated to AI venture investments, which are expected to generate high returns. The Issuer projects returns on these investments in the range of 3x-5x over the next three years. The AI ventures are expected to generate $4.75 billion to $7.9 billion by Year 3, starting with $1.58 billion allocated in Year 1. These ventures will be structured to achieve substantial growth, capital appreciation, and exit opportunities.

The 10% carry paid to Bondholders will be based on the realized profits from these ventures, providing additional returns to investors. The carry will be paid annually, starting in Year 3. The Issuer estimates, based on modeled AI venture outcomes, that total carry distributions may reach $470 million over the life of the bond. These projections are illustrative and subject to investment performance.

Bondholder Returns

Bondholders are entitled to receive:

- 5% Annual Interest: Paid annually on December 1st from oil production revenue.
- 10% Carry from AI Ventures: Paid annually starting in Year 3, based on the net profits from AI ventures.

This dual-source income structure offers Bondholders a secure, stable return from oil production while providing substantial upside potential from AI venture profits.

Sensitivity Analysis

The financial projections for the Project Phoenix Asset-Backed Revenue Bonds are sensitive to several key factors, which could impact the revenue generated from oil production and the returns from AI ventures.

1. **Oil Price Fluctuations**: The oil price is assumed to be $65 per barrel in the projections. A decrease in oil prices could reduce the revenue from oil production, while an increase in oil prices could lead to higher revenues and returns for Bondholders.
2. **AI Venture Performance**: The AI venture returns are projected to be in the range of 3x-5x over three years. However, the success of these ventures is not guaranteed and is subject to market conditions, regulatory changes, and the ability of the Issuer to identify and capitalize on profitable AI ventures.
3. **Production Depletion**: Oil production from the Sultan Oil Field is expected to decline by 10% per year due to natural reservoir depletion. While this decline is factored into the projections, any faster-than-expected depletion or production inefficiencies could impact the revenue available to Bondholders.
4. **Cost Overruns**: The cost of reopening and operating the wells in the Sultan Oil Field is subject to risk, particularly given the geopolitical and environmental factors involved. Any significant increase in operational costs or delays in bringing the wells into production could reduce the available cash flow and affect the Issuer's ability to meet its obligations.

The Issuer has structured the financial projections to account for these variables, ensuring that Bondholders have clarity on the potential impact of changing market conditions on their returns.

8. Reinvestment Strategy

The Issuer has developed a comprehensive reinvestment strategy to ensure that any surplus funds generated through the project are allocated efficiently to enhance the returns to Bondholders. This strategy focuses on balancing short-term liquidity with long-term growth, diversifying the Issuer's income sources, and creating additional value from reinvested funds.

Surplus funds may arise from excess revenue from oil production, unutilized operational reserves, or proceeds from the Issuer's AI ventures. These surplus funds will be allocated into two key areas: short-term money market instruments and AI ventures. The allocation of funds will be executed with the goal of optimizing returns and maintaining a flexible liquidity position.

The Issuer will invest a portion of any surplus funds into safe, liquid, short-term instruments, such as U.S. Treasury bills, certificates of deposit, and other money market instruments. The purpose of these investments is to ensure that funds are readily available for the Issuer to meet its bond obligations, including principal and interest payments, while also providing a modest return.

The remainder of the surplus funds will be allocated to further AI venture investments, which have been identified as high-growth opportunities in emerging technologies. The Issuer's AI investment strategy will focus on sectors such as artificial intelligence, machine learning, and related fields that offer the potential for significant capital appreciation and revenue generation. By reinvesting surplus funds into AI ventures, the Issuer seeks to capitalize on the tremendous growth potential of these technologies, further diversifying the revenue streams that support the Bonds.

In selecting AI ventures, the Issuer will prioritize high-growth opportunities in industries with strong potential for technological advancement and market adoption. A diversified portfolio of AI investments will be targeted, reducing exposure to any single technology or company, thereby minimizing risk while maximizing the chances of substantial returns. The Issuer expects these ventures to provide returns of 3x to 5x the invested capital over the next three years, with profits from these ventures contributing to the annual 10% carry distributed to Bondholders.

While the reinvestment strategy aims to generate substantial returns, it is important to note the associated risks. Investments in AI ventures are subject to inherent market risks, as the AI sector is highly competitive and evolving rapidly. The success of AI ventures is not guaranteed, and factors such as technological challenges, regulatory changes, and competition could impact their performance.

Additionally, the Issuer must balance liquidity needs with the desire for higher returns from AI ventures. Although short-term investments offer safety and liquidity, they typically provide modest returns, and there is a risk that the allocation to these instruments could limit the growth potential of the project. Similarly, AI ventures, while potentially lucrative, carry inherent volatility, especially in the early stages of development. The Issuer will employ rigorous due diligence and ongoing monitoring to mitigate these risks and ensure that the reinvestment strategy aligns with the interests of Bondholders.

The reinvestment strategy is designed to ensure the sustainable growth of the project, maximize returns for investors, and maintain a diversified approach to risk management. The Issuer is committed to leveraging surplus funds in a manner that balances stability with growth, providing both steady income and significant upside potential for Bondholders.

9. Trustee and Legal Structure

Role of the Trustee

The Trustee plays a critical role in the administration of the Project Phoenix Asset-Backed Revenue Bonds and is entrusted with overseeing the interests of the Bondholders. Acting as a fiduciary, the Trustee is responsible for ensuring that the Issuer adheres to the terms outlined in the Trust Indenture and that the Bondholders' interests are protected throughout the life of the bond issuance.

The Trustee will oversee the management of the collateral, which includes the revenue generated from the Sultan Oil Field and the profits from the Issuer's AI venture investments. The Trustee ensures that these assets are properly maintained and managed in accordance with the provisions set forth in the Trust Indenture. In the event of default, the Trustee is authorized to enforce the rights of the Bondholders by liquidating the collateral or taking other necessary actions to recover any amounts owed.

Furthermore, the Trustee is tasked with monitoring the performance of the AI ventures, ensuring that the profits generated from these investments are accurately reported and that the 10% carry owed to Bondholders is correctly calculated and distributed. The

Trustee will also ensure that the Issuer complies with the covenants and terms outlined in the Trust Indenture, including the timely payment of interest and principal.

The Trustee has the authority to take action in the event of an Event of Default, as defined in the Trust Indenture, including enforcing the terms of the bond agreement and taking legal action if necessary to protect the interests of the Bondholders. The Trustee will act with good faith, reasonable care, and due diligence, and is tasked with ensuring that all actions taken are in line with the best interests of the Bondholders.

Legal Structure

The legal structure of the Project Phoenix Asset-Backed Revenue Bonds is defined by the Trust Indenture, a legally binding agreement between the Issuer, the Trustee, and the Bondholders. The Trust Indenture serves as the primary document governing the rights and obligations of all parties involved in the bond issuance, establishing the framework for the management and administration of the Bonds.

The Trust Indenture specifies the terms of the bond issuance, including the principal amount, interest rate, payment schedule, and maturity date. It also outlines the collateral securing the Bonds, which includes the oil production revenue from the Sultan Oil Field and the profits from AI ventures. These assets are pledged as security to ensure the Bondholders are adequately protected.

The Trust Indenture sets forth the rights of the Bondholders, including their entitlement to receive timely interest and principal payments, as well as their right to receive a portion of the profits from the Issuer's AI ventures. In the event that the Issuer fails to meet its obligations under the Bonds, the Trust Indenture outlines the procedures for Bondholders to enforce their rights, including the ability to call a meeting or take legal action to recover any funds owed.

The Trust Indenture also establishes the covenants that the Issuer must adhere to throughout the life of the Bonds. These include requirements for financial reporting, the use of proceeds, and the maintenance of collateral. The Issuer is obligated to comply with these covenants, and the Trustee is responsible for monitoring the Issuer's compliance. If any violations of the covenants occur, the Trustee is empowered to take corrective action to protect the interests of the Bondholders.

The Events of Default section of the Trust Indenture defines the circumstances under which the Trustee or Bondholders may take action to remedy any breach or non-performance by the Issuer. This includes the possibility of liquidating collateral or initiating other legal proceedings to ensure repayment of the Bonds.

In addition to the Trust Indenture, other binding agreements may be executed to support the issuance and management of the Bonds. These agreements may include pledge agreements, security agreements, and supplemental agreements related to the AI venture investments. Each of these documents will further define the rights and obligations of the parties involved and ensure the proper administration of the project.

10. Subscription and Purchase Procedures

Investor Qualification

The Project Phoenix Asset-Backed Revenue Bonds (the “Bonds”) are being offered solely to accredited investors, as defined under applicable securities laws. To qualify as an accredited investor, an individual or entity must meet the criteria established by the U.S. Securities and Exchange Commission (SEC) or the relevant governing bodies in other jurisdictions. These criteria may include, but are not limited to, income thresholds, net worth requirements, or professional experience in financial matters.

Prospective investors must certify and provide supporting documentation of their Accredited Investor status, and the Issuer (or its placement agent) will take reasonable steps to verify such status as required under Rule 506(c) and provide the necessary documentation to the Issuer or the Placement Agent before subscribing to the Bonds. By subscribing to the Bonds, investors represent and warrant that they meet the applicable criteria for accredited investors and that they are purchasing the Bonds for their own account, and not for the account of any other person or entity.

Subscription Process

To participate in the offering, eligible investors must complete the following steps:

1. Submission of Subscription Agreement: Investors must complete and submit the Subscription Agreement provided by the Issuer, which outlines the terms and conditions of the investment, including the number of Bonds to be purchased, the purchase price, and the investor's accredited investor certification.
2. Delivery of Required Documents: Investors are required to provide all necessary documentation to verify their accredited investor status, as well as any additional documents requested by the Issuer or Placement Agent. This may include financial statements, tax returns, or other forms of evidence to confirm eligibility.
3. Wire Transfer of Funds: Upon acceptance of the Subscription Agreement, investors will be required to initiate a wire transfer for the total purchase price of the Bonds. The payment details will be provided by the Issuer or the Placement Agent.
4. Acceptance and Confirmation: Once the Subscription Agreement is reviewed and accepted by the Issuer, investors will receive a confirmation of their subscription, including the number of Bonds allocated to them and the total amount of the investment. The Issuer will then update its records to reflect the investor's participation in the offering.
5. Settlement: The settlement of the subscription will occur upon the completion of the offering, as detailed below in the Closing Date section. Subscriptions are subject to the Issuer's discretion and may be rejected in whole or in part.

Purchase Price and Payment

The purchase price for each Bond will be set at the face value of the Bond, as specified in the Subscription Agreement. Each Bond will have an initial purchase price equal to its par value, which is $1,000 per Bond. Investors are required to pay the full purchase price upon subscription.

Investors must submit their payment by wire transfer in U.S. dollars to the account specified by the Issuer or Placement Agent. The Issuer will provide detailed payment instructions along with the Subscription Agreement. Any applicable fees, if required, will be disclosed to the investors at the time of subscription.

Payments must be made in full, and the Issuer reserves the right to reject any subscription if the payment is not received in accordance with the terms outlined in the Subscription Agreement. Any investor whose subscription is rejected will be notified promptly, and any funds received from such investor will be refunded without interest.

Closing Date

The offering will close on [insert closing date], or such earlier or later date as determined by the Issuer, at its sole discretion. Subscriptions must be received by the Issuer before the Closing Date in order to be considered for inclusion in the offering. After the Closing Date, no further subscriptions will be accepted, and the Issuer will allocate the Bonds to investors who have completed the subscription process.

The Issuer reserves the right to extend the Closing Date at its discretion, should it deem necessary. In such cases, the Issuer will notify all interested parties of the new deadline. After the offering closes, the Issuer will confirm all successful subscriptions and will proceed with the issuance of the Bonds to investors.

11. Contact Information

Issuer Contact Details

For any inquiries regarding the Project Phoenix Asset-Backed Revenue Bonds or for further information about Project Phoenix I SPV LLC (the "Issuer"), interested parties may contact the Issuer at the following address:

Project Phoenix I SPV LLC (the "Issuer")
[ADDRESS]

All investor inquiries, subscription-related questions, and requests for additional information regarding the offering should be directed to the Issuer's designated representative, whose contact information is provided above. The Issuer is available to assist potential investors with any inquiries or concerns regarding the bond offering, and will provide responses in a timely manner.

Confidentiality and Distribution

This Private Placement Memorandum (the "PPM") is confidential and is being furnished exclusively to Accredited Investors pursuant to Regulation D and to eligible investors under Regulation A+ or Regulation S, as applicable in connection with the offering of Project Phoenix Asset-Backed Revenue Bonds (the "Bonds"). This document may not be reproduced, distributed, or otherwise shared with any person or entity other than those specifically authorized by Project Phoenix I SPV LLC (the "Issuer").

The Bonds are being offered and sold in reliance upon exemptions from the registration requirements of the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold to persons who are not accredited investors under the Securities Act or the relevant governing laws of other jurisdictions. This PPM does not constitute an offer to sell, or a solicitation of an offer to buy, any securities to any person in any jurisdiction where such offer or sale would be prohibited by applicable law.

General Notices and Representations

This Memorandum is furnished on a confidential basis and is intended solely for the person to whom it is specifically delivered for the purpose of evaluating an investment in the Project Phoenix Asset-Backed Revenue Bonds. By accepting delivery of this Memorandum, the recipient agrees to keep its contents confidential, not to disclose it to any third party, and not to use it for any purpose other than evaluating the investment in the Bonds. The recipient further agrees not to copy this Memorandum, in whole or in part, or any other written information provided by the Issuer in connection with this offering. In the event that the recipient does not subscribe to purchase any Bonds, or if no portion of the recipient's subscription is accepted, or if the offering is terminated or withdrawn, the recipient agrees to return this Memorandum and any such written materials to Project Phoenix I SPV LLC at [insert address].

The Bonds have not been registered under the Securities Act of 1933, and the Issuer has not been registered under the Investment Company Act. The Bonds are being offered and sold to Accredited Investors in the United States in reliance on Regulation D, Rule 506(c), and to non-U.S. persons in accordance with Regulation S promulgated under the Securities Act and/or such other applicable rules and regulations. Each purchaser of a Bond will be deemed to make certain acknowledgments, representations, warranties, and certifications.

In determining whether to invest in the Bonds, each prospective investor must rely upon their own examination of the Issuer and the terms of the offering, including the merits and risks involved. The Issuer expects to provide prospective investors with an opportunity to ask questions of its representatives concerning the Issuer and the terms of the offering and to obtain additional relevant information, to the extent such information is available. Except as stated herein, no person is authorized to provide any information or make any representation not contained in this Memorandum, and any information or representation given or made outside of this document must not be relied upon as authorized by the Issuer. The information contained in this Memorandum supersedes any prior information provided to prospective investors regarding the Issuer or the terms of the investment.

The Issuer makes no express or implied representation or warranty regarding the attainability of any forecasted financial information expressed or implied herein, nor the accuracy or completeness of the assumptions from which the forecasted information is derived. Projections of the Issuer’s future performance are subject to a high degree of uncertainty, and actual results are expected to vary significantly from those projected. Such variances may be material and adverse. Prospective investors are expected to conduct their own independent investigation with respect to the Issuer and its prospects. It is anticipated that each offeree will pursue their own independent investigation regarding the forecasted financial information provided herein.

Prospective investors in the Bonds are not to construe the contents of this Memorandum as legal, business, or tax advice. Each prospective investor should consult their own attorney, business advisor, and tax advisor as to the legal, business, tax, and related matters concerning this offering.

This Memorandum has been prepared solely for the purpose of the proposed offering of the Bonds. The Issuer reserves the right to reject any subscription for the Bonds, in whole or in part, or to allot fewer Bonds than requested by any prospective investor.

The Bonds are asset-backed securities representing obligations of the Issuer. They are not guaranteed by any government agency. Credit enhancement for the Bonds consists of collateralization in the form of pledged assets, including the collateral assets, and a sinking fund account which will be established to accumulate funds for debt service payments. The Bonds will be offered and sold on behalf of the Issuer by certain officers or managers of the Issuer, who may also utilize the services of broker-dealers, members of the Financial Industry Regulatory Authority (FINRA), in connection with the offer and sale of the Bonds, subject to applicable securities laws.

THIS OFFERING IS NOT UNDERWRITTEN. THE OFFERING PRICE OF THE BONDS HAS BEEN ARBITRARILY SET BY THE MANAGEMENT OF THE ISSUER. THERE CAN BE NO ASSURANCE THAT ANY OF THE SECURITIES WILL BE SOLD. THE HOLDERS OF A MAJORITY OF THE ISSUED AND OUTSTANDING BONDS WILL NOT HAVE THE RIGHT TO ELECT ANY MEMBER OF THE COMPANY’S BOARD OF DIRECTORS. AS SUCH, INVESTORS WILL HAVE LIMITED RIGHTS WITH RESPECT TO THE GOVERNANCE OF THE COMPANY.

THE BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (SEC) OR ANY STATE SECURITIES AGENCY, NOR HAS ANY REGULATORY BODY REVIEWED THIS OFFERING MEMORANDUM FOR ACCURACY OR COMPLETENESS. BECAUSE THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, THERE MAY BE RESTRICTIONS ON THEIR TRANSFERABILITY OR RESALE BY AN INVESTOR. EACH PROSPECTIVE INVESTOR SHOULD ASSUME THAT THEY MUST BEAR THE ECONOMIC RISKS OF THE INVESTMENT FOR AN INDEFINITE PERIOD, AS THE SECURITIES MAY NOT BE SOLD UNLESS, AMONG OTHER THINGS, THEY ARE SUBSEQUENTLY REGISTERED UNDER APPLICABLE SECURITIES LAWS OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE. THERE IS NO ESTABLISHED TRADING MARKET FOR THE ISSUER’S SECURITIES, AND THERE IS NO ASSURANCE THAT ANY MARKET WILL DEVELOP OR THAT THE SECURITIES WILL EVER BE ACCEPTED FOR INCLUSION IN A TRADING EXCHANGE.

THE ISSUER IS NOT OBLIGATED TO REGISTER FOR SALE UNDER U.S. FEDERAL OR STATE SECURITIES LAWS THE SECURITIES PURCHASED UNDER THIS OFFERING. THE SECURITIES ARE BEING ISSUED PURSUANT TO EXEMPTIONS FROM REGISTRATION UNDER THE SECURITIES ACT, WHICH MAY INCLUDE REGULATION S. CONSEQUENTLY, THE SALE, TRANSFER, OR DISPOSITION OF ANY OF THE SECURITIES PURCHASED MAY BE RESTRICTED BY U.S. FEDERAL OR STATE SECURITIES LAWS AND BY THE PROVISIONS OF THE SUBSCRIPTION AGREEMENT.

The management of the Issuer has provided all the information stated herein. However, the Issuer makes no express or implied representation or warranty regarding the completeness of this information or the attainability of any projections, estimates, future plans, or forward-looking statements. The Issuer acknowledges that these projections are inherently uncertain and may vary materially from actual results.

By accepting this Memorandum, prospective investors recognize the need to conduct their own thorough investigation and due diligence before considering a purchase of the Bonds.

Offers and Sales Outside the United States

The Bonds may be offered and sold to purchasers outside the United States in accordance with Regulation D and Regulation S promulgated under the Securities Act and/or other applicable rules. The sale, transfer, or other disposition of any of the Bonds may be restricted by applicable federal securities laws and/or the securities laws of one or more non-U.S. countries.

In the event that Regulation S applies, each distributor selling securities must send a confirmation to foreign purchasers stating that such purchasers are subject to the same restrictions on offers and sales that apply to a distributor. To permit compliance with Regulation D, the Issuer may be required to furnish certain information upon request of a Bondholder or a prospective purchaser designated by such Bondholder.

This Memorandum does not constitute an offer to sell or a solicitation of an offer to buy to anyone in any jurisdiction where such offer or solicitation would be unlawful or unauthorized. Compliance with Regulation S will not affect the subsequent sale of these securities into the United States or to U.S. persons, as long as such sales are made in accordance with U.S. federal securities laws.

FOREIGN JURISDICTIONAL LEGEND

FOR PERSONS WHO ARE NEITHER NATIONALS, CITIZENS, RESIDENTS, NOR ENTITIES OF THE UNITED STATES: THESE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND, AS SUCH, CANNOT BE TRANSFERRED OR RESOLD DIRECTLY OR INDIRECTLY IN THE UNITED STATES OR TO U.S. PERSONS. FURTHER RESTRICTIONS ON TRANSFER WILL BE IMPOSED TO ENSURE COMPLIANCE WITH U.S. SECURITIES LAWS.

APPENDIX A

FORM OF SUBSCRIPTION AGREEMENT

This Subscription Agreement (the “Subscription Agreement”) is dated _______ __, 2025 and is being executed by the authorized officer of the undersigned, _______________, a company organized under the laws of , in connection with the purchase by the undersigned from Project Phoenix I SPV LLC (the “Issuer”) of $________________ principal amount of the Issuer’s Project Phoenix Asset-Backed Revenue Bonds.

The undersigned hereby makes the following representations, warranties, and agreements:

1. **Agreement to Subscribe**
The undersigned hereby subscribes for $_____________ principal amount of the Bonds. The purchase price for such subscription will be ____% (_________ percent) of the face amount of the Bonds. Payment for such subscription will be made by wire transfer to the Issuer’s bank account specified in the attached Exhibit A.

2. **Access to Information**

The undersigned acknowledges that the undersigned is subscribing for the Bonds after what the undersigned deems to be adequate investigation of the business and prospects of the Issuer. The undersigned has been furnished with all materials relating to the business and operations of the Issuer that have been requested, and has been given an opportunity to make any further inquiries desired of the Issuer's management and other personnel. The undersigned has received complete and satisfactory answers to any such inquiries.

3. **Certain Representations**

The undersigned further represents and warrants that:

(a) The undersigned has been advised that the Bonds have not been registered under the Securities Act of 1933, as amended (the "Act"), on the basis of an applicable statutory exemption, which may include Regulation D, Regulation S, or Regulation A+ Tier 2, as applicable to the investor's category, as may be amended from time to time, and on the representations made by the undersigned herein.

(b) The undersigned is acquiring the Bonds for investment for the undersigned's own account and not with a view to their resale or distribution, and does not intend to divide participation with others or resell or otherwise dispose of all or any part of the Bonds unless and until they are subsequently registered under the Act, or an exemption from such registration is available.

(c) The undersigned is an "accredited investor" as defined in Rule 501 of Regulation D, as amended, under the Act.

(d) The undersigned accepts the condition that the Bonds may only be transferred to another Accredited Investor pursuant to Regulation D, or to a non-U.S. person pursuant to Regulation S, and will be subject to restrictions on transferability, including a restrictive legend on the Bonds.. The undersigned understands that a legend to this effect must be placed on the Bonds.

<u>Subscriber Information</u>

Person or Organization name:
Mailing Address:
If Organization - Authorized Officer:
If Organization - Role:

Nationality:
Passport No.:
Issue Date:
Expiration Date:
Date of Birth:
Subscriber:________________________________

By:__________________________________