



initial coin offering

**WHITE PAPER
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Content

Definitions.....	3
Introduction.....	4
Green production and economy	5
The technology of SP-3 complex.....	6
Commercialization	7
Benefits of crowdfunding investments in Oileum.....	8
ICO terms.....	9
ICO details.....	10
Financial model for industrial scale production of SR-3 complexes.....	11
Conclusion.....	12

Definitions

OILEUM token – digital asset that gives holder a right to acquire waste processing complexes or the right to process wastes at a special price. Token holder also receives a right to join Blockchain Industrial Alliance.

Biplatform – is inhouse open-source project with Ethereum integration to develop functionality for connecting investors, industry enterprises, engineering and creative teams with clients and working together efficiently.

Escrow or the escrow agent is a third party that monitors the compliance with the obligations between a company and an investor with the help of secure transaction. The company (a scientist, a startup, an operating company, etc.) receives a guaranteed prepayment on a certain stage for the implementation of its project, the investor minimizes their risks in the event of cancellation of the transaction or fraud and a third-party which is an escrow agent, ensures commitment of obligations with smart contracts and is responsible for its proof-of-stake and reputation.

Cryptoeconomy – is a socio-economic relationship in a digital society based on using network protocols and binding smart-contracts. Cryptoeconomy deals with everything from the creation of cryptographic tokens (cryptocurrencies), digital assets; decentralized social security and crowdfunding systems to decentralized management systems, selffulfilling “smart” contracts, commerce markets for computing resources, consensus algorithms, online trust and reputation systems.

SR3 - is an innovative solution for the drilling wastes generated during the construction of oil and gas wells at the enterprises of the fuel and energy complex to be recycled. These wastes generated during oil and gas wells building (drilling mud, drilling agents and grouting mortars, sewage, domestic and industrial carboncontaining wastes) can be converted into composite material for infield roads and industrial sites construction, processed water, oil fuel.

ICO (Initial Coin Offering) – is the way to raise money with the help of cryptoinvestments to launch the project.

The purposes of this project are:

- Reduction of environmental damage associated with the disposal of solid domestic wastes;
- Curtail environmental risks associated with the objects of accumulated harm to the environment;
- Create an interactive information system that will identify and eliminate unauthorized garbage dumps;
- Broadcast sensitization messages to the citizenry on environmental care;
- Open channels of communication between citizens and public organizations.

Introduction. Description of the project.

Drilling mud—also called drilling fluid—is an essential component of the drilling process. Drilling mud aids in the process of drilling a borehole into the earth. Such holes are drilled for oil and gas extraction, core sampling and a variety of other purposes. The fluid is used to lubricate the drill bit and transport the drill cuttings to the surface.

When the drilling process is finished, the drilling waste must be disposed of in some way. Pit burial is a very common technique, in which the waste is placed in a manmade or natural excavation. However, burial is not a good method for waste that contains high concentrations of oil and industrial chemicals. The waste can easily contaminate soil and groundwater when the hydrocarbons and other chemicals leach into the earth, and polluted groundwater can take years or even decades to dissipate and often spreads to other areas.

Solving wastes from well boring operations has always been a matter of upmost urgency for drilling companies. In Russia alone, there are more than 3 million tonnes of oil sludges formed annually.

The supervisory environmental authorities have proposed increased obligations from enterprises responsible for the waste, especially those around water conservation zones.

As environmental requirements and government regulations becomes tougher, oil companies are under increasing pressure to treat and dispose these hazardous wastes properly.

Green production and economy

Oil waste are hazardous to the environment due to the toxicity of the extracted hydrocarbons and the substances used in the drilling processes.

When drilling for oil and gas, there are two problems oil companies have to contend with:

- Drill Cuttings and
- Drill Sludge

Drill cuttings are the broken bits of solid material removed from a borehole drilled by rotary, percussion, or auger methods that condenses at the bottom of the well as it deepens, while the fluids from the bottom of the well icondenses into what is transformed into drilling mud.

The volume of drilling cuttings is, in principle, equal to the volume of the wellbore. When engineering, the amount of drilling sludges is roughly assumed to be greater than drilling cuttings by approximately 20%. After the operation, almost the entire drilling mud fluid with the cuttings will end up in the sludge pits.

The mineralogical composition of the drilling mud is determined by the lithological composition of the drilled rocks and changes as the well deepens. The chemical composition of the drilling mud depends on both its mineral composition and the properties of the flushing fluid applied.

The granulometric composition of the drilling sludge is determined by the type and diameter of the rock destruction tool, the mechanical properties of the rock, the drilling regime, the properties of the flushing fluid and the efficiency of its cleaning.

Generally, the crude oil sludge and other waste products are stored in open ground tanks (oil sludge pits), which had significant negative impact on the environment due to leak and contamination. As a result, the problem of processing and recycling industrial waste products remains very relevant. This also applies to drilling waste. Natural ecosystems selfpurification and decontamination processes are well known, but its ability to process such substantial amounts of pollution is quite limited.

Soil natural selfcleaning is very slow. The storage pits construction on the oilfield site is practically done by excavating a certain volume of soil and bunking the pit. Waterproofing of the bottom and walls of the pit, is not always implemented making it almost impossible to avoid leakage into the surrounding landscape.

The impact of drilling waste on nature environment may not necessarily be manifested in a toxic effect on the biosphere, but instead it can also be expressed in biotopes equilibrium disturbance of different trophic levels when they interact with an abiotic environment whose ecosystem has been damaged.

The technology of SP-3 complex.

However, advancement in technology has recently discovered that oil sludge is not just a dangerous waste. Treated and recycled properly oil sludge have been producing valuable raw material for the construction, electrical, and mining industries. Sand for construction, oil and gas for fuel, road paving materials, coating and electricity materials are some of the product our in-house developed SR3 complex has been able to produce from these wastes.

For purification of drilling mud fluid, we have also developed a unique cleaning system. This system consists of three major components – two of which are embedded on semi-trailer, automobile platforms. They are:

- UBSH-1.5 Complex;
- Alpha-9 Complex;
- Alpha-T Complex.

Ubsl1.5 Complex: This mobile complex is based on physicchemical neutralization and hardening of cuttings (drillings) by structures from cement and lime through the addition of polymeric materials. The neutralizing effect achieved is results in the transformation of pulp into the inert consolidated mass and binding in its structure, the pollutants (oil and oil products/petroleum). The processed material can be used for construction and repair of drilling site platforms, road foundation, and strengthening of highways slopes.

Alpha9 Complex: This disposal complex carries out cleaning through the application of chain free radical electrochemical oxidation and selective sorption in low temperature environments. The disposal facilities are presented as modular devices placed in freight containers with the heating and ventilation system for onsite mounting.

AlphaT Complex: This installation is for the processing liquid and solid carbonaceous production waste such as oil and oily waste, film, synthetic rags, and products from HDPE, LDPE, PVC, rubber and polymers in order to produce chemically pure hydrocarbons of gasoline and diesel fractions.

The principal advantages of our complexes are:

- Catalytic process provides stable composition of gas mixture;
- Stability of management of heating of working cameras;
- The set composition of fuel with prevalence of C18C19 fractions in the main product;
- Deep purification of gas from impurity during catalytic process and condensation;
- Reducing the toxicity of exhaust gases from accelerating cameras;
- Correction of fuel characteristics due to the dripping on fractional composition and combustion heat.

Commercialization

Oil has become the world's most important source of energy since the mid-1950s. Its products underpin modern society, mainly supplying energy to power industry, heat homes and provide fuel for the transportation of goods, services, and people all over the world.

Demands for oil, gas, and its by-products keeps on increasing annually. So, have mining operations and the volume of waste it generates. The adoption of blockchain technology in modern-day industrial operations is rapidly revolutionizing the way businesses and business contracts are executed. Crowdfunding on the blockchain provides a secure, transparent, and immutable platform for investors to invest in a company backed by oilfield contracts.

This project underlies crowdfunding investments in OILEUM derivative (see definition above), which will be issued on Ethereum platform.

The scheme model of implementation of the OILEUM project is shown in Figure 1.

The OILEUM project consists of three main stages:

- Crowdfunding (pre-ICO and ICO);
- Production Output;
- Buyback.

1. Crowdfunding

The crowdfunding phase of the project will be in two phases:

ICO: The ICO for OILEUM is scheduled to start on August 19th and end when the Hard Cap is raised. The goal (hard cap) is to raise minimum \$95,000,000 and upon reaching the hard cap all OILEUM token holders will be issued the tokens via smart contracts.

*Comment: raised funds will be used as investment budget to manufacture two SR-3 complexes.

2. Production Output

In 3 month time after the ICO is over. The manufacturing of two SR3 complexes.

BENEFITS OF CROWDFUNDING INVESTMENTS IN OILEUM

OILEUM derivative is backed by real product which can withstand currency volatility due to firm price of a contract for oil drilling mud processing. The investors have the opportunity to get real product with the discount.

Other benefit includes:

- Green technology development for cleaner hydrocarbons extraction;
- Launch of new financial instrument;
- Decentralization of funding in oilfield service company for the first time ever.

ICO terms

The ICO is bound to be launched by the time Hard Cap is reached. We have set the deadline until November 17th. However, according to our estimation, Hard Cap will be reached even before countdown ends.

The price of 1 OILEUM (OUM) = \$0,01.

To invest into OILEUM you can use:
BTC, ETH, Wire Transfer

Bonus Amount:

\$50,000 - 10% bonus
\$100,000 - 15% bonus
\$150,000 - 25% bonus

ICO details

Symbol	OUM
Private Sale	\$0 - \$10,000,000
Pre-Sale	\$10,000,001 - \$35,000,000
Soft Cap	\$35,000,001 - \$95,000,000
Hard Cap	\$95,000,001 and up
Sales geography	Worldwide
Sale price	\$0.01
Token split	Total: 1,000,000,000 For sale: 800,000,000 (80%) For team: 150,000,000 (15%) For advisers: 50,000,000 (5%)
Website	https://oileum-ico.com
Platform	Ethereum
Smart-contract	Smart-contract address will be available on our website during crowd sale
Payment option	BTC, ETH, Wire Transfer
ICO start	19.08.2020
ICO end	17.11.2020
Standard of token	ERC20
Additional emission of tokens	No and not available according to the smart-contract
Exchange houses	CREX24

1. Smart-contract and tokens will be on Blockchain Ethereum according to ERC20 standard.
2. There will be 80% (800,000,000 eight hundred million) tokens available for sale and 20% (200,000,000 two hundred million) reserved for OILEUM team and bounty program.
3. Total token emission is 1,000,000,000 (one billion). Additional emission is not available according to the smart-contract.
4. 20% will be split according to the following:
 - 15% for team (will be available for use in 6 month time).
 - 5% for advisors;

Financial model for industrial scale production of SR-3 complexes

To explain the financial model for industrial scale production using OILEUM, we will demonstrate by solving the oil sludge problem.

1200 complexes are needed for servicing 2400 oil wells. To fulfill these numbers, the purchase of 20 complexes is required each month for 5 years (60 months).

All complexes are capable of processing 1 200 000 m³/month or 9.6 million of cubic meters per year (8 months season). This equals to 15.6 million of tons annually that will result in \$2,059 billion in revenue per year.

Estimated profit is \$602 million annually (29,24% from revenue or \$38,59 per ton). Accumulated profit over a 10-year period is estimated at \$4,5 billion. Factoring the price of storing oil drilling mud and other related expenses that includes environmental risks management and logistics, the minimum expected is \$183,3 per ton.

With increasing oilfield service production output, there is a future projection of offering SR-3 complexes for oil drilling mud processing to another EBRD companies domestically and abroad.

Disclaimer of liability

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Conclusion

To participate in the project is anticipated via purchase of OILEUM derivative, which will be issued on Ethereum blockchain platform; while OILEUM will be backed by contracts to process oil drilling sludge and company assets.

Sale of OILEUM options will happen during ICO (1 stages – August, 2020). Purchase of OILEUM is possible with using cryptocurrencies.

Blockchain open-source aims at following:

- Connect industry (real sectors of economy, IT, innovative, green technologies and others).
- Attract investments to startups and fulfil responsibilities acting as an escrow.
- Give opportunity to create credit and insurance smart contracts with no coding experience.
- Operate as patent database capable of payout transactions from company clients to authors of intellectual property.
- Create resources and finances exchange.
- Open access to global markets