THE ENERGY FLEX FUND

BY RISE CAPITAL GROUP

A Simple Way to Get Direct Exposure to Oil & Gas

WHY people Invest in Oil & Gas

People invest in oil and gas for three main reasons:

1. Tax benefits

Oil and gas offers some of the strongest tax advantages available under U.S. tax law. These deductions can often be used to offset:

- Ordinary income from a business
- W-2 income
- Capital gains
- Stock market gains

For many investors, this alone makes oil and gas worth understanding.

2. Monthly income potential

Oil and gas wells produce commodities that are sold every month. That production can generate recurring cash flow—something many asset classes simply don't provide.

3. Real, tangible assets

Oil and gas is physical. It's not a spreadsheet, a promise, or a trend. Energy is required for transportation, manufacturing, heating, electricity, and nearly every part of modern life. Wells decline over time, which makes energy a depleting resource—and depletion is exactly what creates long-term value.

Some wells produce for 10, 20, 30, even 50+ years. When structured correctly, this can support true generational wealth.

Where the **TAX BENEFIT** actually comes from

To receive the real tax benefits in oil and gas, an investor must be tied to a working interest.

A working interest means:

- **You are directly invested in the drilling and completion of a well**
- **You are participating in the business of producing oil and gas**
- **You share in the revenue and the responsibilities of the asset**

This includes ongoing costs like maintenance, compliance, and operations until the well is sold or plugged at the end of its life.

This is where most oil and gas tax benefits come from.

The Traditional **WAYS TO INVEST**

1. Direct Working Interest Participation

This is usually reserved for industry professionals or highly experienced investors.

You source the deal, vet the operator, review engineering data, manage risk, and make decisions on timing and capital. It can be very profitable—but it's complex, time-consuming, and risky without deep experience.

2. Traditional Syndications or Funds

These are led by a sponsor or manager who sources deals and places them into a fund or entity.

While this removes operational headaches, it creates other problems:

- **Lack of diversification.**
- **Many syndications are single-well or single-project deals.**
- **Dilution**
- **In many funds, early investors are diluted as new investors come in later. One bad project can drag down the entire fund.**
- **Lack of control**
- **Investors are often "along for the ride" with no real say in how capital is deployed.**
- **Misaligned incentives**
- **Many sponsors are not operators. They buy deals from others, mark them up, charge fees, take carried interest, and wait on updates while investors bear the risk.**
- **Limited upside**
- **Many projects are shale-focused. Shale wells often require higher oil prices, come on strong, decline quickly, and limit long-term upside.**

The problem we want to SOLVE

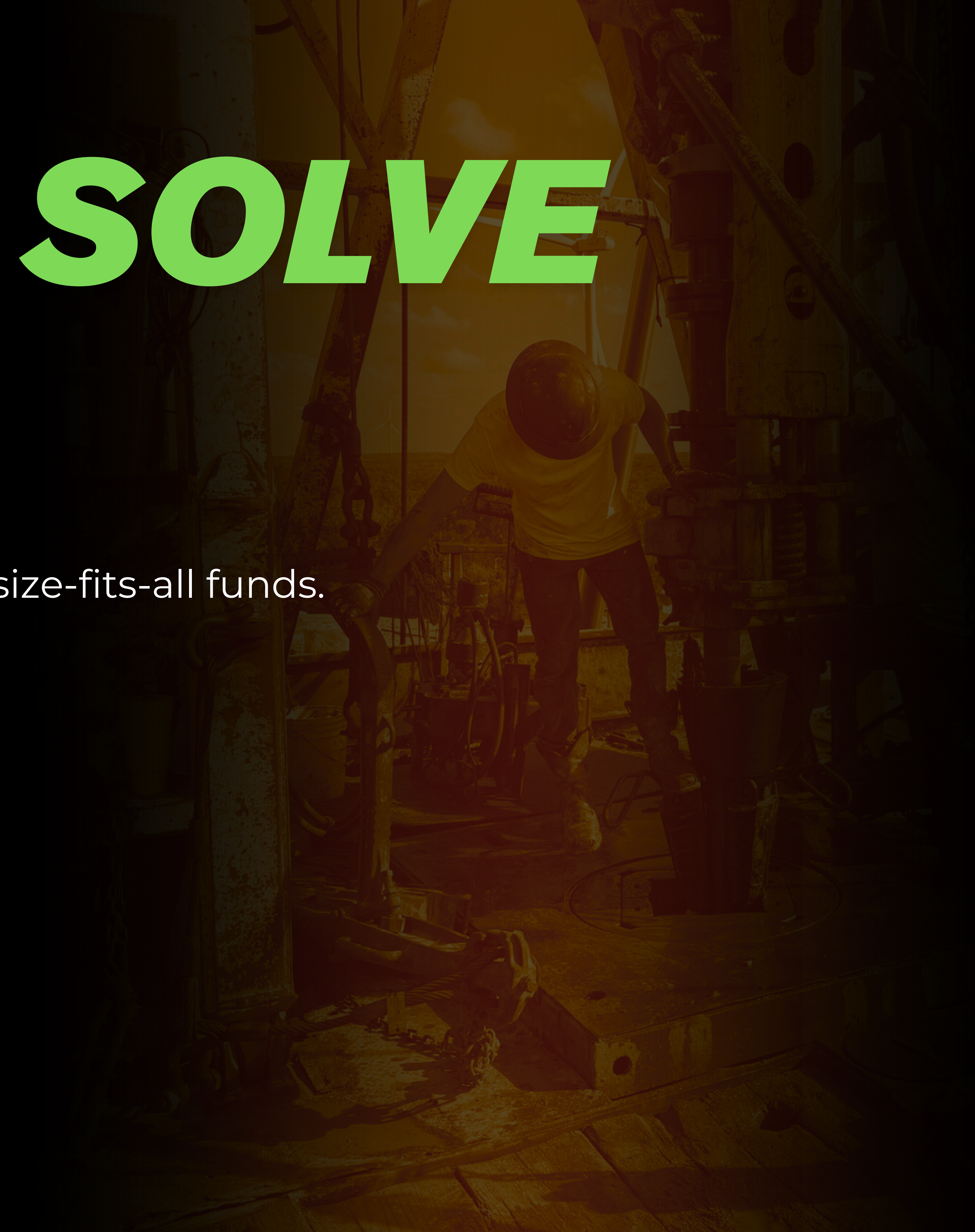
We are operators and investors ourselves.

We like oil and gas.
We like the tax benefits.
But we don’t like opaque structures, misaligned incentives, or one-size-fits-all funds.

We wanted:

- **Diversification**
- **Reinvestment flexibility**
- **Clear communication**
- **Investor choice**
- **Long-term partner retention**
- **Clean reporting**
- **Simple decision-making**

So we built a different model.



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What the ENERGY FLEX FUND IS?

The Energy Flex Fund is a direct oil and gas exposure fund designed to be simple, flexible, and transparent.

Instead of writing one large check and hoping the fund manager makes the right decisions, investors purchase units, similar to credits.

- **Each unit = $1,000**
- **Units can be allocated across different projects**
- **Projects are displayed in an online portal**

Projects may include:

- **Drilling projects (single wells or packages)**
- **Producing wells**
- **Re-completions and reworks**
- **Mineral interests**
- **Overriding royalties**
- **Royalty interests**

Investors choose where their units go.
The fund manager handles the day-to-day operations.

What Makes This Model **DIFFERENT**

1. Investor Choice Without Operational Headaches

You control what you invest in—without having to run an oil company.

2. Vertical Integration

The fund manager owns and controls multiple operating and service companies, including:

- Acquisition teams that work directly with sellers
- Drilling operations
- Completion services

This reduces costs, avoids common mistakes, and improves execution.

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3. Aligned Incentives

Most oil and gas sponsors make money through:

- Markups
- Management fees
- Carried interest

Our model focuses on scale and performance.

Investors are prioritized first.
Capital is returned before large profit splits occur.
The better projects perform, the better everyone does.

4. Non-Operated Structure, Competent Management

The fund is non-operated, meaning wells are run by operators.
The fund manager acts like a highly competent property manager—focused on efficiency, low operating costs, and timely distributions.

How RETURNS & TAX BENEFITS offerings

As projects generate income:

- Cash flow is distributed proportionally
- Tax deductions flow through proportionally
- Exit proceeds are allocated based on participation

At year-end, each investor receives one K-1, showing their total activity across all selected projects.

Legal Structure and Investor ***REQUIREMENTS***

The Energy Flex Fund is exempt from registration under:

- Regulation D 506(c)
- Section 3(c)(9)

This means:

- All investors must be accredited
- Accreditation is based on income or net worth requirements under U.S. law

Minimum investment:

- $100,000 (100 units)

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INVESTOR PARTICIPATION Options

Investors may participate as:

Limited Partners (LPs)
- Limited liability
- Passive participation

General Partners (GPs)
- Unlimited liability
- Required under tax law to receive active deductions

You do not need to be:
- An oil and gas professional
- A real estate professional
- Materially participating in daily operations

The structure is designed to comply with tax law while keeping participation simple.

THE BIG PICTURE

The Energy Flex Fund was built for people who:

- Want real oil and gas exposure
- Want tax efficiency
- Want diversification
- Want transparency
- Want options
- Don’t want operational chaos

It’s a cleaner way to do what oil and gas has always done—without the traditional headaches.