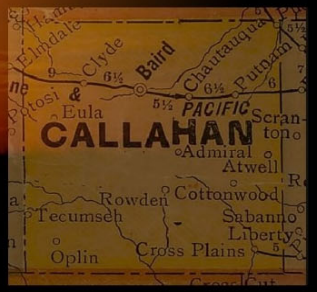
TM2, Inc. / TAM2 Energy Services
Proven Texas Exploration Experience



Cal Ramsey Prospect

Shallow Oil Sandstone

Callahan County, Texas

2020

Oil & Gas Tax Benefits

The tax benefits of gas and oil can be powerful. For investors in a high income bracket, and for investors who have generated considerable income in the past year, the tax benefits of gas and oil investments can offer legitimate ways to protect revenues and income from higher taxation.

No Drilling Required
20 wells have previously been drilled in the Cal Ramsey Lease, hence no additional drilling costs to investors.

5:1 ROI for the Cal Ramsey Project
(ROI) is a financial metric of profitability that is widely used to measure the return or gain from an investment. ROI is a simple ratio of the gain from an investment relative to its cost.

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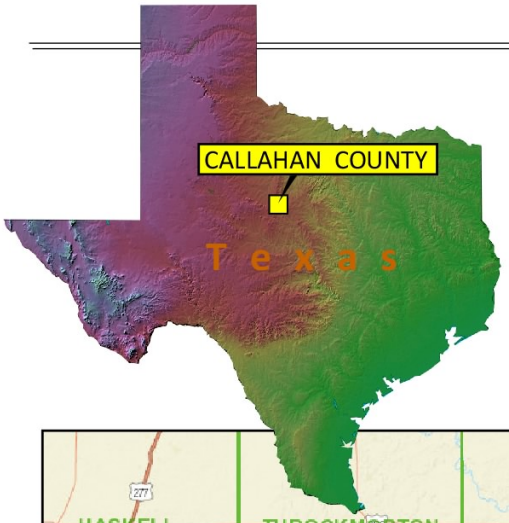
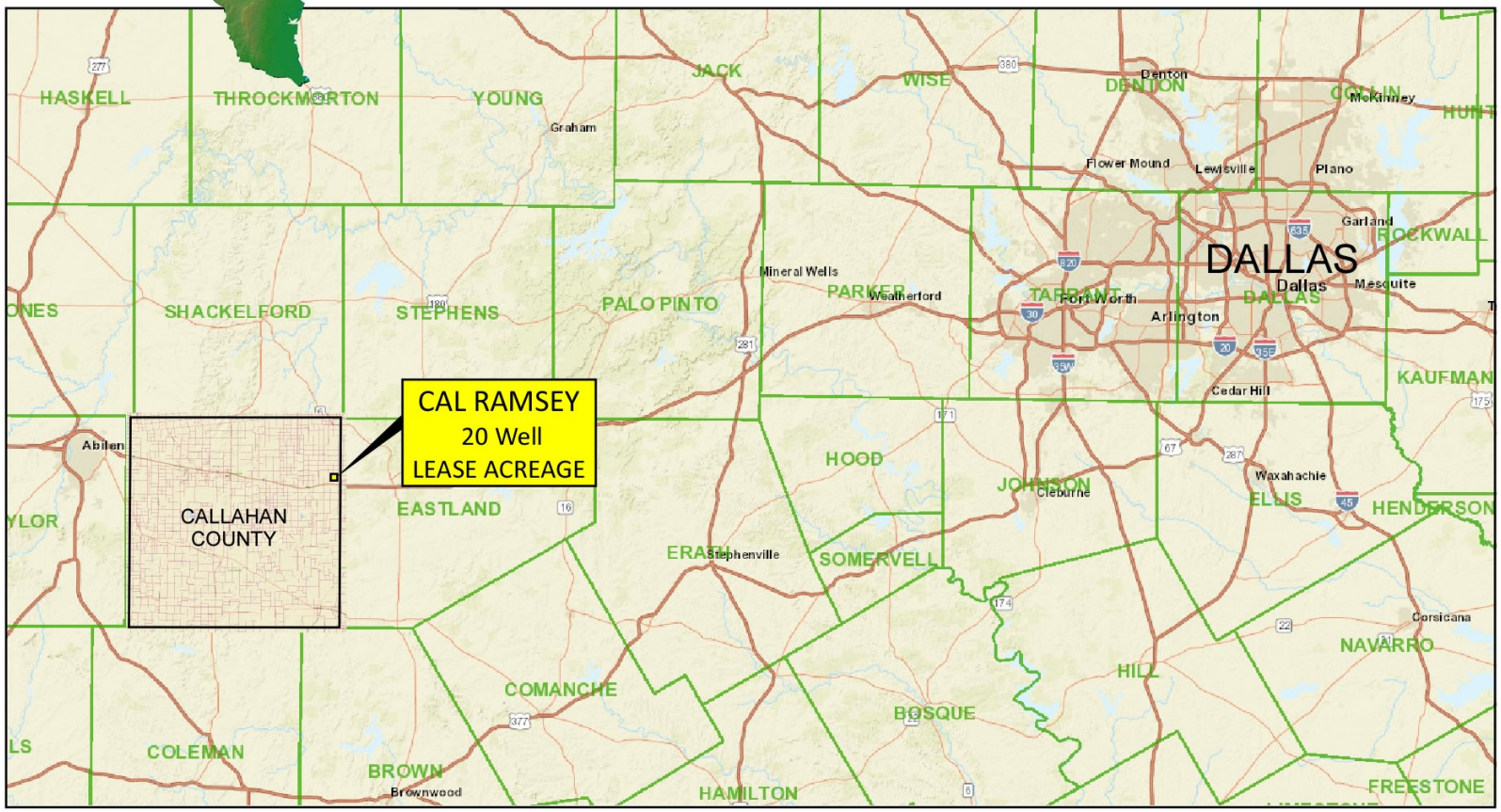
Location Map

Callahan County, Texas



The Cal Ramsey lease, consisting of 20 wells drilled, is located in North East Callahan County in North Central Texas approximately 135 miles west southwest of Dallas, Texas.



Oil & Gas Development

Cal Ramsey Prospect Overview

Located in the NE portion of Callahan County in North Central Texas, this project's previously drilled (1980's) 20 well lease is part of the vast and shallow Callahan County Regular Field. Our geology staff has evaluated the 20 well Callahan Co. workover and has recommended putting these wells back into production. The wells produced from shallow sandstone from approximately 345 to 405 ft.

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Cal Ramsey Lease Area
NE Callahan County, Texas
Tannehill Sandstone

Production History & Conclusions

3/25/2020

Location

The Cal Ramsey lease area is located in the northeast quarter of Callahan County, Texas, approximately 135 miles west, southwest of Dallas, Texas and approximately 35 miles east of Abilene, Texas. It is located in Abstract 481

Production History

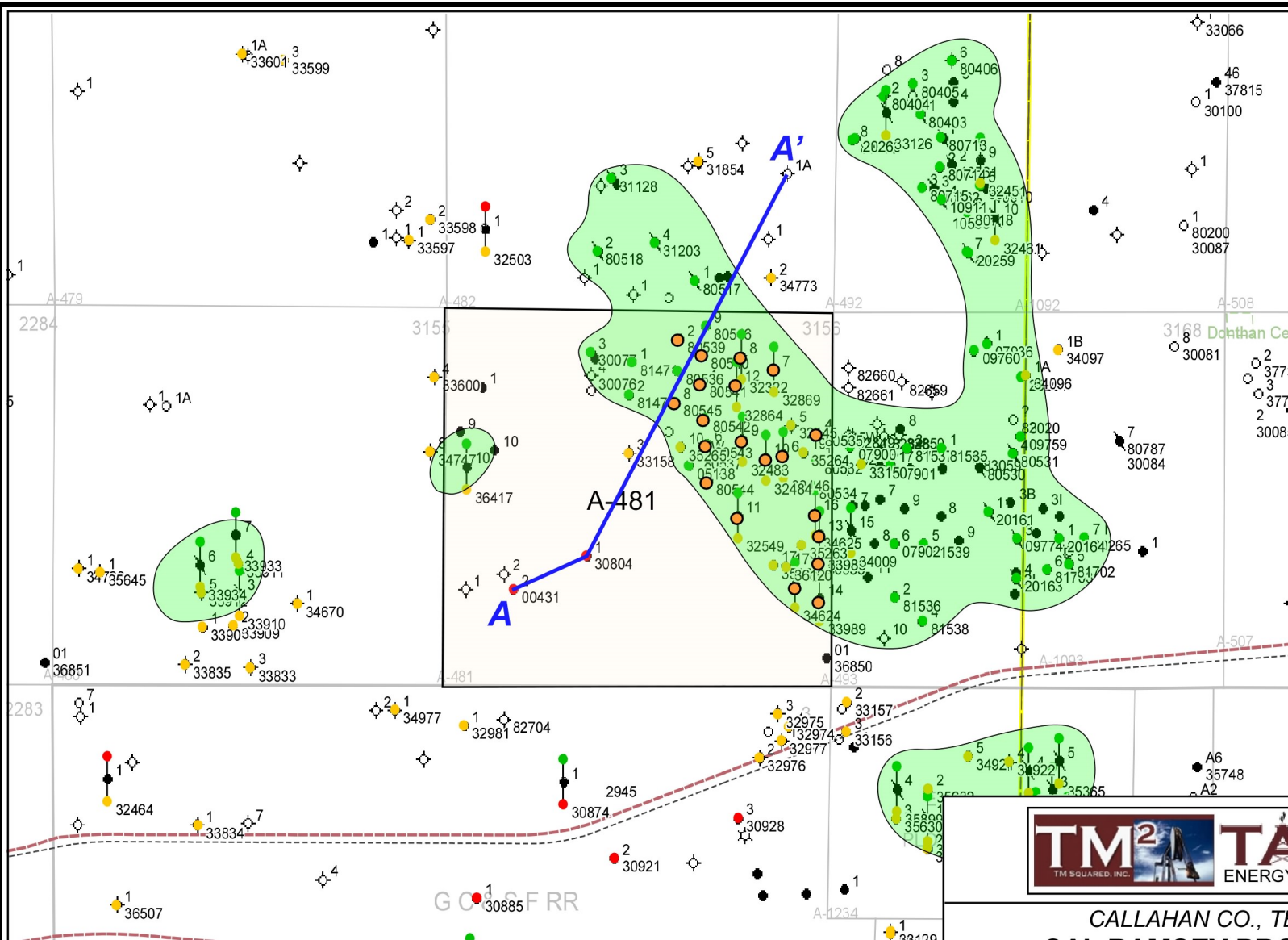
The Cal Ramsey lease area is located in what is called the Callahan County Regular Field. This field was discovered by the Jones Company in 1980. The original discovery well drilled there was to the deeper Ellenburger by the Jones Company but subsequent testing and drilling showed the overlaying shallow sandstone was oil productive and conducive to economic shallow drilling economics. The area in and around the Cal Ramsey lease has produced over 100,000 BO from a shallow sandstone referred to as 370 Sand since the 1980s and up to the end of 2019, mostly all from a depth of 345' to 405'. Recent production declines to the leases can been attributed to what I believe to be formation damage due to original and subsequent completion techniques.

Conclusions

On initial observation it appears that a re-completion program would make the 20 Cal Ramsey wells more profitable based on the lower initial capital re-completion expenditures to get the wells back on line. Newer and better completion technology is now available compared to what was available in the 1980's when they were completed. The somewhat linear horizontal Production / Time curves for the area indicates possible large reservoir extents and could be interpreted as meaning possibly only the top of the shallow 370 sandstone oil reservoir has been depleted; in short more hydrocarbons possibly could remain in the reservoir. This leads me to believe such re-completion campaigns to be logical and productive.

Recent geological mapping of the shallow 370 sandstone appears to show a closed structural high in the SE portion of the lease which could serve as a hydrocarbon trapping mechanism. A program aimed at a judicious re-completion of existing wells on lease combined with possible future new shallow drills is what is recommended.

DS
Geologist



Legend

CAL RAMSEY WELL

CALLAHAN CO. REG. FIELD

DISCLAIMER

This exhibit is for illustration purposes only and is compiled from accurate and updated information to the best of our knowledge. All exploration drilling has risks and as a result, there can not be assurance that any future projection assumptions can be proved to be accurate or correct. Hence TM Squared,Inc. and TAM Squared Energy Services assumes no liability for the success or failures of any exploration drilling operations.

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CALLAHAN CO., TEXAS

CAL RAMSEY PROSPECT

OIL FIELD MAP

CALLAHAN CO. REGULAR FIELD

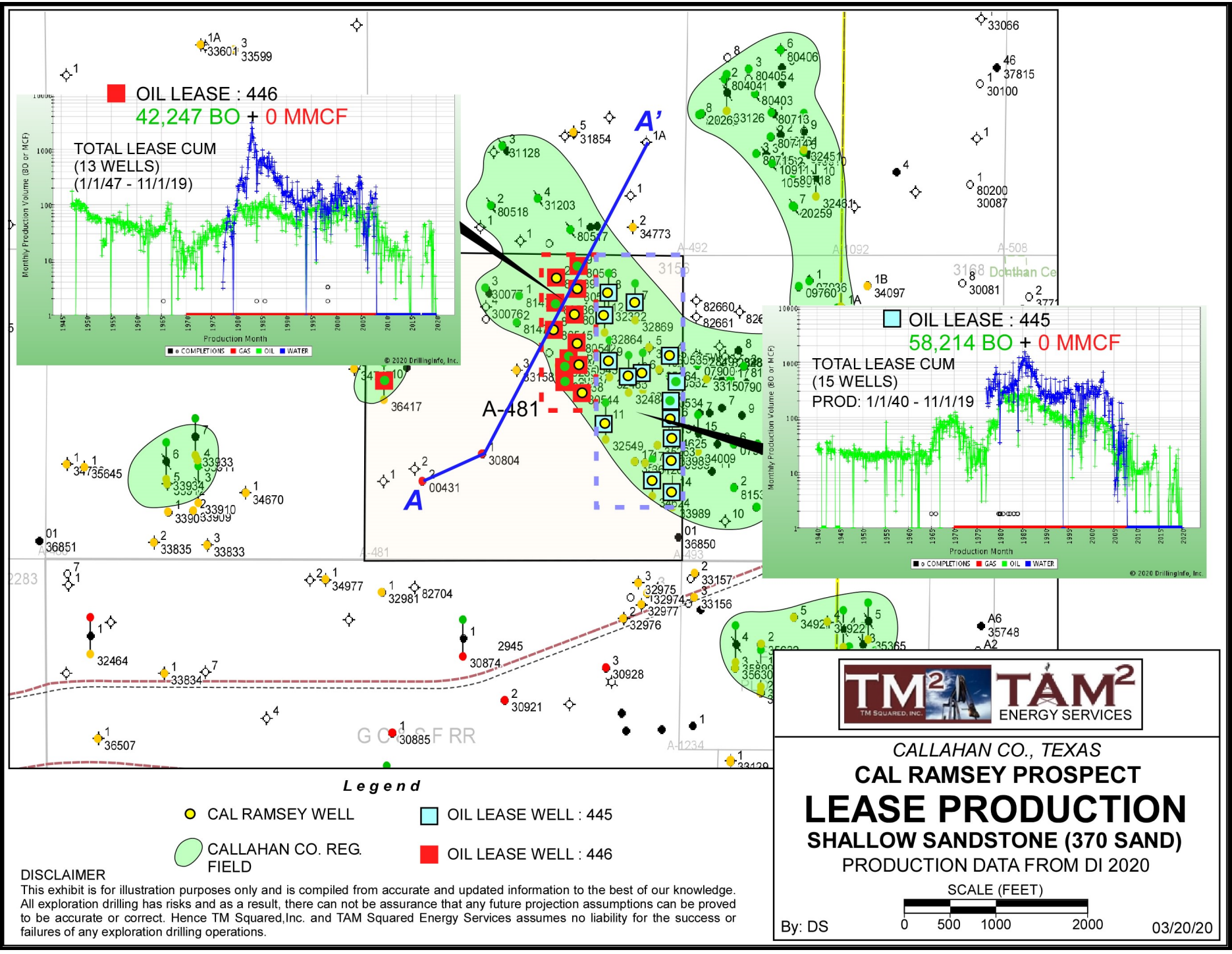
SHALLOW SANDSTONE (370 Sand)

SCALE (FEET)

0 500 1000 2000

By: DS

03/20/20



Legend

- CAL RAMSEY WELL
- CALLAHAN CO. REG. FIELD
- OIL LEASE WELL : 445
- OIL LEASE WELL : 446

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CALLAHAN CO., TEXAS

CAL RAMSEY PROSPECT

LEASE PRODUCTION

SHALLOW SANDSTONE (370 SAND)

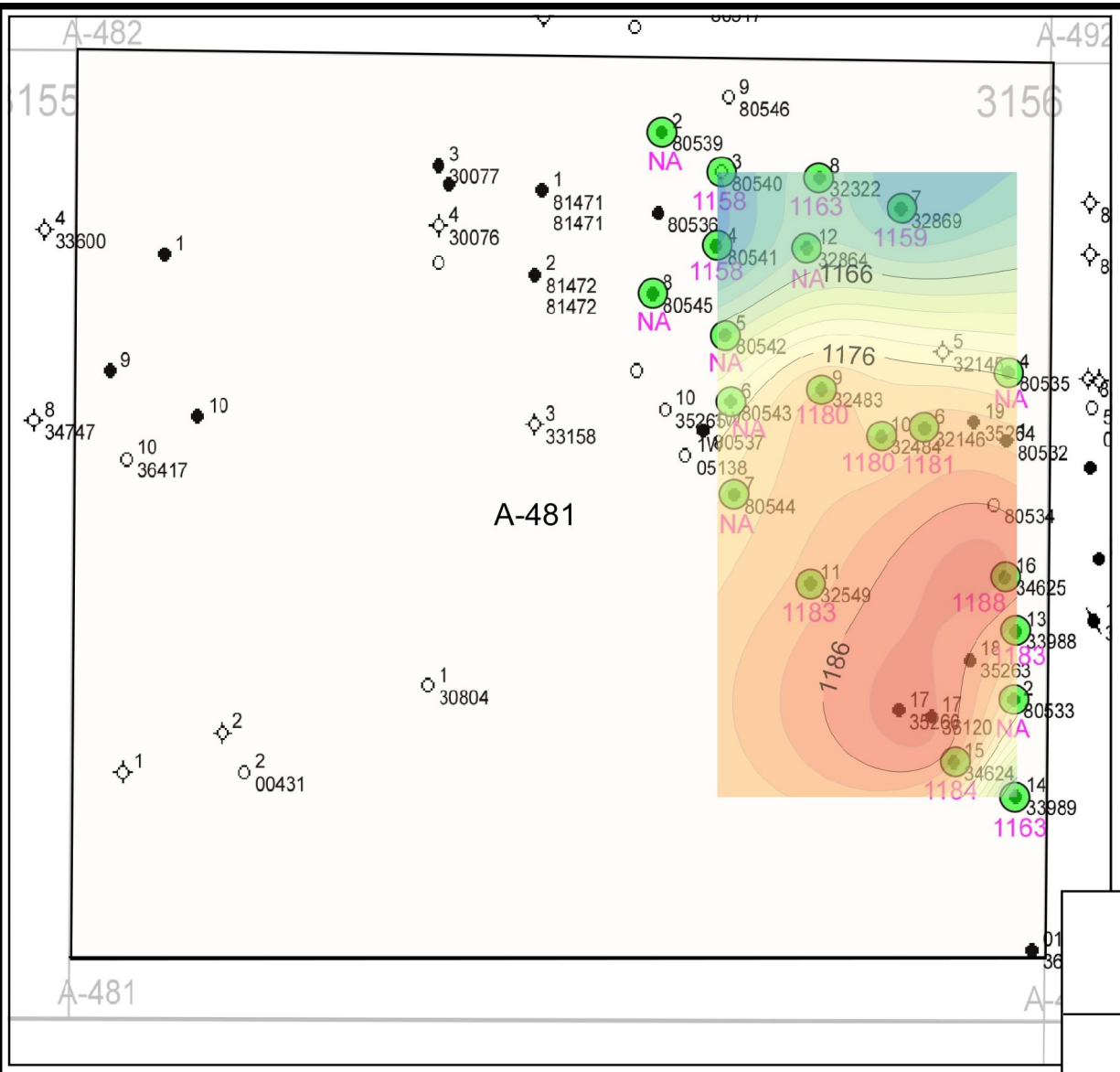
PRODUCTION DATA FROM DI 2020

SCALE (FEET)

0 500 1000 2000

By: DS

03/20/20



Structure map showing the top of pay for the shallow 370 Sand as generated by contouring the Drilling Info upper perfs for the Cal Ramsey previously drilled wells. The map shows a possible closed structural high located in the south eastern region of the lease shown on the map in orange within the 1186 ft contour. This area could serve as a 370 sandstone hydrocarbon trapping mechanism.

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CALLAHAN CO., TEXAS

CAL RAMSEY PROSPECT

STRUCTURE

SHALLOW SAND PAY

UPPER 370 SAND PERFS (DI 2020)

CI: 2 FT

SCALE (FEET)

0 250 500 1000

By: DS

03/20/20

A
South West

42-059-00431
PRODUCING ZONES INC
SURLES #2
COMP: 1974
KB:1564'

792 FT
(.15 MILES)

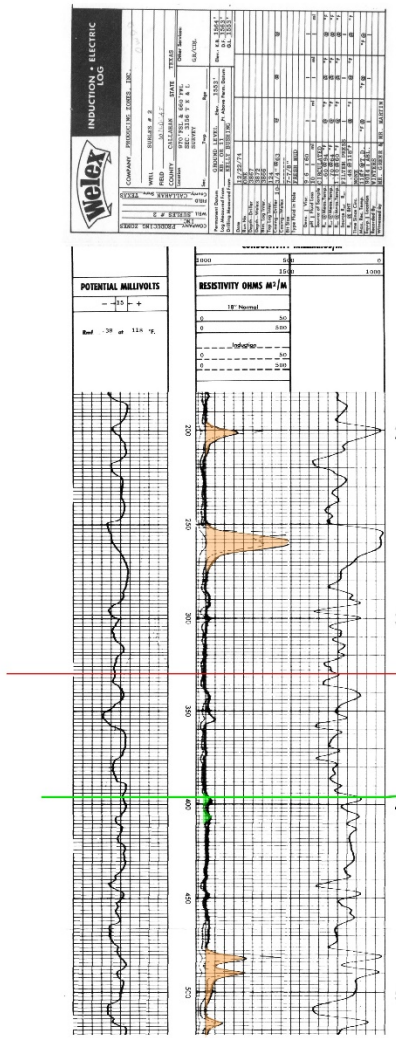
42-059-30804
PRODUCING ZONES INC
SURLES #1
COMP: 1974
KB:1564'

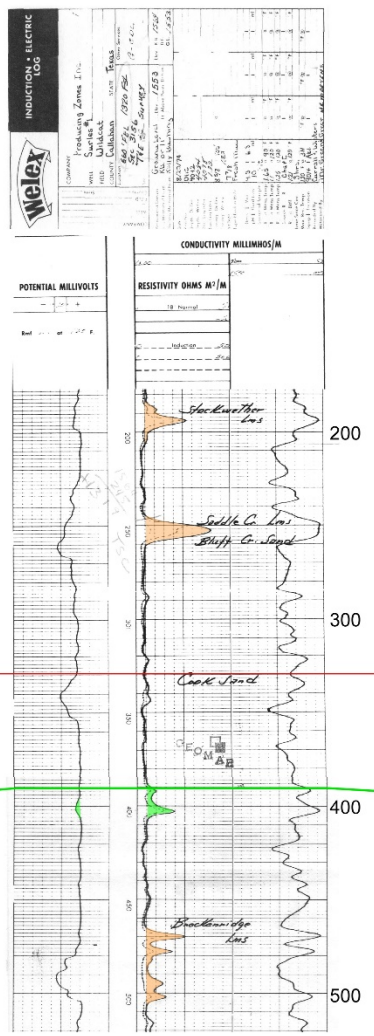
CAL RAMSEY
20 WELL LEASE

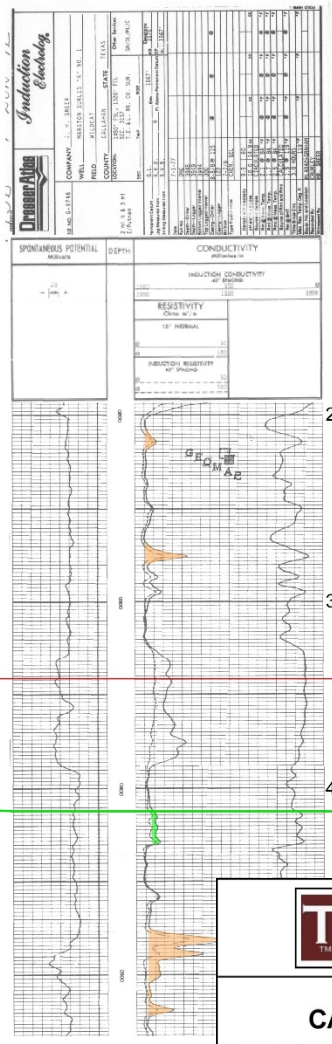
4118 FT
(.78 MILES)

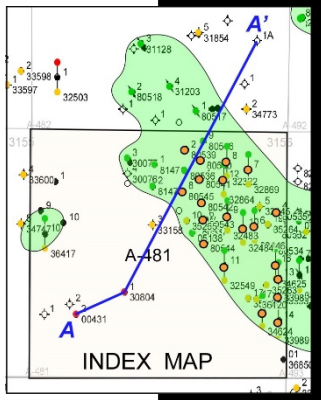
42-059-31384
JH GREEN
MARSTON SURLES #A-1
COMP: 1977
KB:1576'

A'
North East









SAND 370

RESISTIVITY
LOG MARKER

DATUM
1234 FT ABOVE SEA LEVEL

T. 370 SAND PAY

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TM SQUARED, INC. ENERGY SERVICES

CALLAHAN CO., TEXAS
CAL RAMSEY PROSPECT
CROSS SECTION A - A'
STRUCTURAL
TOP 370 SAND PAY
DATUM: +1234 FT

By: DS
03/20/20

Well Development Overview and Economics[1]

Cal Ramsey

Summary	
Prospect Details	
Total Working Interest Offered (%)	30%
Cost Per 1% Working Interest ($)	5,000
Total Working Interest Purchased (%)	30%
Investment Amount ($)	150,000

Tax Analysis	
Personal Tax Bracket (%)	35%
Investment Tax Deduction (%)	90%
Tax Deduction ($)	135,000
Tax Savings ($)	47,250
Tax Adjusted Cost of Investment ($)	102,750

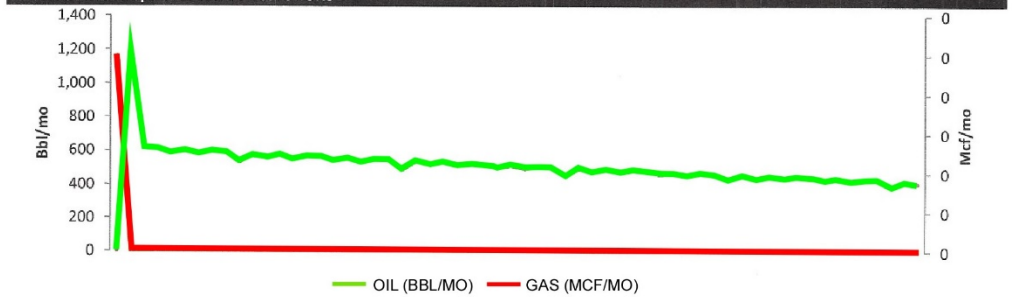
Interest	
Well Net Revenue Interest (%)	80.0%
Carried Interest (%)	5.0%
Net Revenue Interest to Investor (%)	75.0%

Commodity Price Assumptions	
Oil Price per Barrel	25.00
Gas Price per Mcf	0.00

Development Well Profile	
IP Rate	
Oil (Bbl/d)	20
Gas (Mcf/d)	0
EUR	
Oil (Bbl)	75,000
Gas (Mcf)	0
Decline Rate (%)	8%
Severance + Ad Valorem Tax	
Oil (%)	2.5%
Gas (%)	7.5%
Drilling Capex ($)	$0
LOE ($/Mo)	$2,500
Total Wells Drilled	0
Drilling Pace (Wells/Mo)	0

Economics	
Months to Payout	18
Cash Flow	
1-Year Net Cash Flow	100,523
5-Year Net Cash Flow	403,177
ROI	
Cash	4.9x
Tax Adjusted	7.1x

Cumulative Development Profile PROJECTIONS



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Cal Ramsey A&B YEAR	Prospect BBL/YR.	MCF/YR.	$/BBL	$/MCF	GROSS OIL VALUE	GROSS GAS VALUE	TOTAL GROSS VALUE	ANNUAL LOE/TAXES	ANNUAL NET INCOME	FUTURE CASH FLOW
1	12,775	0	$18.00	$0.00	$229,950	$0	$229,950	$89,425	$70,819	$70,819
2	12,264	0	$25.00	$0.00	306,600	0	306,600	85,848	127,810	198,629
3	11,773	0	$35.00	$0.00	412,070	0	412,070	82,414	204,742	403,371
4	11,303	0	$45.00	$0.00	508,613	0	508,613	79,118	275,316	678,686
5	10,850	0	$45.00	$0.00	488,268	0	488,268	75,953	264,303	942,989
6	10,416	0	$45.00	$0.00	468,737	0	468,737	72,915	253,731	1,196,720
7	10,000	0	$45.00	$0.00	449,988	0	449,988	69,998	243,582	1,440,302
8	9,600	0	$45.00	$0.00	431,988	0	431,988	67,198	233,838	1,674,140
9	9,216	0	$45.00	$0.00	414,709	0	414,709	64,510	224,485	1,898,625
10	8,847	0	$45.00	$0.00	398,120	0	398,120	61,930	215,505	2,114,130
11	8,493	0	$45.00	$0.00	382,196	0	382,196	59,453	206,885	2,321,015
12	8,154	0	$45.00	$0.00	366,908	0	366,908	57,075	198,610	2,519,625
13	7,827	0	$45.00	$0.00	352,232	0	352,232	54,792	190,665	2,710,290
14	7,514	0	$45.00	$0.00	338,142	0	338,142	52,600	183,039	2,893,329
15	7,214	0	$45.00	$0.00	324,617	0	324,617	50,496	175,717	3,069,046
16	6,925	0	$45.00	$0.00	311,632	0	311,632	48,476	168,689	3,237,735
17	6,648	0	$45.00	$0.00	299,167	0	299,167	46,537	161,941	3,399,676
18	6,382	0	$45.00	$0.00	287,200	0	287,200	44,676	155,463	3,555,139
19	6,127	0	$45.00	$0.00	275,712	0	275,712	42,889	149,245	3,704,384
20	5,882	0	$45.00	$2.00	264,683	0	264,683	41,173	143,275	3,847,659
TOTAL	178,210	0	$42.15	$0.10	7,311,532	0	7,311,532	1,247,473	3,847,659	

PARAMETERS		DISCOUNT RATE	NPV (100%)	W.I. VALUE 1.000
Working Interest	1.0000			
Net Revenue	0.7500			
Initial BOPD	**35.00**	10%	1,655,289	$1,655,289
Oil Production Decline	4.00%			
Initial MCFD	**0**	12%	1,446,511	$1,446,511
Gas Production Decline	4.00%			
LOE/BBL or BOE	$7.00	15%	1,201,374	$1,201,374
Oil Price/BBL	$18.00			
Gas Price/MCF	$0.00	20%	915,168	$915,168

1920 Broken Lance Lane . Rockwall, Texas 75032
Office: 469-651-1489 . Fax: 469-651-1488 . Main: 469-651-1490 . Cell: 214-460-9326

For additional information on the Cal Ramsey 20 Well Lease, please contact:
W.A Westmoreland, CEO of TM2 Inc. and Managing Member of TAM2 Operating LLC.