



GLENMUIR Investments

Investors
Venture Oil Investments Limited

February 20th 2017

Ref: Update:

Dear Investors.

Over the last few weeks I have been trying to get to grips with what is going on in regards to the production payments that have been due to us since August of last year.

The initial problem we were notified of concerned RPE's bank stating that they would be applying a 30% withholding tax to foreign payments, something which is totally unacceptable for us as investors. Since this announcement we have also been advised of the same issue with other investments in the US, so this obviously seems like a clear directive being applied across all investments, by all banks.

A proposed route to circumvent this issue was made by RPE to distribute all payments under a contracted arrangement via their lawyers. This is something that we agreed immediately to and expected the matter to only take a short time to conclude. This is when the lawyers then started to dictate matters and requested from all parties indemnities (so that there is no come back on them for tax or other potential claims) and legal opinions from independent firms regarding the services being provided to RPE and it's investors. These we have been told have now all been completed.

In addition to the above there has been a change on the board at Rocky Point Energy with the current Chariman & President John Fischer stepping down due to ill health. The new board conducted a review of all obligations particularly those concerning non-shareholder investors. The outcome of this review was that all investors interest should be liquidated as soon as possible, something that would be very welcome our end.

This board room change seems to be the principal matter that is holding up payments to us and one that is under the control of the lawyers engaged by RPE although no full explanation as to what is taking the time to complete matters has been forthcoming.

Over this weekend certain details of the contracted payment terms have been provided to me and the intention is to in effect "catch up" with the payments not received from August of last year within the next 8 months. The end term of the contract will remain as previously negotiated.

The lawyers are expecting the first release of funds to be made around March 10th. I have asked why this date but await a reply on this. The above is what I know at this time and I understand the frustration everyone must be feeling to hear this – yet another date.

For those that may be wondering I have sought some legal advice in regards to our position and what we could choose to do. In summary the partnetship agreements are clear and require RPE to refine the acquired quantity of oil reserves, to then sell those reserves to a local refinery and to then distribute revenue payments to investors. There are no specific terms regarding production volume that RPE have to maintain, only that the reserves are to be refined within a total of 84 months (7 years). If they (RPE) fail then we the investors have a claim against the leases owned by RPE.

So what would then happen if we were to make a claim for the leases?

Well firstly we would have to go to court to legally claim the leases, which would cost in the region of \$250,000 USD.

We would then have the obligation of engaging a new operator who would refine the reserves and negotiate the terms of contract, which again may incur a cost element that would be our responsibility.

As you can see we are reliant on RPE getting things all sorted in terms of route to pay investors (they now seem to have done this) and to then complete the obligations of the partnership agreements we have in place, preferably as quickly as possible.

I will keep pressing for more information and action in regards of payments being made and hopefully I will also have a confirmed and absolute date in the next few days.

In ending I can only ask for your continued patience with what I know has been a turbulent period of this investment.

Yours Truly,

A handwritten signature in black ink, appearing to read 'R. Chamberlain', written in a cursive style.

Richard Chamberlain
For and on behalf of
GLENMUIR INVESTMENTS LTD