**7-Question Oil Company Qualifier**

The following series of questions is a way for you, the investor, to quickly assess whether or not an oil company you are considering for investment is sound. Answering these 7 questions about the company and the offering can help you lessen the risk of investing in a deceptive, phony or fraudulent oil company. *Please note, this Oil Company Qualifier does not guarantee you will enter into a relationship with a sound oil company. This is simply a tool to help you self-assess whether or not an oil company you are considering can be considered legitimate.*

**Directions:** Fill out each question, pulling from information you know (or need to research) about the oil company you are considering. Circle the percentage that corresponds with the answer you select for each question. When you’re finished, add up the percentages you circled for all questions and you will have a final percentage that suggests how sound the oil company is likely to be.

***Name of the oil company in question:*** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***Name of the offering provided by oil company named above:*** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Question 1:** (Circle ONE) Is the oil company in question a/an …

Actual operator of the well(s) (30%)

Non-operating company (15%)

Broker-dealer (10%)

Promoter (5%)

**Question 2:** Does the oil company in question own the lease for the project?

Yes (20%)

No (5%)

**Question 3:** Is the deal you are considering the first this company has offered?

Yes (5%)

No (15%)

**Question 4:** Does the company or the principle owner of the company have any cease and desist orders, lawsuits or overly negative reviews?

Yes (2%)

No (10%)

**Question 5:** What’s the “promote,” or mark-up contingency, on the offering?

Less than 30% (10%)

More than 30% (2%)

**Question 6:** Is the offering a joint venture with its own entity, tax ID number and bank account?

Yes (10%)

No (5%)

**Question 7:** Does the company have a legitimate web presence with an informational, transparent website, names and photos of the executive team, LinkedIn profiles, etc.?

Yes (5%)

No (1%)

***Final percentage representing the probability of the oil company being sound: \_\_\_\_\_\_\_\_%***