



Memo

To: Hudson West
From: Greg Michaels, CEO & Chairman
Date: October 31, 2017
Re: Monkey Island LNG Investment Opportunity

Hudson West will make the most money by performing on the following:

THE PLAN

1. Hudson West will make an investment of \$150 Million in Monkey Island LNG in return for stock in the company secured by the 246-acre premium project site.
2. Monkey Island LNG will use \$100 Million to advance the project development to financial close.
3. Monkey Island LNG will use the remaining \$50 Million to start trading LNG cargos immediately.
4. Hudson West will participate, on a pro-rata basis, in all aspects of Monkey Island LNG operations, including the buying and selling of LNG.
5. Monkey Island LNG is in a position to develop other financial structures and compensation negotiated on a success basis.

DETAILS

1. The \$150 Million investment will yield Hudson West a 30% stake in Monkey Island LNG (MILNG) prior to other private equity firms making investments. Investors at this stage in U.S. LNG facilities have earned 3,000% returns on invested capital.
2. The \$150 Million investment would entitle Hudson West to an MILNG board seat and a commercial team dedicated to obtaining LNG cargos for CEFC immediately.
3. Concurrent with the investment, CEFC will sign a binding long-term LNG sales and purchase agreement with MILNG for volumes desired by CEFC.
4. Between now and commercial operation of the MILNG facility, MILNG will use its relationships to supply CEFC the contracted LNG quantities from other LNG producers. The contract will contain provisions that will require MILNG to obtain LNG in the interim to meet the needs of CEFC.
5. CEFC will be required to put in place any necessary letters of credit to facilitate the purchase and delivery of LNG.
6. MILNG will be responsible for the acquisition and shipping of all LNG, and supply LNG cargos to CEFC on a DES basis.
 - a. Monkey Island LNG has access to both short-term and long-term contracts of 6 mtpa or more.

POWERED BY:
SCT&ELNG

CLEAN ENERGY. GLOBAL IMPACT.

- b. Contract durations and/or supply of spot cargos will be negotiated by MILNG at the direction of CEFC.
7. As an owner in MILNG, Hudson West will have preferential access to all LNG prior to other customers.
8. MILNG is a privately-owned company, and Mr. Michaels has the ability to quickly and easily develop a financial transaction that allows Hudson West the ability to capitalize on the changing LNG market fundamentals.
9. Potential for Hudson West to have liquidity on privately held shares of stock will occur throughout the ownership and development. It has been shown that staying private may result in the largest return on investment. However, MILNG is in an excellent position to take the company public if the parties agree.
10. The \$150 Million in just a few years could have a value of over \$1 Billion for Hudson West and only increase from there.
11. After commencement of operation, the project itself will return over \$800 Million per year in net income, providing Hudson West a lifelong lucrative annuity stream. This does not take into consideration the profit that will be made selling interim LNG cargos.