



Octaneum

WHITE PAPER

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INTRODUCTION

As the global petroleum market approaches \$2 trillion (the largest industry on the planet), it obviously attracts the most technologically advanced business solutions.

The refined petroleum market is the most diverse segment with the broadest range of challenges. Blockchain technology promises to have the greatest impact on the refined product business.

Octaneum has decided to "eat this elephant one bite at a time" and with its parent, Octaneum Group, Inc (OGI) and its advanced electronic trading platform, is creating a Blockchain that will revolutionize the way refined petroleum products are bought and sold.

OGI is leveling the playing field by providing a fair and transparent electronic marketplace, enabling local companies to become more competitive and expand their business. Ultimately, the real winner in this free market exercise is the consumer.

OGI is introducing its electronic marketplace in Mexico, an emerging market heavyweight, which at 2.2 trillion GDP, boasts the 15th largest economy in the world. The initial challenge will address the requirements of the recent privatization of the petroleum industry. OGI's unique and technically advanced electronic platform has become Mexico's Petroleum Marketplace. It is a fully integrated, completely intuitive, free-market turn-key solution for commodities trading, thus enabling Mexico's distribution of refined fuels. Additional asset classes, such as LNG are being quickly approved.

Preliminary government approval has been secured for the platform to expand into other commodities asset classes, agricultural and natural resources, and OGI will become Mexico's commodities exchange.

Beyond Mexico, the near-term plan is to offer this solution to other free-market locations in Latin America, with an objective toward a global presence.

EXECUTIVE SUMMARY

Mexico, ranking sixth in the world for market demand of refined petroleum, announced in 2014 its intention to reform its energy policy and disengage from government owned and controlled activity, allowing “free market” industry access.

As details of these reforms were revealed, OGI responded to this opportunity by designing and developing an electronic trading system to provide a marketplace for refined petroleum products. In 2016, the platform morphed from its beta stage to a full production model and a market test was successfully conducted. Buyers and sellers of gasoline and diesel agreed that the OGI solution was innovative and affordable.

OGI business plan to launch the platform was coordinated with the government’s schedule of industry privatization in 2017. With annual consumption of more than 50 billion liters, the company focused on large identifiable commercial users and suppliers of gasoline and diesel as its initial marketing effort.

A market test, conducted with a balanced list of potential customers resulted in written and oral commitments for 2.2 billion liters annually. These results substantially exceeded expectations and forecasts. While this marketing effort was underway, two extraordinary events took place:

1. Mexican Congress acted to accelerate its reforms and implement deregulation early in 2017, one year ahead of schedule. All supply chain participants are affected and are responding with a sense of urgency. The OGI electronic marketplace has become more valuable and marketing exposure is more urgent.
2. In its successful legal pursuit of approvals from the Regulatory Commission of Energy (CRE), the company was referred to The National Banking and Securities Commission (CNBV) and that agency expressed that the OGI model was innovative and viable and encouraged the company to seek certification to provide Exchange Services for other commodities in addition to petroleum, essentially becoming Mexico’s Commodities Exchange

FINANCE

OGI FINANCE AND FACTORING, (IF&F) is a business unit of OGI which provides financing of Physical Delivery contracts for selected clients.

The OGI Physical Delivery Fund (“The Fund”) opportunistically allocates capital to finance physical trades within the hydrocarbons and other commodities marketplace. The objective is to generate high returns with relatively low risk. Transactions are typically originated and closed within 10 days and are individually documented by contract, secured, and fully insured for damage, loss, theft, or natural disaster.

Positive cash flow from these transactions provides the working capital for operations.

OCTANEUM

A new entity has been formed and registered in Wyoming using the OGI model, technology, and support system, called Octaneum Inc. This standalone company will integrate OGI’s existing FIX API with Smart Contract code and offer a complete trading solution to the refined petroleum market in Mexico, and later in Chile, Columbia, Peru, Argentina, and Brazil.

Utilizing smart contracts within the Octaneum blockchain platform will result in multiple benefits for petroleum commodity traders:

1. Full monetization of petroleum assets as in-ground reserves in order to enable the capitalization of petroleum exploration ventures via smart contract equity and commodity tokens on the Octaneum blockchain, valued in a cryptocurrency denominated as Octane that is its own utility token smart contract on the Octaneum blockchain. This enables democratization of petroleum venture capitalization to a wide range of exploration ventures as well as a very broad section of society able to participate in trading on the Octaneum marketplace via the OGI trading platform.
2. Full documentation and transparent accountability of petroleum assets from in ground reserves, through the wellhead, pipeline, shippers, refiners, to the gas pump, paint can or other end use of the resource. This will help to pinpoint bottlenecks of inefficiency, waste, shrinkage, evaporation, and theft and incentivize participants in the

chain to fix these inefficiencies rather than tolerating them. This will also enable traders a far higher degree of Bayesian knowledge of the supply chain to make trading decisions upon, leading to more efficient markets in general and more stable and predictable prices.

3. Incentivize the fact finding by geologists and engineers, supply chain workers, and every PLC or other type of sensor providing feedback data throughout the supply chain to “oracle” applications that trigger clauses in smart contract code on the fly without need for human intervention.

SMART CONTRACTS

The Octaneum blockchain can contain a wide range of smart contracts, not just those related to commodity trading on an active market, but agreements throughout the supply chain that rely upon real time data in varying conditions to change performance, from quality and chemical content of petroleum stock, distillates produced along the way, which can then inform trading contracts of changing supply chain conditions in real time so that traders can act upon those changes immediately.

Types of Commodity Trading smart contracts:

1. Futures: WTI crude oil, Henry Hub LNG, NY Harbor ultra-low sulfur diesel, RBOB gasoline, Brent Crude oil and gasoil.
2. Swaps
3. Put Options
4. Costless Collar, Three-Way Collar

Other possible contracts:

1. Sovereign Target Futures: Forecasting the influence of sovereign oil market players on prices.
2. Non-Petro Supply Chain Contracts: Purchased products and services account for 50% of an oil/gas company's total costs.
3. Input Composition and Output Fractions, Standards Performance
4. Shipping and Drayage
5. Workers and Unions
6. Storage
7. Retail Point of Purchase

ORACLES

An oracle is a computer program that receives data from any number of specified inputs: URLs, PLC data streams etc, and based on given settings, outputs a simplified response to smart contracts querying a yes or no answer as to whether given conditions are met. Utilizing the vast amount of sensor data already available to the industry from many locations and facilities, we can create oracles which provide accurate real time data on the global conditions in the supply chain from oil field to gas pump.

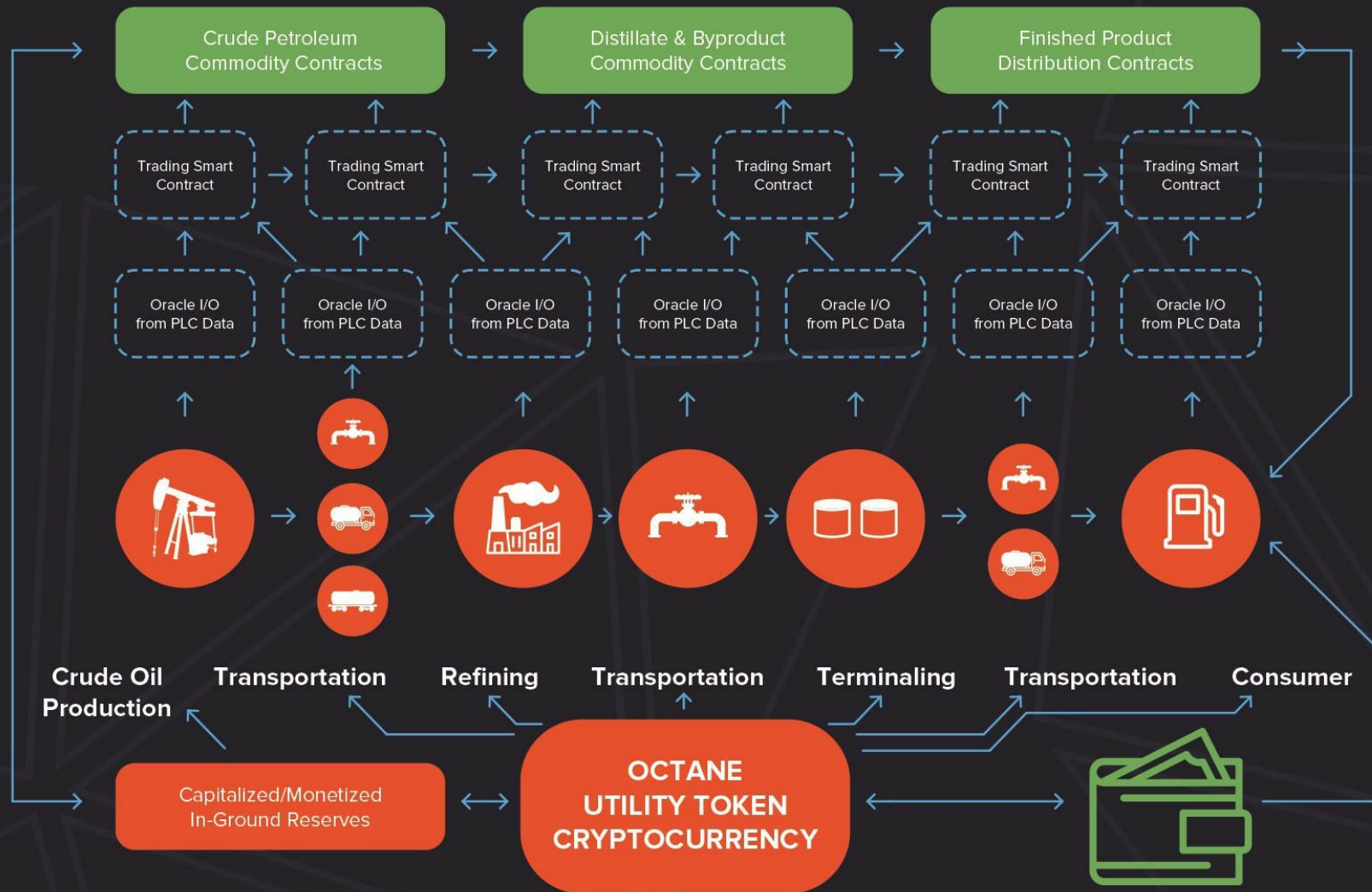
These oracles therefore allow smart contracts trading on the Octaneum blockchain to execute automatically based on real time conditions, under terms that can be specified to be legally binding to parties that digitally sign them with their public/private key pairs.

As can be seen in the flow chart below, the oracles perform a key role in the Octaneum ecosystem. In addition to providing necessary decision making signals to smart contracts on both sides of a commodity trade, they can implement heuristics that check to ensure that the data being fed to them is truly factual data or faked by testing the incoming data for levels of entropy and natural randomness in the data both in the volatility, variation and significant digits of the signals.

Faked data can be detected due to a lack of true randomness in fabricated numbers. Computers attempting to generate false data streams can only generate pseudorandom numbers that are just very long repeating patterns, while true natural signals always have true randomness that cannot be simulated for very long without repeating patterns being detected.

By detecting faked data, fraudulent actors and faulty equipment providing spurious or false data in the supply chain can be detected, thus building the Byzantine Fault Tolerance of the network, and the market can gauge how Bayesian the information it accesses is to inform on accurate price finding. The process of incentivizing actors within the infrastructure to correct faults or mis-calibration through monetary rewards of Octane will counteract data quality issues of neglect, doctoring, or equipment failure/mis-calibration.

OCTANEUM BLOCKCHAIN ECOSYSTEM



OCTANEUM BLOCKCHAIN

The Octaneum blockchain is not just a database but a living system of distributed apps throughout the industry working together to create a free market artificial intelligence that determines the proper distribution of petroleum commodities via the most accurate Bayesian methods in a way that is fully transparent and auditable to all participants. Like Ethereum, it is a virtual machine that can be reprogrammed to execute any type of smart contract its users desire.

The Octane cryptocurrency incentivizes fact finding via a combination of Nash Equilibrium and adversarial truth checking processes, and facilitates the liquidity needs of active trading of Octaneum smart contracts. PLC signals can have their accuracy challenged by oracles in the system, and rewards to petroleum infrastructure managers can be rewarded for maintaining data streams to the blockchain that is handicapped by the accuracy of the data as compared to other sensors and data streams in the system.

Statistical outliers trigger an incentive to the data stream source to check/calibrate. A positive calibration response will trigger a check of the other data sources that imply that the first source is the outlier to ensure that their own streams are calibrated. A sustained failure to agree will result in a down rating on the outvoted data source that will reduce its reward. Inaccurate data sources get voted out of the sensor network over time as long as commodity trading results agree with voting results. A departure in trading results from what would be expected by the votes of the oracles can override the vote of the oracles. Thus the wisdom of the crowd can override the heuristics of the oracles.

Each oracle outputs its decisions to at least two trading contracts to provide Bayesian data to both sides of a commodity contract that is formed from a meeting of the minds between the bid and ask contracts. By enabling the contracts on both sides of each commodity trade to pass their conclusions further up the commodity supply chain trading stream, the entire system can perform quality checks on data in real time and deliver the most efficiently determined prices all the way to the end user at the pump and enable monetization of the entire supply chain with the Octane cryptocurrency.

OCTANE CRYPTOCURRENCY

A Cryptocurrency is nothing more than a computationally expensive scarce digital asset secured by public key cryptography and whose transactions are authenticated by “miners”, operators of computational resources that compete to authenticate transactions via cryptographical mathematics without knowing the contents of the transactions other than the cost and value. The Octane is the denomination of the cryptocurrency used in the Octaneum blockchain and is used to fund the computational cost of executing every smart contract on the chain. It enables traders to trade in the Octane denomination, to monetize the capitalization of in ground petroleum reserves through the market rather than through industry market makers, and even allow the petroleum end user to pay for their gas and other petro products with Octane at the retail location.

BLOCKCHAIN SPECIFICATIONS

Chain Name:	Octaneum (8ANYM)
Utility Token Name:	Octane (8AN)
Total Issuance:	100 Billion Octane
Octane Divisibility:	8 decimal places
Premined:	0 coins (other than test coins of Genesis Block and child blocks)
Engine:	Octhash (Derived from Ethash)
Smart Contract Language:	Solidity 0.4.20
Block Size:	1 GB
Block Generation Time:	5 seconds
Block Reward:	50 Octane (dropping as difficulty rises)

THE FIRST MARKET

As Mexico deregulates its oil industry, it is opening the largest fuels marketing and retail opportunity on the horizon. For the first time, foreign companies will be allowed to own fuels assets, and companies can sell fuel branded and sold by suppliers other than Pemex. The downstream will open to new fuels marketers and new retail fuels offerings, changing the market landscape

Octaneum

and the value distribution among participants. While most deregulation talk focuses on upstream, Oliver Wyman forecasts that significant structural changes in the downstream fuels sector will create high-value opportunities for companies willing to commit to the Mexican market and work through market evolution challenges

Mexican fuel consumption is forecast to grow by roughly 3 percent annually, a rate twice that of global demand growth and at a higher rate than the top five fuel-consuming countries. Fuel site through-puts are 30 percent higher than other mature markets, fuel prices are 20 percent higher than in the US, and convenience store penetration is low, at roughly 50 percent of fuel stations. Oliver Wyman estimates that by the turn of the decade, the number of fuel sites could grow by more than 40 percent. Fuels marketers and retailers should pay attention to Mexico. It is the sixth-largest consumer of motor gasoline and diesel and one of the final developing markets to deregulate, allowing foreign companies to import own assets, and sell other fuel brands.

GROWING MARKET WITH HIGH LEVEL OF IMPORTS Mexicans consume more than 750,000 barrels (120 million liters) of gasoline per day, ranking the country sixth in global market demand. Such demand growth will likely lead to an increasing reliance on imports. With oil prices in the US dropping, US refiners that have access to cheap crude will continue to increase fuels exports, and Mexico is their closest and largest such market. Imports already account for 52 percent of Mexican fuel consumption, and Oliver Wyman forecasts that will rise to as much as 60 percent of total consumption by 2020

HIGH FUELS SITE VOLUMES The number of retail fuels stations in Mexico is controlled by the government and stands at just over 10,000 sites. As demand has increased without a parallel growth in the number of stations, Mexico now has one of the highest average volume through-puts per station in the region and globally, at 5 million liters per station. Moreover, the average throughputs within larger Mexican regional markets, including Mexico City, are more than 6 million liters per station, 50 percent higher than the average for neighboring US regions, creating attractive site-level economics. In addition, several of these Mexican regional markets must use imported fuels products exclusively, compounding the tension in supply-demand dynamics and driving a potential structural change.

COMMERCIAL TRANSPORTATION and INDUSTRIAL VOLUMES Diesel fuel is an important component of the market and perhaps the most measurable. Trucking companies and bus lines are easily identifiable volume users of diesel. Electric power generation stations are primarily fueled by diesel, but there is an increasing amount of natural gas imported for this use.

A conservative annual consumption rate of 50 billion liters represents a market opportunity of USD \$45 billion annually.

INTEGRATING INFRASTRUCTURE AND LOGISTICS SOLUTIONS

The Company's OGI relationship provides access to several refineries, and enables the company to offer infrastructure and logistics solutions, adding value and profit enhancement to the client. Aside from the obvious technical needs, other big issues within the industry are security, delivery and storage. Being able offer innovative, turn-key solutions for clients will ensure integrated solutions which can help them address imbalances in the supply chain, scarcity of transport, limited storage and detailed deliveries.

Platform physical delivery orders require supporting transportation, and possible storage. OGI is teaming with logistics and transport specialists who offer their services through our site utilizing OGI technical solutions. OGI has access to multiple transport companies in North America, customs agents and storage facilities, which as required will add up to turnkey business solutions.

Infrastructure requirements in Mexico will challenge the supply chain in the early days of privatization. Pipelines are not as common as in the US, but OGI, through its partners, has access to the use of terminals in North America. Mexico is responding to this infrastructure challenge with several construction projects, but the reality is logistics support will require time for the infrastructure to build out.

WHY SMART CONTRACTS?

A blockchain smart contract between a supplier and a buyer would consist not of a paper document in a drawer or on a computer server. It takes the form of a computer program running on the blockchain and executed by the entire blockchain network. Its program code, the terms and conditions of the contract, cannot be changed and thus becomes the new paradigm with built-in trust and security. The blockchain contract contains the same detail as a physical contract and additionally can perform tasks such as negotiating price and tracking logistics. To illustrate this quantum leap, consider the current state-of-the-art OGI process.

PROCESS OUTLINE

SUMMARY:

By introducing our intuitive turn-key solution, OGI is leveling the playing field by providing a fair and transparent electronic marketplace, enabling local companies to become more competitive and expand their business. OGI not only allows for vastly increased efficiency but also provides services to finance growth phases, bridge capital bottlenecks and increase liquidity. Ultimately, this free market exercise creates a winning solution for both users and the economy.

A. System/User Process

ONBOARDING:

1. USER VISITS WWW.OCTANEUM.COM AND CLICKS "SIGN-UP"
2. USER COMPLETES THE SIGN-UP FORM
3. USER ENTERS BILLING INFORMATION OR COUPON CODE
4. USER AGREES TO ALL TERMS, CONDITIONS AND POLICIES
5. USER COMPLETES APPLICATION/CONTRACT AND UPLOADS documents requested from compliance department
6. USER ELECTRONICALLY SIGNS AND SUBMITS ALL OF THE ABOVE FORMS AND THE INITIAL LOI DESCRIBING THE OFFER/REQUESTED PRODUCT, ACCOMPANIED WITH SPECIFICATIONS OF THE PRODUCT.
7. USER AUTOMATICALLY RECEIVES ACKNOWLEDGMENT THAT THEIR APPLICATION HAS BEEN RECEIVED
8. OGI RUNS MEMBER INFORMATION THROUGH KYC (KNOW YOUR CLIENT) SOFTWARE TO ENSURE THE MEMBER PASSES COMPLIANCE.

9. OGI COMPLIANCE DEPARTMENT VERIFIES AND APPROVES ACCOUNT
10. OGI SUPPORT TEAM SENDS EMAIL TO THE NEW MEMBER WITH ACCOUNT CREDENTIALS, SOURCE OF FUNDS/AML DOC, REGISTERED BANK DOC, AND WIRING INSTRUCTIONS
11. MEMBER COMPLETES, ELECTRONICALLY SIGNS AND SUBMITS THE SOURCE OF FUNDS AND REGISTERED BANK DOCS.

TRANSACTIONS:

1. MEMBER LOGS INTO THE WEB-BASED PLATFORM
2. MEMBER PLACES BUY OR SELL ORDER
3. MEMBERS MUST AGREE, ELECTRONICALLY SIGN AND CONFIRM THE CONTRACT/ORDER
4. MEMBERS ARE DIRECTED TO LOGISTICS FULFILLMENT PAGE TO SELECT CUSTOMS AGENT, DELIVERY, STORAGE, INSURANCE AND SECURITY SERVICES IF NEEDED.
5. MEMBERS WIRE THE CORRESPONDING DEPOSIT TO OGI IN ORDER OF GUARANTEEING DELIVERY OR PAYMENT (20%) OF THE ORDER.
6. ONCE PRODUCT IS DELIVERED, BUYER WIRES FUNDS TO SELLER BASED ON AGREED UPON TERMS
7. PRODUCTS MAY BE SUBJECT TO ANALYSIS, TO CONFIRM ITS QUALITY AND QUANTITY, UNDER COMMON OPERATIONS PERFORMED BY THIRD PARTIES; FOR FUELS IN MEXICO THEY WILL HAVE TO COMPLY AT THE MINIMUM WITH CORRESPONDING NATIONAL SPECIFICATIONS.
8. ONCE ORDER IS FILLED BY OTHER MEMBER, OGI DEDUCTS SERVICE FEE FROM EACH MEMBER'S DEPOSIT ACCOUNT. THE SERVICE FEE IS 3 CENTAVOS PER SIDE PER LITER OR 3 CENTAVOS PER MEMBER PER LITER. VOLUME OPERATED IS CONSIDERED FOR FEES UNDER THE RESPECTIVE TABLE, FEES VARY FROM 1.25 TO 3 CENTS.
9. DEPOSITS ARE RETURNED TO MEMBERS IF OPERATIONS WERE CONDUCTED ACCORDING TO THE CONTRACT, DEDUCTING OGI FEES

10. IN CASE OF A CONTROVERSY ARRISES REGARDING DELIVERIES A THIRD PARTY NEGOTIATOR SHALL BE CONTRACTED BY BOTH PARTIES, SPLITTING THE COSTS, RESULTING EXPENSES WILL BE FACED ACCORDINGLY WITH THE RESOLUTION OF THE INDEPENDENT NEGOTIATOR.

Now consider that all of this, every term and condition and more can be included in Smart Contracts and executed by the blockchain network WITHOUT SUPERVISION and AUDIT PROCESSES! Transactions can be completed in minutes rather than days or weeks, and security is unprecedented.

Imagine, a commodity seller publishing a Smart contract on a block chain platform such as Ethereum that includes exact terms and conditions for product specifications, delivery and payment. Any buyer on the blockchain can find and act on that contract, acquire it and pay for it without the processing overhead of existing digital marketplaces.

Smart contracts will forever alter the landscape of commodities trading.

SO WHAT?

The total refined petroleum market in Mexico approaches US\$50 billion annually. The portion of that which is controlled by small to medium-sized distributors is approximately 15 percent or 7.5 billion dollars

This 7.5 Billion is our target market for the introduction and test of Octaneum Smart Contracts. An unusual amount of control over this market segment is achieved by offering the buyer purchase contract financing. In many ways the Smart Contract favors both sides of the transaction, reducing credit risks to nearly zero and enhancing security. Eventually we expect OCTANE to become an important trading currency for emerging markets petroleum transactions. The company intends to position itself anticipating the USD may not remain the permanent and exclusive currency standard for oil and gas.

Scalability is substantial even if it is confined to the refined petroleum market. There are several Latin American countries which have similar numbers and markets with 3 to 5 times Mexico's aggregate flow.

An ICO is planned which would raise sufficient capital to convert or enhance the existing software to conform to the Ethereum network and install the Smart Contract concept in the OGI "Financed" trading business. Development would be required in 2 phases: 1) Smart contract DAPP & Oracle Infrastructure and 2) create a Master DAPP adaptable for all commodities trading.

The first phase would be implemented quickly creating value added and cash flow. The 2nd phase would have far greater upside but, of course, would take longer to implement.

A token offering would be expected to raise funds exceeding the development requirements above and that excess would be applied as capital for the Octaneum physical delivery fund. This token will be an ERC20 smart contract equity token on the Ethereum blockchain representing equity ownership in Octaneum Inc. We will be conducting this equity token offering in compliance with SEC Regulation D, Section 506 with respect to US persons as we assumed (now correctly) that such ownership tokens would be determined by the SEC to be securities.

OCTANEUM ROADMAP

JULY 2015	Mexico enacts legislation to privatize and deregulate its petroleum market.
FEBRUARY 2016	OGI deploys its software development team to build and electronic (ECN) trading platform for refined petroleum.
MAY 2016	OGI begins negotiations with Mexican government agencies to gain approval of its platform for petroleum trading.
NOVEMBER 2016	OGI introduces its beta platform through a market test with selected independent refined petroleum distributors.
JANUARY 2017	OGI determines from market study to expand the platform to include logistics elements of the trading transaction.
MAY 2017	OGI is introduced to and accepts Blockchain/Smart Contracts concept as a comprehensive trading solution.
NOVEMBER 2017	Octaneum Inc. is organized and team assembled.
JANUARY 2018	Company incorporated and white paper drafted in anticipation of an ICO
FEBRUARY 2018	Roadshow begins and pre-ICO launched. INTERMEX reorganizes as OCTANEUM GROUP, Inc
MARCH 2018	ICO launched
MAY 2018	Integration of existing API with Smart Contracts begins together with Blockchain development
JUNE 2018	Global marketing campaign begins
OCTOBER 2018	Octaneum Blockchain based platform completed and launched.
DECEMBER 2018	Octaneum Group Inc, begins listing process on London Exch.

ICO OVERVIEW

Token sale	\$30,000,000 USD Equivalent Value	
Sales Volume	ICO	20,000,000 tokens
	Pre ICO	2,000,000
Total Token Issue	100,000,000 tokens	
Price of the token upon sale	\$1.50	
Distribution of tokens	ICO members	22,000,000 (22%) (Including pre-ICO)
	OGI Parent Company	61,000,000 (61%)
	The team	11,000,000 (11%)
	Developers	5,000,000 (5.0%)
	Advisory Board	1,000,000 (1%)
Website	octaneum.com	
Web wallet for buying tokens	ico.octaneum.com	
Smart contract	The address of the smart contract ETH at ico.octaneum.com will be available before the beginning of the offering on the project website	
Payment Methods	BTC, BCH, ETH, LTC, DASH, XMR	
Date of the Pre-ICO	February, 2018, Tokens will be available to a limited number of participants (30% discount). Limit: 2 million tokens on the Pre-ICO.	
Limitations on the amount of purchases during the Pre-ICO	Maximum volume – 2,000,000	
ICO Start	March 2018 Participants will receive discounts: The first week – 25% The second week – 20% The third week – 15%	

	<p>The fourth week – 10%</p> <p>The fifth week – 5%</p> <p>The Sixth week – No discounts</p>
ICO Completion	April 2018 The actual number of tokens in turnover will be open and known at the end date of the offering
Restrictions on the amount of purchase during the IPO	The minimum volume of purchase is 3000 tokens. There is no maximum amount.
Date of release of the tokens	April 14,2018

SMART CONTRACT AND TOKENS

1. The smart contract and equity tokens will be released on Blockchain Ethereum according to the ERC20 standard.
2. Twenty two million tokens will be available for sale, and ten million will be reserved for the Developers and the team. The maximum number of tokens is limited to 100,000,000 (One Hundred million). Further emission (issue, mining) is strictly prohibited and is not provided under a smart contract.
3. 11.67% will be distributed as follows:
 - 5.0% for Development Team
 - 6.67% for remaining team (tokens will be locked up for a period of 6 months);
 - Company tokens will be used for listing on crypto-exchanges
4. If at the end date of the ICO an amount will be less than the equivalent of \$1,000,000 (one million dollars), all collected funds will be returned to participants (customers/users) within 48 (forty-eight) hours after the ICO finish.
5. If at the end date of ICO, collected amount is less than the planned 22,000,000 tokens, then all unsold tokens being offered will be destroyed.
6. Upon the conclusion of the ICO, the company will use best efforts to list the equity token on suitable exchanges.

WEB WALLET

1. After registration, a personal web-wallet will be created for the members of the offering, whose address will be used to enroll tokens.
2. A PDF file with a private key from the wallet will be sent to the email address after registration.
3. Tokens can be purchased for BTC, BCH, ETH, LTC, DASH and XMR.
4. After receiving a private key, the participant can independently transfer the wallet to any convenient service that supports ETH ERC20.
5. Information about transfers will be kept in the personal area and on the Blockchain.
6. All tokens will be stored in the created wallet of the participant at the website ico.octaneum.com and can be sent to the personal wallets (Ethereum) after the end of the ICO within 48 hours.
7. **Important information!** We do not store private keys from created wallets on the server. The client is obliged to take care of keeping access to his wallet and saving the PDF file locally to the device and after deleting the email.

SECURITY

1. All network services have an independent/distributed connection to each other (personal area, API, databases, etc.).
2. A cold wallet with a transaction confirmation from several participants (multisig) is used for token distribution.
3. A smart contract has the function of suspending transactions in the event of unpredictable situations so we protect the participants' funds and transfer them to a more secure smart contract.
4. We do not store private keys from the participants' wallets, which increases the security and keeps the personal accounts of the participants.
5. The security of the collected funds during the ICO will be provided by a multi-signature on the wallets. The withdrawal of funds from these wallets will be possible if there are 2 or more signatures of team members. It will be publicly available to view data balances of these wallets.
6. Cold storage of a part of the collected funds to finance the project will be organized on the basis of hardware wallets (KeepKey/Ledger/Trezor). It will be created a backup copy on physical media (flash drives) for each hardware wallet and their backup copies. Hardware wallets and their backup copies will be stored separately: one part in the safe of one bank, the other part in the banking cell of another bank in another country

The logo for Octaneum, featuring a stylized, multi-colored geometric shape composed of several triangles in shades of yellow, orange, and red, resembling a flame or a cluster of crystals.

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BUSINESS LOGIC

OCTANEUM INC will be contracting with OGI to manage trading operations and will be sharing resources including staff. OCTANEUM INC is based in New Hampshire where the development team is located.

Prospective token holders are encouraged to visit www.octaneumgroup.com and familiarize themselves with Octaneum operations.

OGI has built the foundation of the business through their development of the trading platform and testing it in a new and dynamic free market environment. Important, though less obvious, is the significant capital they have created in gaining political and regulatory approvals for the trading process. As founders, OGI remains the majority equity token holder in Octaneum Inc.

PRIORITY ONE is the integration of OGI software with OCTANEUM SMART CONTRACT code. The potential of this is immeasurable but it is clearly a breakthrough that will facilitate a unique and proprietary trading environment. First money in will be dedicated for this purpose. Assuming a successful ICO subscription, a portion of that capital will be applied to the market, specifically, the “Financed – Physical Delivery” portion which represents a substantial portion of OGI backlog. This is an extremely simple business. We lend money on a short-term basis to qualified clients doing repeat business in a reliable (refined petroleum) marketplace. Our interest rates are consistent with factoring industry standards and are considered reasonable by our clients.

It's notable that the company plans to distribute income to token holders at the rate of 2% of investment per quarter. While this cannot be a promise, it is a LOGICAL and SUPPORTABLE projection.



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INVESTMENT CONSIDERATIONS

EARNINGS

The company intends to distribute earnings in the form of dividends on a quarterly basis. A token holder can expect 2% of his original investment deposited to his wallet every 90 days.

APPRECIATION

Since the dividends will be paid with Octane tokens, and Octane tokens might be used by equity token holders to purchase more equity tokens under DRIP contracts, it may be expected that the supply/demand logic will create appreciation in both the equity and utility tokens values.

The company will endeavor to conduct business in the Octane cryptocurrency, incentivizing the PLC/Oracle infrastructure with Octane to encourage industry participation. This change will be gradual because the oil business standard is based on USD Fiat, but the company will provide incentives for trading to be in OCTANE (8AN). Ultimately the Octane would be usable by retail petroleum product consumers at the point of purchase with wallets on smartphones and other devices, and become the standard for oil explorers to capitalize and monetize in-ground reserves for development. As the Octane (8AN) cryptocurrency is not a security of any kind we cannot legally make any projections, guarantees or assurances as to its future value.

OGI, the parent company of Octaneum, is listing its stock on the London AIM exchange late in 2018. Equity token holders will be given the option to exchange their tokens for common stock at the time of listing. The exchange will be calculated by valuing the token at cost and crediting that to the IPO share price discounted 30%. This option will expire the earliest of the IPO date or 24 months.

DISCLAIMERS

IMPORTANT NOTICE

OCTANEUM blockchain utility tokens are not intended to constitute securities in any jurisdiction. Octaneum, Inc equity tokens are securities under SEC Regulation D Section 506 and as such are only available to “accredited investors” according to how such are defined in your jurisdiction. It is up to the individual investor to certify that they are an accredited investor at the time of investment. Legal liability for giving false or misleading statements as to the investors status as an accredited investor falls squarely upon the investor and not on Octaneum Inc or its affiliates, partners, parent companies, officers or representatives. This memorandum does not constitute or form part of any opinion on any advice to purchase or sell Octaneum tokens, nor shall it or any part of it form the basis of, or be relied upon in connection with, any contract or investment decision. No person is bound to enter into any contract or binding legal commitment in relation to the sale and purchase of the Octaneum tokens and no payment is to be accepted on the basis of this Memorandum. No regulatory authority has examined or approved of any of the information set out in this Memorandum, however any sale of Octaneum Inc equity tokens will be reported to the SEC via Form D disclosures for private equity placement. Each investor should be prepared to comply with any disclosure request by the SEC or FINRA to comply with Know Your Customer rules. Octaneum Inc is not a broker dealer and as such has no legal responsibility to check the claims or background of any investor other than to ask the investors status as a US person and as an accredited investor.

DISCLAIMER OF LIABILITY

To the maximum extent permitted by the applicable laws, regulations and rules, Octaneum and or its affiliates and ICO partners shall not be liable for any indirect, special, incidental, consequential or other losses of any kind, in tort, contract or otherwise (including but not limited to loss of revenue, income or profits, and loss of use or data), arising out of or in connection with any acceptance of or reliance on this Memorandum or any part thereof by you.

NO REPRESENTATION AND WARRANTIES

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FORWARD LOOKING STATEMENTS

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