KING OPERATING CORPORATION

Salazar Capital
Ventures

ENERGY NOW

SCV ENERGY FUND I



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BENJAMIN JACQUES SALAZAR
FOUNDER & CEO OF SCV

Salazar Capital Ventures (SCV) is a private investment and advisory firm in energy, natural resources and tech. Over a 25 year career as an energy, commercial and venture banker and investor, Founder and CEO Benjamin J. Salazar has held leadership positions at the world's major banks, including Citi, Morgan Stanley, Wells Fargo, and BBVA. For SCV's first energy fund, he is proud to partner with long-time oil & gas operator King Operating in Dallas and their KOPIII fund, which builds on their track record of excellence, while offering investors of SCV preferential economics of 70/30 carried interest, and a lower entry.

King Operating Corp. presents a $125 million investment opportunity (KOP III) led by industry veteran Jay R. Young, whose legacy encompasses over $5 billion in drilling and completions experience across multiple basins. As Founder and CEO of King Operating Corp. and Amazon #1 Best-Selling author of "The Upside of Oil and Gas Investing," Jay brings 50 years of investing experience to a team with over 200 years of combined oil and gas expertise.

50 YEARS
Direct energy investment experience guiding portfolio strategy & execution.

$5B
Total drilling & completion operations successfully executed.

200 YEARS
Combined team expertise in oil and gas development & operations.

SCV Energy Fund 1 Overview

SCV Energy Fund 1 is SCV's flagship investment vehicle. This fund focuses on acquiring, developing, and divesting producing oil and gas assets in the most prolific basin in Texas and the US, the Permian Basin, which contributes more than 40% of US crude oil production. SCV capitalizes on this dominance. The fund is structured to provide investors with monthly distributions, long-term capital appreciation, and a minimum 60 percent tax deduction in the first year alone, due to the favorable tax treatment of Intangible and Tangible Drilling Costs.

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Investment Strategy

SCV Energy Fund 1 is a diversified oil, natural gas, and oil field services fund that prioritizes investments in producing wells to generate immediate returns. Additionally, the fund selectively allocates capital to exploratory projects that present long-term upside and to the creation of frac sand plants as an opportunistic oil field service. This dual approach allows investors to benefit from recurring income while participating in the appreciation of newly developed assets.

Market Insights and Trends

- **Global Demand for Oil & Gas** - Energy demand is projected to grow by 20% by 2030, ensuring long-term relevance for oil & gas.
- **Texas Energy Leadership** - The Permian Basin alone produces over 5 million barrels of oil per day, solidifying Texas' role as a global energy hub.
- **Technological Advancements** - Horizontal drilling and hydraulic fracturing continue to unlock new reserves, enhancing production effifciency and profitability.

Risk Management

- **Asset Diversification** – The fund invests in multiple wells and sites, and commodities - oil, natural gas, and oil field services (frac sand) - to reduce exposure to underperforming assets.
- **Hedging Strategies** – SCV works with experienced operators who hedge production to minimize the impact of fluctuating commodity prices.
- **Exit Planning** – The fund targets a 3 to 5-year investment horizon with planned asset sales to maximize investor returns.

Frequently Asked Questions

Why should investors invest via SCV and SCV Energy Fund 1, rather than via the KOP III fund?
SCV investors get a greater economic benefit, not only with a lower minimum of $50,000 vs. $200,000, but also by receiving a greater carried interest split of 70/30, rather than 60/40.

When will investors receive distributions? K-1s?
Distributions of passive income have already started! Typically they begin within two months of the investment, Operations works diligently to provide K-1s to investors by end of March.

How does this fund compare to real estate or municipal bonds?
Oil and gas investments provide larger upfront tax deductions, faster cash flow, and higher returns compared to traditional tax-efficient investments.

SCV ENERGY FUND I

OUR PROGRAM

Achieve Value in 3 Ways

MULTIPLE ON EXIT

UP TO **2.8X**

$560K

$200K

2024 — 2027

MONTHLY PASSIVE INCOME

TARGET AVG. 14%

LOW AVG. 9%

*MPI DISTRIBUTION RANGE TARGET:

END Q3 2025 **NOT TAKING INTO ACCOUNT TAX SAVINGS**

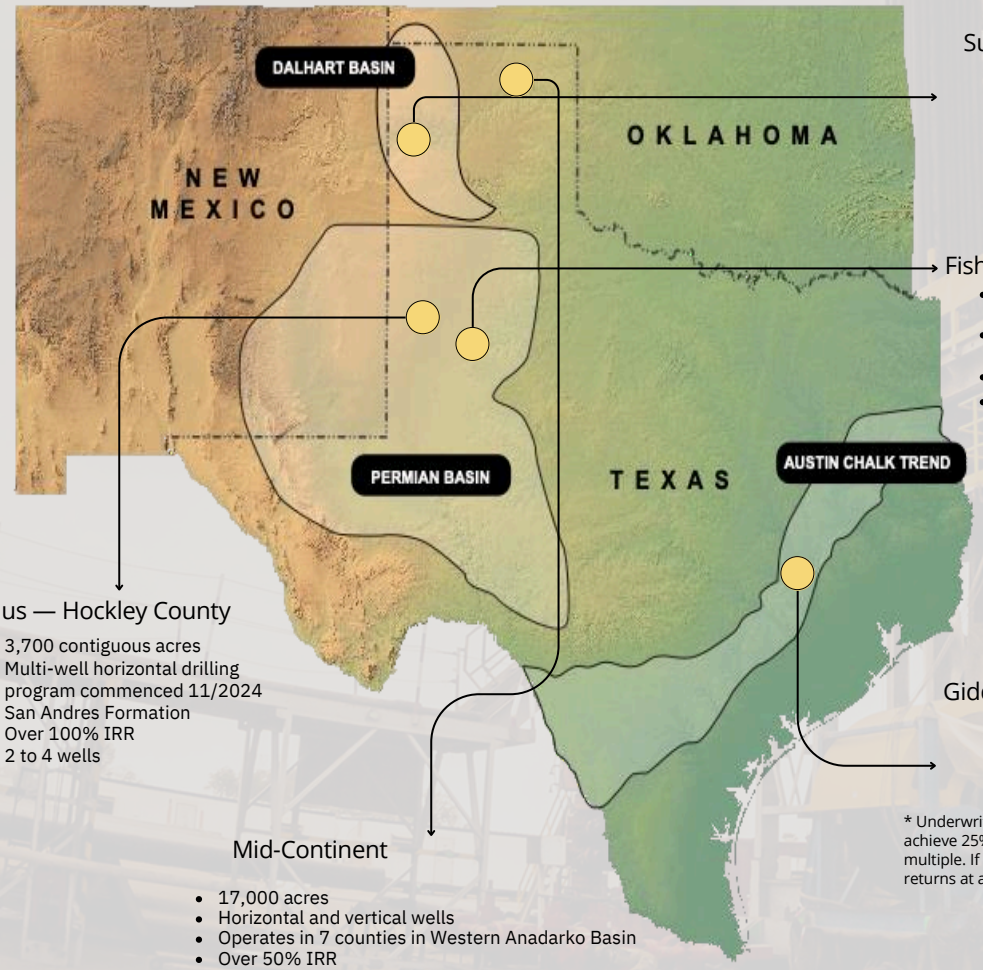
REDUCE TAX BURDEN

100% deduction

- Reduce rate of taxation
- Reduce tax burden by as much as 60% or more in first year alone

OUR PROSPECTS

Targeted Drilling Prospects



Sunlight — Bivens Ranch

- Over 60,000 contiguous acres Multi-well horizontal drilling program commencing 12/2024
- 348-square-mile 3D license and infrastructure
- Canyon Lime Formation
- Over 100% IRR
- Up to 4 wells

Fisher County

- Currently partnering in 4 wells with Browning and Cholla
- Reviewing additional acreage in the area
- Goen Limestone Formation
- Over 90% IRR

Vesuvius — Hockley County

- 3,700 contiguous acres
- Multi-well horizontal drilling program commenced 11/2024
- San Andres Formation
- Over 100% IRR
- 2 to 4 wells

Giddings – Fayette County

- Reviewing additional acreage and partnering opportunities Austin Chalk Formation

Mid-Continent

- 17,000 acres
- Horizontal and vertical wells
- Operates in 7 counties in Western Anadarko Basin
- Over 50% IRR
- 2 to 4 wells

* Underwriting Assumptions: We target prospects that achieve 25% IRR (Internal Rate of Return) and a 3x multiple. If we can do that, then these are the potential returns at a portfolio level.