



April 30, 2020

PDX COIN PROVIDES INVESTOR UPDATE

1. Throughout the current adverse economic environment, PDX has continued to successfully raise new capital in order to continue executing its objectives. We are confident, based on various investor conversations currently underway, of raising up to a further several million dollars over the next several months from a variety of accredited US investors, all of which puts us in position to execute at an optimum level all the way through to the Asian investor roadshows, and beyond through to the commencement of the ICO public sales event. We have strongly increased our North American capital raise capability, having recently strengthened our investment sales team in the US through new hires, and are building up our Asian marketing team ahead of our Asian investor roadshow series. The new capital commitments will allow us to speed up several of our more immediate developmental tasks, including the development of our proprietary cryptocurrency consumer payments app and the completion of our license application in Europe for an Electronic Money Institution license, as well as ensuring that our day to day projected operating expenses are covered for some time ahead.

Investors have taken note that digital assets and related payments technologies are now viewed as more attractive than ever, given that they have significant advantages over traditional payment methods, particularly in an emerging post-

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pandemic world. We are in fact now seeing a significant pick-up in interest and adoption from merchants and other businesses across the world, that previously had no involvement or interest in the digital asset space.

2. There is zero change to our strategy of backing PDX tokens wholly or substantially with hard assets, and in particular oil and gas reserves and development projects. We believe opportunities will continue to be available in the near and medium term to increase our resource base on very favorable, and possibly anti-dilutive, terms. The current suppressed oil prices are an entirely rational reaction to a short-term demand shock. Presently we see an imbalance between global supply and demand in the order of negative 30 million barrels of oil per day (“BOPD”). We believe that up to 10 million barrels per day of global demand has been permanently destroyed in the past several months, although we also see this being offset in the short and medium term by permanent or semi-permanent supply destruction in the order of 10 million barrels per day. We see 20 million barrels of the 30 million barrel daily demand disruption coming back over the next 12-18 months. Indeed, China is on trend to increase fuel oil demand in the second quarter of 2020 to the same levels as a year earlier, up 2.4 million barrels per day.

Overall we see physical crude oil prices rebalancing in a range of \$32 to \$38 per barrel by the first quarter of 2021, and this thesis is supported to the baseline by the prevailing WTI and Brent futures curves for that time period. It is important to note that, particularly in regards to shale assets, PDX Energy’s strategy has always been to fund shale asset drilling and development 100% with equity. No part of our forward energy plans in fact have ever involved a penny of debt. Further, given fixed Lease Operating Expenses across the board at under \$18 per barrel, on top of variables such as royalties (typically 20 to 25%) and production and severance taxes (typically in the order of 7% combined, in the US), we expect to break even on US shale assets, at the field level, at \$28 per barrel or less. In the medium term we also expect to redirect capital to higher-ROI lower-cost onshore and shallow-water offshore projects and acquisitions. Longer-term, we now expect to accelerate our previously stated objective of pivoting towards PDX tokens being increasingly backed by units of renewable energy generating capacity.

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3. We currently expect to hold a rescheduled and now virtual 2-day technical workshop in London, UK, in late May or early June, as a prelude to the formal commencement of final development and eventual roll-out of our proprietary crypto-to-fiat payments application for merchants and consumers globally. We had previously anticipated holding this workshop earlier this year, but deferred it due to the global pandemic and imposition of certain restrictions. You are greatly encouraged to again read our investor update letter dated December 2nd, 2019, in its entirety in order to regain a full appreciation of the importance of, and the implications of, this development project to the future of PDX. A copy may be downloaded from the Media sub-page on our website.
4. Building on the success of our first Dubai Investor Week in early February, PDX now tentatively expects to hold its second Investor Roadshow Week in Dubai, UAE, from sometime in either late June, or July of this year, including an evening investment presentation at the Dubai Ritz-Carlton or similar venue, and will hold follow-up meetings with investors we engaged with during the February roadshow, as well as hold new one-on-one meetings with additional investors not previously engaged with. The precise timing of this event obviously depends upon the lifting of travel and other restrictions in the UAE, US, and Europe.
5. We continue to carefully monitor the coronavirus situation, particularly in Asia, as that does affect the timing of our Asian investor roadshows in China, Japan, Singapore and South Korea. We continue to cautiously agree with Morgan Stanley's mid-case scenario and assessment that the situation will have substantially improved by June of this year, but in the meantime will focus on our middle east HNW investor presentations, while tentatively planning for our first full Asia-wide roadshow events from late July. We will monitor the situation on a month by month basis, but are encouraged by continuing signs of improvement out of mainland China and other parts of Asia in respect to the coronavirus situation and its related restrictions. *Notwithstanding the foregoing, we have not yet factored into any of our projected timelines the potential impact of a second wave of coronavirus infections, including renewed lockdowns and travel restrictions and attendant economic distress.*
6. We are moving forward in the next month with formally engaging global consulting firm Price Waterhouse Coopers ("PwC") to complete and manage the remainder of our formal licencing application for our proposed Electronic Money

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Institution and sub-banking license in Europe (Lithuania). PwC will also provide all ongoing legal advice in respect to this application. The remainder of this process is expected to take between 4 and 6 months. This license, when combined with our completed payments app and PDX Coin, will give us a serious competitive edge in the global payments and remittances spaces. We presently expect to commence this engagement by late May, having delayed it due to the global lockdowns.

The EMI license will be passportable throughout the entire EU / EEA region, regulated and approved by the European Central Bank, and will enable us to transact globally. The EMI license will, among other features and services, allow us to issue “electronic money”; issue cards, and enable us to exchange cryptocurrency into fiat currency and vice-versa. A further feature, unique to this type of entity where licensed in Lithuania, is that we will also have an IBAN sort code, and the ability to generate IBAN-format bank account numbers for customers. Outside of Lithuania, only full banks in the EU can do this.

7. We reiterate our previous advice that the upcoming public ICO sale is being repriced to upwards of \$75 per token, with private pre-sales being repriced to \$30+ per token, particularly in the Asian pre-sales events. Accordingly we intend to conclude our current US sales round at \$15 per token.
8. We encourage all members of the PDX community to take a look at our new website design at www.pdxcoin.io. This is the ICO-ready version.
9. Please direct all enquiries to ir@signalcapitalmanagement.co.

Sincerely,

The PDX team

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