

## StockWatchIndex Research Report

### AN ENVIRO-FRIENDLY INVESTMENT OPPORTUNITY

The world's oil sand/shale extraction market has grown to approximately \$100 Billion and at the same time has been subjected to increasing criticism for its negative environmental impact. MCW Energy Group is focused on the development and implementation of revolutionary, patent pending, enviro-friendly technologies for oil sands extraction and the application to remedial solutions. Setting itself apart from the competition, this clean technology can be used for harvesting as well as for clean-up.

MCW's proprietary process does not require water during the oil extraction, a key advantage when applying it to the western desert states in the U.S., where water is widely unavailable and environmental rules and regulations are abundant. MCW uses a closed-loop system, its plant produces no greenhouse gas, requires no high temperature and/or pressure, releases no pollutants into the environment and allows recycling of 99% of the solvents used in the process.



### PATENT PENDING MCW TECHNOLOGY

MCW has filed patent applications for elements of the Extraction Technology with both the USPTO in the United States and CIPO in Canada, as well as China and Russia and intends to file additional applications worldwide.

MCW's technology is suitable for both "water-wet" deposits, such as the oil sands found in Alberta, Canada, and "oil-wet" deposits, such as the oil sands typically found in Utah and California. MCW's unique process does not require water during the oil extraction process, which is a key advantage when processing oil sands in areas where water is scarce, or unavailable. MCW's technology is available for licensing throughout the world.

### PROVEN PRODUCTION PROCESS

MCW's first oil sands project in Utah has been tested at full capacity in August of 2015 and an independent production evaluation has been completed. This study has confirmed that MCW's energy efficiency (EROEI) of 22:1 compared to the traditional 5:1 will result in superior economics. Once fully operational, the facility will be operated and managed by MCW's own personnel.

### ADDING PRODUCTION SITES

MCW is aggressively pursuing its plans for the expansion of its extraction facilities to 5,000 bbl/day production capacity, facilitated via two side by side 2,500 bbl/day facilities that have proven to operate reliably. To finance this project, MCW has been working with a top tier International bank to secure the additional funds required.

### RIGOROUS DUE DILIGENCE

As part of the bank's due diligence, a highly respected chemical engineering consulting firm has been engaged to evaluate the efficiency of the current 250 bbl/day MCW facility. The results of this rigorous due diligence confirmed that the production cost in the current facility are in the low \$30/bbl range. The firm also agreed with MCW's own findings that significant cost reductions can still be achieved with the expansion of production capacity. In addition, the MCW technology can easily be scaled up, with minimal risk and at a fraction of the build-out cost of the initial plant.

*Clean Investment Opportunity*

*Patent Pending Technology*

*Closed-Loop System*

*No Pollutants released into Environment*

*High Level of Scalability*

*Industry low Production Cost*

*High Economic Returns*

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## ENVIRO-FRIENDLY EXTRACTION

MCW has developed proprietary and patent pending technology for enviro-friendly oil sands/shale extraction, or remediation of tailing ponds

## WORLDWIDE JOINT VENTURES

MCW is developing worldwide joint venture opportunities and royalty streams from licensing its technology

## EXCELLENT RETURNS

Processing cost will fluctuate with oil prices & cost of petro products producing favorable plant economics for MCW

## PATENT PENDING TECHNOLOGY

Patents for the MCW Extraction Technology filed in 30 countries worldwide including the US, Canada, China and Russia

## THE COMPANY

MCW owns patent pending, economically effective, and environmentally-safe technology, which produces oil from a wide range of oil sands and can be applied to other petroleum bearing sediment types. The technology is suitable for both "water-wet" deposits (such as the oil sands projects in Alberta, Canada), and/or "oil-wet" deposits such as the resources typically found in Utah, Texas, California and other States in U.S. The technology can also be used for the clean-up of tailing ponds or environmental spills.

## MANAGEMENT TEAM

### Alexander Blyumkin Founder and Chairman

Twenty plus years of experience in the Oil and Gas industry. Developed a variety of oil development properties in Eastern Europe.

### Dr.R.Gerald Bailey Chief Executive Officer

Former President of Exxon in the Arabian Gulf, Abu Dhabi and the UAE. Operations Manager Qatar General Petroleum Corp. Operational Superintendent for Exxon in Aruba and Esso in Libya. Ph.D. in Engineering, M.S. and B/S. in Chemical Engineering

### Dr.Vladimir Podlipiski Chief Technology Officer

Twenty Years plus experience in chemistry, R&D and manufacturing. Former positions at EMD Biosciences and R&D Nanotech. Chief Chemist at UCLA Department of Chemistry. Ph.D.in Bio-organic Chemistry at Kiev University. Holds several patents on organic/benign solvents.

### Mark Kob Chief Financial Officer

Recent positions at Caldera Pharmaceuticals, Fluid Spirit Holdings and South Africa Management Corp, an Oil and Gas service company.

## Price Development



## CAPITALIZATION

SYMBOL	MCWEF
EXCHANGE	OTCQX
CURRENT PRICE	\$0.16
52 WEEK range	\$0.10 - 0.88
AVERAGE VOLUME	104,000
SHARES AUTHORIZED	150 Million
SHARES OUTSTANDING	100 Million
MARKET CAP	\$16 Million
FLOAT	10 Million

## Company Organization

MCW Energy Group's registered office is located in Toronto, Ontario and its head office is located in Los Angeles, CA. The Company has one wholly owned subsidiary, MCW Energy CA, which has two wholly owned, active subsidiary companies, MCW Oil Sands and TMC. MCW Oil Sands is based in Uintah, Utah.

## Canada Revenue \$69.9 Billion in 2014

Daily oil sand production in Canada in 2014 was 2.2 million barrels per day, expected to grow to 3 million barrels per day by 2020. Canada has approximately 170 billion barrels located in the oil sands. MCW's technology can be essential in increasing productivity and profits by lowering production cost, compared to the conventional extraction methods currently used.

## MCW - 100 Million Barrels Capacity in US

MCW believes that its properties in Utah have a production potential of 100 Million barrels and is easily scalable at low risk and cost. Worldwide licensing agreements will increase revenue without the need for significant additional capital expenditures.

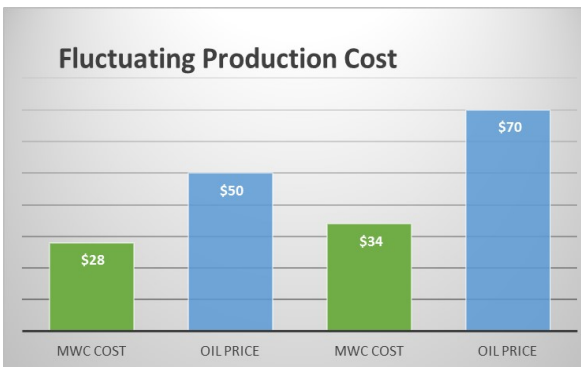
## Global Markets

Increasing energy demands are arising as a result of rapid industrialization in emerging economies. China, India, Brazil and South Africa are the major drivers for the oil sands market. Moreover, the advancement in refining technology, enabling the refiners to process the heaviest of crude oil, will augment the technologies for the extraction of oil sands worldwide. Key players in the global oil sands market include companies such as Suncor Energy, Inc. Royal Dutch Shell plc, Exxon Mobil Corporation, Petróleos de Venezuela, S.A. (PDVSA), Eni S.p.A., Canadian Oil Sands Limited, Alberta Oil Sands Inc. and others. All companies are using conventional and costly production technology, resulting in lower profits or losses, accelerated by unusually low oil prices.

MCW's proprietary technology and worldwide licensing opportunities positions the company well to produce at lower cost than most of these companies and is well equipped to compete, even dominate in the Global Markets.

## MCW COMPETITIVE ADVANTAGES

- Proven, environmentally friendly, innovative, patent pending technology
- Continuous flow, closed loop system with over 99% oil and solvent recovery
- Highly scalable - 250 to 5,000 bbl/day
- Highly energy efficient with EROEI in 22:1 range
- No tailing pond - Allows recycling of 99% of solvents
- Extraction of high quality low sulfur oil and clean sands only
- Lower start-up cost - Faster paybacks
- Highly cost effective - Lowest production cost in the industry
- Ongoing negotiations for worldwide technology licensing agreements
- Use for environmental clean-up



## OPTIMIZED PRODUCTION

MCW spent the first half of 2015 optimizing the production efficiency of its 250 bbl/day facility in Utah, USA. A rigorous review by MWS's engineering consultants has concluded that significant cost reductions can still be achieved by increasing the production capacity to 5,000 bbl/day at a fraction of the build out cost of the initial plant. In

addition, cost for solvents used in the extraction process fluctuate lower with the cost of oil, allowing MCW to establish favorable production cost. Other products used by MCW have already dropped in price as much as 40% and accordingly, MWC will be able to operate profitably, even with medium-low oil prices and generate significant profit margins with rising oil prices. MCW has the ability to provide a wide range of hydrocarbon products to refineries and provide them at lower prices than the conventional competition, without sacrificing its profit margins.

## LICENSING - JOINT VENTURES

MCW's patent pending technology is applicable for extraction in all oil sand fields throughout the world and can also be applied for environmental clean-up of tailing ponds left behind by conventional production methods and/or environmental spills. Accordingly, the company's management is in discussions/negotiations with potential licensing and joint venture partners around the world. MCW aggressively pursues these licensing opportunities, expecting that licensing will accelerate revenue generation without significant additional capital investment.

MCW has entered into an agreement with TS Energy Ltd to act as the sole and exclusive licensee of the extraction technology in Canada and the Republic of Trinidad and Tobago.



# EARLY STAGE INVESTMENT OPPORTUNITY

## EXCELLENT ECONOMIC RETURNS

Economic Returns		
Barrels per Day	Daily Revenue	Annual Revenue
250	\$12,500	\$4,500,00
2,000	\$100,00	\$36,000,000
5,000	\$250,000	\$90,000,000

MCW is not a typical “oil company”, but considers itself a technology company bringing its revolutionary technology to the oil sand industry world-wide. MCW’s unique sand oil retraction process does not require water during the oil extraction, produces no greenhouse gas, expects to extract up to 99% of all hydrocarbon content and recycle up to 99% of the solvents used in the process. Based on MCW’s new and cost-effective approach and the smaller environmental burden, MCW can produce high economic returns, even with medium oil prices.

## Cost Effective Production

MCW’s production process is cost effective, fluctuates positively with the price of oil and other petrol products used by MCW and produces excellent economic returns when compared with the traditional extraction methods currently being applied worldwide, especially in Canada’s vast oil sand reserves. The worldwide reserves of recoverable barrels that are currently developed on a small scale is approximately 2.7 Billion barrels. Because new technology such as MCW’s is needed to develop these projects at a profit, the planned expansion of MCW’s production facilities and the world wide licensing agreements it intends to enter into, MCW expects to generate revenues of approximately \$100 Mill by 2019. MCW is currently the only company in the US with proven alternative technology for extraction from oil sands.

## OTCQX AND TORONTO STOCK EXCHANGE - UP-LISTING

MCW is currently listed at the Toronto Stock Exchange (TSX-V:MCW) and the US OTC (OTCQX:MCWEF). The company intends to up-list to a NASDAQ listing after the successful conclusion of its next funding round and subsequently meeting NASDAQ listing requirements. Close of funding is anticipated to be achieved in the second or third quarter of 2016 and funds will be designated to the expansion of production capacity.

## SWI RESEARCH OPINION

**The stock is currently trading at the low end of the 52 week range of \$0.10 to \$0.88. Our recommendation is based on the concluded development of MCW’s revolutionary and patent pending technology, the successful evaluation of operations at the first extraction facility in Utah and its plan to aggressively expand production capacity, in order to accelerate revenue generation and achieve profitability. MCW is managed by a driven, top-tier management team with decades of experience in top management positions with some of the largest oil companies in the world. Management has successfully raised working capital at favorable conditions, with all instruments structured at a fixed price higher than the current share price and is in the process of raising additional funds for the expansion of its production facilities. The Company has excellent fiduciary discipline, all convertible notes have been converted into common shares and are included in the total number of outstanding shares as of the date of this publication. Accordingly, we consider MCW an unusual early stage investment opportunity with significant revenue and profit potential.**



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