

1031 Real Estate to Oil & Gas Exchange

GrayStreet Energy is a service business focused on facilitating 1031 exchanges in the United States



\$1.33B
Assets under
Management



90+
Years of Team
Experience



2013
Started Investing in
Oil and Gas



300+
Operating
Wells

HIGH LEVEL OVERVIEW

GrayStreet is a fully integrated investment company with a long history of successful equity & debt investments

- **Vertically integrated** with in-house sales, management, and operations teams
- **Stable Cash Flow** streams from Producing Assets
- **35+ Years Successful investments** in oil & gas assets by Principal of GrayStreet
- **Fully managed product** for the exchanger, minimal responsibilities
- **Hedging is available** at client discretion
- **Owner-operator investor perspective** and in-house capabilities to manage producing assets
- Market Conditions have deteriorated for Oil and Gas assets in the last 12 months and have forced **great assets to be sold at fair prices.**
- **Inflation Protected Asset Class**
- **Depletion allowance**, akin to depreciation, is a benefit available to all, including those with no tax basis

Illustrative Financial Profile	Traditional 1031 Exchange		Oil & Gas 1031 Exchange	
Exchange Value	\$1,000,000		\$1,000,000	
Incoming Tax Basis	\$0		\$0	
Cap Rate / Discount Rate	7.0%		10.0%	
Leverage	50% LTV		50% LTV	
Hold Period	6 Years		6 Years	
Tax Preference ⁽¹⁾	Nominal	Effective	Nominal	Effective
Income Tax Rate	35.0%	35.0%	35.0%	24.7%
Capital Gains Rate	23.8%	28.4%	23.8%	7.4%
Operating Metrics	Incoming	Exit	Incoming	Exit
Yield on Cost (Incoming / Exit)	7.0%	8.1%	27.0%	9.9%
DSCR	1.34x	1.56x	2.17x	2.09x
Return Profile ⁽¹⁾	IRR	MOIC	IRR	MOIC
Property Level	10.09%	1.70x	7.53%	1.25x
Adjusted for Depreciation / Depletion	10.09%	1.70x	11.16%	1.41x
Adjusted for Capital Gain Deferral	15.41%	1.61x	43.89%	1.73x

(1) Tax deductions are not guaranteed. Each investor should consult their personal tax advisor on this and all other tax issues