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CONFIDENTIAL Memorandum

Date: December 11, 2024

To: Grey Fox Holdings, LLC ("GFH")
From: Ronald A. Oleynik, Esq.

RE: GFH Progress, Status and Venezuelan Sanctions Issues

INTRODUCTION

You have asked me to provide a brief update on recent progress and changes regarding Venezuela (VE) and GFH / Associated Entities. This update includes the following:

1) Standing of OFAC Licensure for GFH: Verification that the eight Venezuelan Sovereign Bonds ("VE Bonds") assigned to GFH / associated entities, with a face value of approximately $20 Billion, continue to meet requirements under General License 3I ("GL 3I") issued on October 18, 2023, by the U.S. Department of the Treasury, Office of Foreign Assets Control ("OFAC"), in spite of sanctions changes with Venezuela in other areas during 2024.

2) Specific GFH progress including:
   a. April 2024 Memorandum of Understanding ("MOU") signed with planned JV partners.
   b. April 2024 travel by GFH / associated entity leaders to Caracas.
   c. April—October 2024 negotiation discussions on CITGO, off-take agreements and Sovereign Bonds with legal counsel
   d. June—October 2024 heightened awareness and support of GFH / H&K efforts from U.S. Departments of Treasury and State.
   e. July—October 2024 progress on the Consortium led by GFH, and agreement signed September 27, 2024, to facilitate an updated VE Bond Assignment RWA and Swift 542 to the financial institution of GFH's choice.
   f. October 2024, Specific OFAC License application filed to trade in Venezuelan oil.

g. November—December 2024 Onboarding with Dubai International Financial Center ("DIFC") Tabarak Investment Bank in preparation for VE Bond custodial account(s) and monetization. Productive discussions involving GFH Leadership with VE Consultants and Leadership to provide better understanding of VE priorities / specific opportunities, facilitate letters of support and 2025 VE Bond RWA .

1) STANDING OF OFAC LICENSURE: VE BONDS ASSIGNED TO GFH / ASSOCIATED ENTITIES CONTINUE TO MEET OFAC REQUIREMENTS

As described herein, because the VE Bonds assigned to GFH / associated entities, were issued by the BCV prior to August 24, 2017, they meet all the criteria set forth in GL 3I and can be 'dealt in' to move forward with GFH's business plans, including assigning those bonds to a Joint Venture. GFH is permitted to and is in process of negotiating with legal counsel for the Government of Venezuela, regarding transfer of the VE Bonds assigned to GFH / associated entities, pursuant to the Renewal Certificate RWA, dated May 10, 2023, issued by the BCV.

Recent reinstatement of some sanctions against Venezuela on January 29, 2024, on April 17, 2024, and on September 12, 2024, does **not** change the capacity for GFH to transfer approved VE Bonds assigned in fee simple absolute form (with applicable bond terms and conditions), to the financial institution of GFH's choice.

2) SPECIFIC GFH PROGRESS, INCLUDING MOU SIGNING, TRAVEL TO VENEZUELA, DISCUSSIONS ON CITGO, AND U.S. DEPARTMENTS OF TREASURY AND STATE

Since licensure from OFAC on October 18, 2023, GFH has made important progress in preparing for a mutually beneficial, carefully crafted Strategic Alliance and Public Private Partnership with the Government of Venezuela. Key points of recent progress include:

a. April 23, 2024, a Confidential Memorandum of Understanding ("MOU") was signed with Middle East Oil and Gas Associates in the Gulf ("OGAG"). GFH / its subsidiary and OGAG JV endeavors may include, but are not limited to, participating in the acquisition of CITGO, and in additional Mutually Beneficial Revenue Generation Projects ("MBRG Projects") including, but not limited to Oil Off-Take, LNG Exploration, Off-Take and Vessels. Social and Human Development Focus will be facilitated by GFH Endowment with a consortium of collaborating nonprofit organizations. Locations may include but are not limited to Latin America (starting with Venezuela), Asia, Africa, and North America.

b. On April 1, 2024, GFH / associated entity leaders traveled to Venezuela, to meet with officials of the Venezuelan Government and its legal counsel. The GFH Team prepared an excellent packet of materials in both Spanish and English for the meetings and negotiations. It became clear through discussions while in Venezuela and afterward that Venezuela's top priority was CITGO.

c. In follow up to April VE travel, legal Counsel, Holland & Knight ("H&K"), along with GFH leadership have had several negotiation discussions regarding CITGO and the importance of MBRG Projects and VE Bond Collateral to incentivize a win-win plan for CITGO, acceptable to all parties, including major creditors, the U.S. Bankruptcy Court, U.S. Departments of State and Treasury, GFH and associated entities, planned consortium partners, and the people of Venezuela. Steady progress continues, in spite of pre- and post VE election challenges, and the U.S. Bankruptcy Court selecting a "presumptive winner" for CITGO on September 27, 2024. GFH still has a window to submit an alternative proposal for CITGO with a higher bid, considerations for ALL creditors, keeping CITGO intact, and providing the people of Venezuela the opportunity to earn back majority ownership of CITGO over several years.

d. U.S. Departments of State and Treasury are increasingly aware of GFH / associated entities' progress and plans. We have been told that GFH endeavors have been discussed by both departments—State and Treasury—who have also expressed encouragement and optimism regarding progress toward a Strategic Alliance and Public Private Partnership with Venezuela. They remain keen about the inclusion of a viable alternative solution for CITGO, as well as the progress in arranging for VE Bond Renewal, Monetization and Trading.

e. GFH, along with planned Consortium partners, are making important progress on additional MOUs, JV terms and agreements, and setting the stage for renewal of the BCV Ready Willing and Able ("RWA") documentation for GFH VE Bond assignments. This includes the agreement signed on September 27, 2024, to facilitate an updated VE Bond assignment RWA and Swift 542 notification to the financial institution(s) of GFH's choice. GFH then anticipates transfer of its assigned VE Bonds during the first quarter of 2025 and subsequent monetization.

f. October 9, 2024, H&K filed application, on behalf of a GFH subsidiary, for an OFAC Specific License to trade in Venezuelan oil. Associated with this license application is an agreement with a planned GFH Consortium Partner regarding Merey 16 crude oil transactions with PdVSA. Once the OFAC Specific License is issued, the first Merey 16 should conservatively provide net cashflow to GFH / its subsidiary of $6 million USD or more each month for the foreseeable future.

   November--December 2024, GFH was approved for onboarding with DIFC Tabarak Investment Bank in preparation for VE Bond custodial account(s) and monetization. Tabarak and its international affiliates are part of a financial consortium with over five trillion dollars in assets under management. GFH Leadership, VE Consultants and VE Leadership also participated in productive meetings by Video Conference, resulting in better understanding of VE priorities / specific opportunities, and progress with letters of support, and pending VE Bond RWA in 2025. Since one of the assigned VE Bonds has now reached maturity, and another matures in April 2025, management has been assured that the BCV will substitute bonds of similar or better value, such that the VE Bonds assigned in the 2025 RWA will still have a total face value of $20 Billion or more, and be part of those listed on the OFAC Exemption List. Such substitutions will be done in compliance with OFAC GL 3I, the General License that allows for dealing with certain VE sovereign bonds.

SUMMARY

VE Bonds assigned to GFH / its subsidiary continue to meet requirements under OFAC GL3I, and the U.S. Departments of Treasury and State are increasingly aware of and supportive of GFH and associated entity efforts. GFH / its subsidiary has a signed MOU, including Client Information ("CIS"), and Proof of Funds ("POF"), between lead parties involved. Meetings and negotiations are progressing and designed to result in a signed MOU with Venezuela, leading to successful Public Private Partnerships. Ongoing efforts include the development of a mutually beneficial Consortium, led by GFH, which may include, but is not limited to, successful acquisition of CITGO, MBRG Projects, VE Bond Collateral, and Sustainable Social and Human Development. Progress is exemplified by October 9, 2024 application filing for a Specific License from OFAC to trade in Venezuelan oil, which after licensure should conservatively provide net cashflow of $6 million USD or more per month for GFH.

ATTACHMENT FOR REFERENCE:
May 2023 OFAC Licensure, with VE Bonds Highlighted, assigned to GFH / its subsidiary

OFFICE OF FOREIGN ASSETS CONTROL

Venezuela Sanctions Regulations
31 CFR Part 591

GENERAL LICENSE NO. 3I

Authorizing Transactions Related to, Provision of Financing for, and Other Dealings in Certain Bonds

(a) Except as provided in paragraphs (e) and (f) of this general license, all transactions related to, the provision of financing for, and other dealings in bonds specified in the Annex to this general license (GL 3I Bonds) that would be prohibited by Subsection 1(a)(iii) of Executive Order (E.O.) 13808 of August 24, 2017 or by E.O. 13850 of November 1, 2018, each as amended by E.O. 13857 of January 25, 2019, or by E.O. 13884 of August 5, 2019, as collectively incorporated into the Venezuela Sanctions Regulations, 31 CFR part 591 (the VSR), are authorized, including, on or after October 18, 2023, divestment or transfer of, or facilitation of divestment or transfer of, any holdings in such bonds to a U.S. person.

(b) Except as provided in paragraph (f) of this general license, U.S. persons are authorized to engage in all transactions prohibited by Subsection 1(a)(iii) of E.O. 13808 or by E.O. 13850, each as amended, or by E.O. 13884, as collectively incorporated into the VSR, that are ordinarily incident and necessary to facilitating, clearing, and settling trades of holdings in GL 3I Bonds, provided such trades were placed prior to 4:00 p.m. eastern standard time on February 1, 2019.

(c) Except as provided in paragraph (f) of this general license, all transactions and activities prohibited by Subsection 1(a)(iii) of E.O. 13808 or by E.O. 13850, each as amended, or by E.O. 13884, as collectively incorporated into the VSR, that are ordinarily incident and necessary to the wind down of financial contracts or other agreements that were entered into prior to 4:00 p.m. eastern standard time on February 1, 2019, involving, or linked to, GL 3I Bonds are authorized. This authorization is valid through 12:01 a.m. eastern daylight time, March 31, 2020.

(d) Except as provided in paragraph (f) of this general license, all transactions related to, the provision of financing for, and other dealings in bonds that were issued both (i) prior to August 25, 2017 (the effective date of E.O. 13808), and (ii) by U.S. person entities owned or controlled, directly or indirectly, by the Government of Venezuela, other than PDV Holding, Inc. (PDVH), CITGO Holding, Inc., and any of their subsidiaries, that would be prohibited by E.O. 13808 or E.O. 13850, each as amended, or by E.O. 13884, as collectively incorporated into the VSR, are authorized.

(e) Paragraph (a) of this general license does not authorize U.S. persons to sell, or to facilitate the sale of, GL3I Bonds to, directly or indirectly, any person whose property and interests in property are blocked pursuant to the VSR.

(f) This general license does not authorize:

(1) The unblocking of any property blocked pursuant to the VSR, or any other part of 31 CFR chapter V, except as authorized by paragraphs (a), (b), (c), and (d); or

(2) Any transactions or activities otherwise prohibited by the VSR, or any other part of 31 CFR chapter V, or any transactions or activities with any blocked persons other than transactions or activities involving the Government of Venezuela, including Banco Central de Venezuela, that are described in this general license.

(g) Effective October 18, 2023, General License No. 3H, dated May 12, 2020, is replaced and superseded in its entirety by this General License No. 3I.

Bradley T. Smith Digitally signed by Bradley T. Smith
Date: 2023.10.18 16:47:47 -04'00'

Bradley T. Smith
Director

Office of Foreign Assets Control

Dated: October 18, 2023