

EB-5 PROJECT

Sand Mining of Texas Phase I

Sand Mining of Texas is a project created by Preferred Sands. The project is to develop and operate a sand mining and proppant manufacturing facility. Located in the heart of Eagle Ford Shale, the project is well suited to serve the oil and gas industry.



PROJECT TYPE

Sand mining and proppant manufacturing facility



FEATURES

Production of 250K+ tons per month



PRIME LOCATION

Eagle Ford Shale in San Antonio, Texas



EXPERIENCED MINING OPERATOR

Preferred Sands, a portfolio company of KKR



START OF CONSTRUCTION

First Quarter 2017



COMPLETION GUARANTEE

Provided by the General Contractor



According to Jefferies International Limited, the oil market is in the early stages of a sustainable recovery, which is positive for the sand mining and proppant manufacturing industry. The project is well suited to meet strong demand for proppant in the Eagle Ford Shale Basin, which is one of the most prolific shale plays in North America. This project will also serve the famous Permian Basin in West Texas. Together, these two oil and gas basins are considered to be the largest oil and gas reserve in the world.*

* Jefferies International Limited, July 12th, 2016

EB-5 PROJECT HIGHLIGHTS



- KKR Portfolio Company
- KKR Approved Project
- Orchard Global Asset Management Approved Project
- Experienced Mining Operator
- Ideal Capital Stack
- Exemplar Filed with USCIS
- Safe Jobs Buffer (54%)
- Targeted Employment Area
- Construction Completion Guarantee

PROJECT SUMMARY

Texas EB-5 RC ("TERC") is providing \$36 Million in EB-5 funding to an experienced sand mining operator, Preferred Sands, for the development and operation of a sand mining and proppant manufacturing facility, located in San Antonio, Texas.

Located in the heart of the Eagle Ford Shale, this facility is strategically positioned to serve all hotspots in the Eagle Ford Shale Basin and the Permian Basin.

KEY FEATURES

- Exceptional site location - in the heart of Eagle Ford Shale
- All entitlements are in place for construction and mining operation
- Orchard Global Asset Management is providing \$61.8 Million in Senior Loan to this project

KKR is a very successful investor in the energy sector. This project is critical to the success of KKR's investment in Preferred Sands, and therefore, KKR fully supports management's pursuit of this project.

Orchard Global Asset Management ("OGAM") is a leading global alternatives asset management firm with a focus on opportunistic fixed income and structured credit transactions. OGAM has offices in Asia, Europe and North America and it partners with systematically significant financial institutions to originate a diverse mix of global investment opportunities.

www.texaseb5rc.com
www.kkr.com
www.preferredsands.com
www.orchardgroup.com

SOURCES & USES OF FUNDS

Sources of Funds

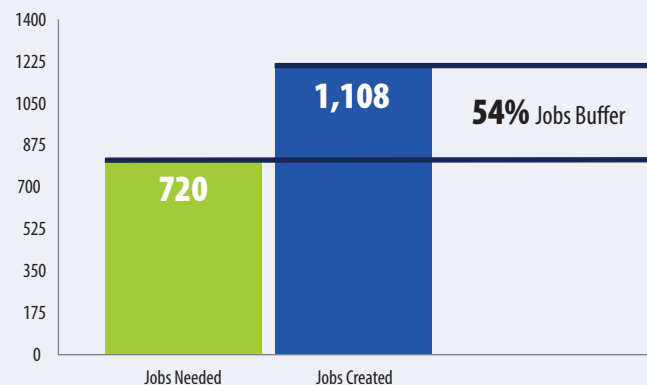
Senior Lender	\$61,800,000	54.8%
EB-5 Financing	\$36,000,000	31.9%
Equity	\$15,000,000	13.3%
Total Sources of Funds	\$112,800,000	100%

Uses of Funds

Land	\$18,693,681	16.6%
Construction & Sitework	\$85,476,319	75.8%
Permits, Finance & Legal	\$2,630,000	2.3%
Working Capital and Contingency	\$6,000,000	5.3%
Total Uses of Funds	\$112,800,000	100%

EB-5 JOB CREATION ANALYSIS

EB-5 Qualified Direct & Indirect Jobs	1,108
Jobs Buffer = 15.4 jobs per investor	54%
EB-5 Qualified Jobs (Without Jobs Buffer)	720
Required EB-5 Investors	72
Total EB-5 Capital Raise	\$36,000,000



TERC | Texas EB-5 RC

FOR ADDITIONAL INFORMATION, CONTACT:

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