

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 1-K/A

**ANNUAL FINANCIAL REPORT PURSUANT TO REGULATION A OF THE SECURITIES ACT 1933
for the fiscal year ended December 31, 2018**

Del Mar Energy

(Exact name of issuer as specified in its charter)

Texas

(State of other jurisdiction of incorporation or organization)

1500 Marilla St, Dallas, Texas

(Full mailing address of principal executive offices)

(940) 202-0502

(Issuer's telephone number, including area code)

FORWARD LOOKING STATEMENTS DISCLAIMER

This report contains forward looking Statements. The words "anticipate," "believe," "estimate," "potential," "forecast," "expect," "project," "intend," "plan," "seek," "may," "could," "might," "would," and similar expressions or references to future periods are intended to identify forward looking Statements. These forward looking Statements involve known and unknown risks, uncertainties, and other factors that could cause our actual results, performance, or achievements, as well as industry results, to differ materially from those expressed or implied by these forward looking Statements, which are set out in this report or incorporated by reference.

The forward Looking statements as set out herein are based on our current expectations, plans, estimates, assumptions, and beliefs, which are subject to numerous risks and uncertainties. The assumptions, which are related to the above mentioned include judgments in respect to future economic, competitive, and market conditions, as well as future business decisions, which are difficult or impossible to predict with accuracy and many of which are beyond our control. While we believe the expectations reflected in these forward looking Statements are based on reasonable assumptions, actual results and performance could differ significantly. Factors that may have a material adverse effect on our business and future prospects include, but are not limited to, the following:

- Our ability to use effectively the funds raised from our offering (the "Offering");
- Risks, which are related to data security breaches;
- Public health crises, pandemics, and epidemics, for instance, those arising from novel virus strains.
- Climate change and natural disasters, which may negatively impact our projects and operations.
- Changes in economic conditions broadly, and in the industrial and private finance sectors specifically.
- Limited ability to sell assets, due to the relative illiquidity of industrial projects.
- The risk of being unable to obtain essential external funding.
- Risks, which are related to derivative instruments or hedging activities;
- Significant competition within the U.S. industrial sector, potentially impacting our efforts to attract and retain suppliers.
- Higher interest rates and increased operating expenses.
- The risk of termination or expiration of the land lease agreement, if applicable.
- Our inability to effectively operate or maintain projects.
- Liability risks, which are related to environmental, health, and safety matters.
- Projects expected to deliver the anticipated results.

- Our debt levels and the terms, conditions, and restrictions outlined in our debt agreements.
- Our ability to retain executive officers and other key employees of our Manager.
- Projected rate of return for investors.
- The performance of our engineering, procurement, and construction contractors and equipment manufacturers under their contracts, including the fulfillment of representations and warranties.
- or changes in laws affecting our business or assets, including modifications to corporate tax laws and SEC regulations under Regulation A of the Securities Act of 1933, as amended, or the Jumpstart Our Business Startups Act of 2012 (the 'JOBS Act').
- Changes in business conditions and the market value of our projects, including fluctuations in interest rates, risks of early repayment, defaults by operators or borrowers, or bankruptcy, and generally subject to a higher risk of loss if our investments fail to meet expectations.
- Our ability to establish and enforce policies and procedures that manage conflicts of interest across the various industry investment opportunities sponsored by our Manager.
- Our compliance with all applicable local, state, and federal laws, including the Investment Advisers Act of 1940, as amended (the 'Advisers Act'), the Investment Company Act of 1940, as amended, and other relevant laws;
- Changes in U.S. Generally Accepted Accounting Principles ("GAAP").

Any of the assumptions upon which forward looking Statements are based could be incorrect. We caution you not to place undue reliance on any forward looking Statements included in this Annual Report. All forward looking Statements reflect the expectations as of the date of this Annual Report, and the risk that actual results will differ materially from the expectations expressed will increase over time. Except as required by federal law, we have no obligation to update or revise any forward looking Statements after the date of this Annual Report, whether due to new information, future events, or changes in circumstances, or any other reason.

Given the significant uncertainty, which is related to the forward looking Statements included in this Annual Report, including those detailed above and under the 'Investment Risks' section of the Offering Circular, the inclusion of these statements should not be seen as a guarantee by us or any other party that the objectives and plans outlined in this report will be successfully achieved.

Due to the risks and uncertainties, undue reliance on forward looking Statements should not be relied upon.

Section 1: Business

Del Mar Energy Inc, which we refer to as the 'Company,' is an industrial holding company, which operates and accepts direct investments in relation to its own properties under the laws of the State of Texas. The Company and its day-to-day operations are managed by Michael Latham, the founder and CEO of the holding company (the 'Manager'). The Company was incorporated to implement and develop industrial solar, mining, road construction, and energy projects in the United States (each a 'project'). The projects will operate, generate financial returns, and, where applicable, provide environmental products to entities that acquire the end products under long-term agreements (collectively known as 'Clients')."

The projects will be owned by special purpose entities (each, a 'SPE'). We currently anticipate that each SPE will also be organized as a limited liability company, often in the state of Texas. Thus, the liabilities of a project located in one SPE will not affect the assets of another project, which is related to a different SPE.

The Company generally owns 100% of the shares of each SPE; however there may be cases where it enters into partnerships with other parties, such as project development companies. In every case, the Company will maintain complete management control of the SPE.

Each of our projects requires seven key contracts, which the Manager ensures the SPE executes:

- **Land Lease:** If the project is not located on the customer's property, the SPE will lease (rather than purchase) the land under a 'land lease' agreement. For projects on customer-owned property, access rights are generally included in the power purchase agreement at no additional cost.
- **Construction Contract:** To construct the projects, the SPE will engage a third party to provide engineering, procurement, and construction services under an agreement referred to as the "Construction Contract.
- **Power Purchase Agreement:** In every case, the SPE will sell the electricity generated by the projects to customers under an agreement referred to as the "Power Purchase Agreement.
- **Industrial Purchase Agreement:** In some cases, the SPE will sell industrial goods generated by the projects to customers under an agreement referred to as the "Industrial Purchase Agreement.
- **Operation and Maintenance Agreement:** The SPE will engage a third party to operate and maintain the projects under an agreement referred to as the "Project Services Agreement.
- **Purchase and Sale Agreement:** Upon identifying a project that meets the Company's criteria, the Manager will enter into a "Purchase and Sale Agreement" to acquire the rights to the project from the Development Company.
- **Tax Equity Agreements:** Eligible projects in the U.S. may benefit from tax credits , which reduce tax liabilities in exchange for investments. The Company may partner with tax equity investors who contribute to project costs in return for these credits. Such arrangements are governed by an SPE Operating Agreement

and related contracts collectively referred to "Tax Equity Agreements." The Manager manages equity investments to monetize these tax benefits.

Although the details of these agreements may vary from project to project, the rights and obligations of the parties generally remain consistent across all projects.

The primary source of revenue from our projects will be the payments received from customers under contracts for the sale of industrial products. Projects will be considered profitable when their revenues exceed expenses.

Currently, the Company plans to hold projects long-term to ensure consistent cash flows for investors. However, based on the Manager's industry expertise, any decision to sell one or more projects could potentially result in a profitable transaction.

Income and Cash Flow: Many investment funds prioritize predictable cash flows that meet their target returns. Each project or the entire portfolio could represent an attractive investment opportunity for such funds. With locked-in contracts for both revenues and expenses, the cash flow is expected to remain consistent and stable over a 20-year horizon.

Project Aggregation: Smaller or unconventional projects may not appeal to institutional investors individually. By aggregating these into a larger, standardized portfolio, the company can create a more attractive package for institutional investors who value performance. Such a portfolio can also absorb the costs and scrutiny of institutional transactions or securitizations.

Cash Flow Stabilization: During acquisition, the company typically shares construction risks with the development company. Institutional investors generally seek stabilized assets with proven cash flows. To meet this preference, the company acquires projects earlier in their lifecycle and sells them once they reach stabilization, when positive cash flows are consistently generated.

Incremental Residual Value: Project valuations during acquisition focus on cash flows under existing contracts, often excluding residual value. However, additional value may arise from contract renewals, asset repositioning, or sales, offering untapped potential for future monetization.

Investment strategy

The company carries out the majority of its projects in the United States by collaborating with third-party companies that specialize in developing industrial assets, referred to as "developers". These relationships can vary significantly: a developer may handle the entire project lifecycle, including identification, permitting, design, and construction; they may also manage operations and maintenance post-construction. In some cases, developers sell the projects and exit the business entirely. The Manager currently does not have a developer in the United States and acquires all projects from unrelated parties, however we may establish one in the future if third-party project costs are high, or due to exceptional market opportunities, or the need for additional capacity due to slow deal flow.

The company's relationships with these developer companies take various forms. Sometimes, the developer identifies a potential project, secures permits, designs, and constructs it. In other cases, the developer provides operational and maintenance services after the project is completed. Alternatively, the developer may sell the project outright and exit the business entirely. Currently, the company does not have an in-house development company in the U.S.

Instead, all projects are acquired from unrelated third parties. However, the company may establish a domestic developer company in cases where third-party project prices become prohibitively high, if an exceptional market opportunity arises, or if a slow deal flow necessitates additional in-house development capabilities.

Developer companies are compensated for their efforts and the risks they assume. This may include developer fees or a continued economic stake in the project's SPE.

The manager evaluates projects presented by developer companies to identify those offering the best risk-adjusted returns. The company specifically seeks projects located in states with favorable industry policies, projects involving reliable customers, and opportunities where the manager is confident in the project's success.

Upon identifying a project that aligns with our fundamental criteria, we consider it for investment and work toward finalizing a purchase agreement that ensures the company's ownership.

We anticipate continuing to acquire and develop new projects in the future, which, based on our projections, which we expect to have the following features:

- *Capacity:* We intend to focus on projects with high production capacity (NOTE: The capacity of an oil production project is determined according to "standard test conditions" established by certain laboratories around the world. The actual capacity of an oil production project varies depending on many factors).
- *Locations:* We select locations primarily based on the following factors:
 - Demand for the end product of production;
 - Easy access for maintenance;
 - Connection points to necessary infrastructure;
 - A location that facilitates the accelerated development of the site;
 - State-level policies that support the implementation of industrial projects.
- **Land Rights:** Some of the Company's projects will be installed on customer rooftops, while others will be located on remote land. In both cases, the Company, or more specifically, the SPE, will be granted access rights to the project ("Access Rights") for the purpose of construction and maintenance. For rooftop projects, these access rights are typically granted as part of a power purchase agreement with the customer. For projects on remote land, the SPE will either purchase or lease the property to ensure proper protection of the access rights.
- **Connecting Projects to Power or Electricity:** All projects acquired or constructed by the Company require a permit to connect to the local grid or to establish necessary transportation links. Such permits are issued to the local utility company based on the connection agreement and operating permit.
- **Our Own Equipment:** The Company uses its own equipment for solar energy projects, including solar panels to convert sunlight into electrical energy, and inverters to change the direct current (DC) from the panels into alternating current (AC) for use in homes, businesses, oil platforms, drilling rigs, and mining

substations. We also use vehicles and construction equipment to develop projects within our operational areas.

- **State Incentives and Environmental Products:** Various states in the U.S. offer specific incentives to encourage the development of industrial projects, including property tax exemptions, sales tax exemptions, net metering, and community energy initiatives. The Company will work to optimize these state incentives to maximize the expected return on investment for our investors, which may include third-party transactions for monetization.
- **Tax Incentives:** In addition to state-level incentives, the U.S. federal government offers several tax incentives to promote the development of industrial projects. These include the Investment Tax Credit (ITC), MACRS accelerated depreciation, and bonus depreciation. The Company will seek to maximize these federal incentives to optimize returns for investors, which may involve transactions with third parties to monetize certain tax advantages, referred to as "Tax Capital."
- **When the Company Invests in Projects:** Generally, the Company does not invest in a project until all relevant contracts, as described above, have been negotiated and executed.

Therefore, investors are typically not exposed to significant project-level risks until these conditions are met. However, for particularly promising projects, the Company may make exceptions and finance costs at an earlier stage.

Investment Committee

When we identify a project that meets the basic criteria described above, we review it for investment by a multidisciplinary committee of experienced management company executives (the "Investment Committee"). A unanimous approval from the Investment Committee is required for a project to receive financing. The Investment Committee relies on the same memorandum prepared by the Manager for each project to make its investment decision.

Competition

Our net income significantly relies on our capability to find, acquire, and manage investments that offer attractive returns considering the risks involved. We face competition from numerous other companies engaged in industrial real estate acquisitions in the U.S. market, including individuals, corporations, private equity funds, and various organizations focused on industrial investments. Many of these competitors have greater financial resources and lower capital costs than we do. Additionally, there are numerous companies with acquisition objectives similar to those of our Manager, and other firms may be incorporated in the future, potentially increasing competition for investments suitable for us.

Competitive elements involve market presence and visibility, the amount of capital invested in each project, and underwriting standards. If a competitor is willing to risk greater amounts of capital in a specific transaction or uses more liberal underwriting criteria, our investments and returns could be affected. Our competitors may also be prepared to accept lower returns on their investments and may succeed in acquiring assets that we have targeted for purchase. While we believe we have all the capabilities to compete effectively in each of our businesses, there is significant competition in the market, and there are no guarantees that we will be able to compete effectively or that we will not face increased competition in the future, which could limit our ability to operate efficiently.

OUR REVENUE

For the fiscal year ended December 31, 2018, the company's total revenue was \$144,241,510.3, respectively. As of December 31, 2018, the company had raised \$19,928,341.02 to finance its facilities, as set out below:

Revenue Recognition	Amount as of 12/31/2018	Amount as of 12/31/2017
Payments to investors	\$23,934,572	\$10,236,420.54
Sale of projects	\$144,241,510.3	\$106,568,625.35

Our revenue recognition policy is compliant with ASC 606 and consists of five steps:

Step 1: Evaluating the financial potential of project realization.

Step 2: Calculating the total project realization costs, financing, and investor payouts.

Step 3: Identifying projects with income directed toward investor payments.

Step 4: Securing project financing and rewarding investors from completed project profits.

Step 5: Completing project realization and financing stages.

OUR OPERATING COSTS AND EXPENSES

The Company incurs various costs and expenses, including:

- Bank fees;
- Manager's fees and accrued interest;
- U.S. international wire transfer fees;
- Payments to U.S. states under their securities laws ("Blue Sky Laws");
- Debt service and transaction fees (when we borrow money at the company level);
- Cost of annual financial audits;
- Depreciation;
- U.S. taxes.

Projects also incur various costs and expenses, including:

- Payments to third parties for the operation and maintenance of the Projects;

- Lease payments to landowners;
- Debt service and transaction fees (when we borrow money at the project level);
- Utilities;
- On-site security;
- Taxes;
- Bank fees;
- Depreciation;
- Project insurance.

The Company's total operating expenses for the fiscal years ended December 31, 2018 were \$11,038,244.83

U.S. TAXES

The following is a summary of key taxes that will apply to the SPE and the Company, as well as the implications of funding the Company's projects with respect to federal corporate income tax. This overview is based on the current tax laws of the United States, the Internal Revenue Code ("Code"), applicable regulations from the IRS ("Regulations"), and relevant administrative rulings and court decisions as of today. Please note that these tax laws may be subject to change in the future.

CLASSIFICATION AS A CORPORATION

The Company will be treated as a corporation for federal income tax purposes. As a corporation, cash received by Investors will be viewed as a combination of a return of capital and qualified dividends. Qualified dividends will be subject to capital gains tax at a rate of 0%, 15%, or 20%, depending on the Investor's income tax rate.

The Global Intangible Low-Taxed Income (GILTI) tax on foreign investments is more favorable for our investors under a corporate tax structure compared to a partnership, where tax on international assets is levied on individuals. In a partnership, the investor would be liable for 37% of all foreign profits generated from international investments. A corporate tax structure allows the corporation to claim foreign tax credits. Under this corporate tax reporting framework, the entity will only pay a 21% tax on 50% of foreign profits after applying foreign tax credits.

When the company closes its financial books at the end of each year, it reports its profits and losses for that tax year. According to IRS regulations, taxable dividends can only come from the profits or losses of an "LLC treated as a corporation," which includes the company. If the company's profits or losses for the year are less than the total distributions made, the excess distributions are reported in Box 3 of the investor's Form 1099-DIV as non-dividend distributions. These amounts are not subject to tax and are recorded as a return of capital (which reduces the basis).

TAXATION OF DIVIDENDS

The Company's income will mainly come from cash available for distribution ("CAFD") received as dividends from SPEs. Because the SPEs will be foreign corporations, these dividends will be classified as "non-qualified dividends"

under the Code and will consequently be taxed at standard income tax rates (in contrast to "qualified dividends," which include dividends from most U.S. corporations and are taxed at favorable rates).

FOREIGN TAX CREDIT

Only the Company, not the Investors, may be eligible for a credit for taxes paid by the SPEs in the countries where the income is earned.

ALTERNATIVE MINIMUM TAX

The Code sets forth an alternative minimum tax applicable to both individuals and corporations. Certain items of the Company's income and losses may need to be considered when determining an Investor's liability for AMT.

TAXABLE YEAR

The Company will report its income and losses on a calendar-year basis. Generally, each Investor will report their portion of the Company's income and losses for their respective taxable year, which ends on December 31 for individuals and other calendar-year taxpayers.

TAX RETURNS AND INFORMATION; AUDIT; PENALTIES; LISTINGS

The Company will provide each Investor with the information necessary to include on his or her federal tax return. Each Investor is individually responsible for preparing and filing all personal tax returns.

OTHER TAX IMPLICATIONS FOR THE U.S.

The above discussion addresses only certain federal income tax issues and does not address the effects of other taxes on investments in the Company, including federal estate, gift, or carryover taxes, and state and local income and estate taxes.

SUMMARY OF AUXILIARY CONTRACTS

The Company will require the SPE to sign six significant contracts for each project:

- *Land Leases:* The SPE will lease (rather than purchase) the land where the project is located, in accordance with what we refer to as the "Land Lease Agreement."
- *Operation and Maintenance Agreements:* Since the SPE is leasing the Project to the Consortium of Subscribers under the Project Lease Agreement, the Consortium will also hire the SPE to manage and maintain the Project under an agreement called the "Operational and Maintenance Agreement."
- *Construction Contracts:* For the construction of the Projects, the SPE will hire a third party to deliver design, procurement, and construction services through a contract known as the "Construction Agreement."
- *Project Services Agreements:* The SPE engages Del Mar Energy to operate and maintain the Projects under an agreement known as the "Project Service Agreement."

LAND LEASE

The main conditions of standard land lease agreements are as follows:

- **Term:** The initial term is usually the same as the Project lease. However, the SPE has the option to extend this term for an additional 30 years.
- **Rent Adjustment:** Rent usually increases in accordance with the U.S. Consumer Price Index.
- **Services and Utilities:** The SPE is responsible for taxes, water, electricity, sewage, and all other services and utility charges.
- **Construction and Improvements:** The SPE is entitled to perform any necessary activities on the land for the Project's construction, including building roads, workshops, structures, warehouses, offices, and other supporting facilities, provided they are approved by the relevant authorities. The SPE may also make improvements to the site as deemed necessary, as long as these do not compromise the structural integrity of the buildings, and the landlord is notified in advance.
- **Liability for Damage:** The SPE is liable for any direct damage caused to the land and indemnifies the landlord against any claims, liabilities, direct damages, losses, or expenses resulting from such damage, unless the landlord caused the damage.
- **Environmental Obligations:** The SPE will be responsible for any environmental obligations arising during the lease period, while the landlord is responsible for any obligations prior to or after the lease term. Both parties agree to indemnify each other against claims, liabilities, or damages for which either party is responsible under the Land Lease, with liability limited to direct damages and penalties and excluding indirect damages and/or lost profits.
- **Right of First Refusal:** The SPE has a right of first refusal to buy the land if the landlord intends to sell.
- **Termination by Landlord:** The landlord may terminate the lease at any time. However, if termination occurs for any reason other than non-payment of rent for over three months, the landlord must compensate the SPE for lost project income.
- **Termination by SPE:** The SPE may terminate operations at any time without penalties, however it must dismantle the project and repair any damage to the land.

PROJECT LEASE AGREEMENTS

The standard terms of typical project lease agreements are as follows:

- The Consortium leases the project for a term of 25 years.
- The Special Purpose Entity (SPE) is responsible for obtaining and maintaining all necessary permits and approvals, which are required to operate the project.
- The SPE transfers the title of the project to Del Mar Energy Inc.

OPERATION AND MAINTENANCE AGREEMENTS

The standard terms of typical operation and maintenance contracts are as follows:

- The SPE is responsible for providing all services necessary to maintain and operate the project.
- All services will be performed in accordance with applicable owner/operator guidelines, warranties, and current legislation.
- The initial term matches that of the project lease and may be extended by mutual agreement.
- As compensation, SPE receives 10% of all revenues generated by the consortium from subscribers.

CONSTRUCTION CONTRACTS

The standard terms of typical construction contracts include:

- The contractor will perform all necessary services for the design and construction of the project on a turnkey basis, including:
 - The Contractor is entitled for a fixed fee for its services.
 - This fee will be paid according to a schedule based on key milestones.
 - The contractor will be responsible for all taxes, fees, and social contributions related to the services performed; and will ensure that all its personnel are properly registered, perform services in accordance with applicable legislation, and receive all wages, salaries, and social contributions.
 - The contractor will provide SPE with specific warranties for its services and supplied equipment.
 - The contractor must maintain certain insurance coverage.
 - Non-performance by the Contractor will result in penalties, including liquidated damages.

PROJECT MAINTENANCE CONTRACTS

The standard terms of typical project maintenance contracts are as follows:

- The contractor will perform all necessary services for the operation and maintenance of the project, including:
 - Providing all required personnel, equipment, and materials to ensure effective project operation;
 - Preparing all supporting documentation and information related to the use and operation of the project;
 - Developing and implementing instructions, guidelines, and procedures for Operations and Maintenance (O&M) specific to the project, including emergency action plans as needed;

- Conducting regular inspections to ensure compliance with manufacturer standards for operation and maintenance;
- Identifying and, where possible, executing or managing any additional services necessary to address any actual or potential issues with the Project;
- Registering the project and all associated equipment with relevant authorities;
- Managing the inventory supplies and spare parts for all equipment.

All services will be executed in accordance with the applicable owner/operator guidelines, warranties, manufacturer and supplier specifications, reasonable operating rules, and current legislation.

- The Contractor will maintain regular communication with the SPE by:
 - Holding monthly meetings during any project work;
 - Providing monthly reports;
 - Issuing daily updates on project progress;
 - Preparing a monthly guide;
 - Submitting a report on any technical work performed under the project.
- SPE will pay the external contractor a fixed monthly fee plus additional amounts for unforeseen details or services not included in the scope of work. The fixed monthly fee will be adjusted for inflation.
- The initial contract term is 60 months.

SECTION 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This section should be read together with our financial statements and the accompanying notes in this annual report. It contains forward looking Statements reflecting our plans, estimates, and beliefs. Actual results may differ significantly from those described. Unless specified otherwise, the results discussed below are as of December 31, 2018.

RESULTS OF OPERATIONS

As of December 31, 2018, the fundraiser has raised \$19,928,341.02.

KEY ACCOUNTING POLICIES

Investments

The Company recognizes investments in industrial projects ("Projects") in accordance with ASC 360. Projects are recorded at cost and are depreciated using the straight-line method over the expected useful life of the corresponding assets.

Impairment

The Company conducts impairment assessments in line with ASC 360, following these essential steps to identify, recognize, and measure impairment of long-lived assets (or groups) held for use:

- **Impairment Indicators:** Analyze the presence of signs indicating impairment.
- **Recoverability Test:** If indicators are present, perform a recoverability test by comparing the sum of estimated undiscounted future cash flows related to the long-lived asset (or group) under review with its carrying amount (note that companies cannot recognize impairment for a long-lived asset held for use unless it has first passed the recoverability test).
- **Impairment Measurement:** If the undiscounted cash flows used in the recoverability test are less than the carrying amount of the long-lived asset (or group), determine the fair value of the long-lived asset (or group) and recognize an impairment loss if the carrying amount exceeds its fair value.

Revenue Recognition

The Company complies with ASC 606 guidelines for revenue recognition.

DIVIDEND DISTRIBUTION

Cash flow is first used to cover project-level operating expenses, after which the distributable cash flow is determined (as defined below). Project cash flow can be generated in three ways:

- Revenue from land lease agreements, facility lease agreements, and operation and maintenance agreements;
- Proceeds from the sale or refinancing of Projects;
- Penalties and liquidated damages under construction contracts (details below).

While we are not obligated to do so, we have declared and paid dividends on a daily basis in the past and will continue to do so in the future; however, our manager may declare other periodic payments as circumstances require.

Liquidity and Capital Resources

We depend on net funding proceeds to implement our proposed investments. The capital required for acquiring new projects and running our operations will come from proceeds of the Offering and any future offerings we may conduct, as well as from secured or unsecured financing from private investors and other lenders, and from retained earnings generated by our operations. As of December 31, 2018, the Company's cash balance was \$594,126.87. If the capital raised during the offering is insufficient for the construction of future projects, we may seek additional funding to bridge the gap.

Prospects and Recent Trends

Beyond the trends and factors affecting the company's success, outlined in this annual report and in the "INVESTMENT RISKS" section of the Offering Circular, the company is not aware of any trends, uncertainties,

claims, obligations, or events that could significantly negatively impact our revenues, ongoing profit, profitability, liquidity, or capital resources. However, we caution that any of the issues discussed in this annual report and in the "INVESTMENT RISKS" section of the offering circular may have a substantial negative effect.

Basis of Accounting

The compensation outlined in this section has been determined based on the accrual method of accounting.

SECTION 3: MANAGERS AND KEY PERSONNEL

Executive officers

Name	Job Position	Approximate number of hours per week
Richard Bowman	Chief Financial Officer	Full time
Gregory Hall	Chief Tech Officer	Full time
Patrick Fisher	Director of Land Acquisition and Title Management	Full time

Key employees

Name	Job Position	Approximate number of hours per week
Linda Harper	Capital markets specialist	Full time
Adam Adderiy	Investor relations manager	Full time
Andrew Lee	Top Account Manager	Full time
George Nelson	Investor Communications Specialist	Full time

Leadership Experience

Richard Bowman

Richard Bowman served as a Senior Manager in the finance division of the global conglomerate Marathon Oil, where he established himself as a top-tier professional. His strategic vision and decisive leadership drove the company’s market value up by an extraordinary \$6 billion. Richard introduced reforms that improved financial metrics and streamlined expenditures, enhancing trust among shareholders and business partners.

At Del Mar Energy Inc., Richard leveraged his expertise and ambition to analyze market trends and uncover growth opportunities. He spearheaded initiatives to adopt cutting-edge technologies, resulting in a remarkable 12% revenue increase in a short timeframe. With his innovative approach and in-depth knowledge of the energy sector, he successfully positioned Del Mar Energy Inc. in new markets while solidifying its standing in existing ones. Richard continues to focus on expanding the company’s horizons, aiming to make it a frontrunner in the industry.

Gregory Hall
Chief Technology Officer

In 2012, Gregory Hall laid the foundation for Del Mar Energy Inc.'s transformation by championing the creation of research and innovation hubs. Recognizing the critical importance of staying ahead in the global energy sector, Gregory directed the company's focus toward cutting-edge technology and scientific research.

He assembled elite teams of scientists and engineers to work on renewable energy solutions, production efficiency improvements, and advanced technologies for oil and gas extraction.

These research centers became a game-changer, driving technological advancements that reshaped the company's operations. Gregory took a hands-on role in establishing the centers, recruiting talent, and ensuring seamless collaboration between the technical and business teams. His leadership resulted in the development of breakthrough projects that reduced production costs and minimized environmental impact.

As a visionary in the energy industry, Gregory continues to lead Del Mar Energy Inc. to new heights. His unwavering commitment to innovation and excellence has not only strengthened the company's market position but also earned him a reputation as a pivotal force behind its success.

Patrick Fisher

Patrick graduated from San Diego High School, where he was active in school activities and enjoyed sports, especially football and swimming. Moving to Hawaii was the beginning of a new stage in his life, and he chose Honolulu Community College to continue his education. During his studies, he became interested in business and economics, which led him to choose his future direction.

After earning his degree, Patrick enrolled at the University of Hawaii at Manoa, where he decided to specialize in business administration. At this stage he also actively participated in student life, and was elected to the student senate, where he defended the interests of his classmates and helped organize various university events. In parallel, he worked as a tutor, helping younger students study subjects related to business and management.

In class, he showed himself to be a diligent and goal-oriented student, actively participating in discussions and always striving to understand the practical side of business. Patrick's experience as a student senator taught him how to communicate effectively, resolve conflicts, and manage projects. Working as a tutor not only helped him solidify his learning, but also developed his mentoring skills, which will prove to be a valuable experience in his future career.

Litigation

In the past five years, no director, executive officer, or significant employee of the Company has been convicted of, pleaded guilty to, or entered a plea of not guilty to any criminal charge other than traffic violations and other minor offenses.

In the past five years, no director, executive officer, or significant employee of the Company, nor any partnership in which an executive officer or significant employee was a general partner, nor any corporation or other business entity in which an executive officer or significant employee was the executive officer, has been a debtor in a bankruptcy case or any similar proceeding.

Increased Interest

The distribution of the ordinary operating cash flow will be structured as follows:

- The manager computes the projected monthly operating cash flows for the Projects based on existing contracts and other assumptions as defined in the Project Model for each Project ("Projected Cash Flow").
- The Projected Cash Flow is used to determine the target internal rate of return ("IRR") for investments in the company.
- A portion of the projected cash flow will be paid out to Investors before the Manager receives their upfront share ("Preferred Income").
- To compute the preferred payment for each month, the projected cash flow is multiplied by a percentage to ensure that the company's projected IRR reaches 5% ("Adjusted Operating Cash Flow").
- Each month, the adjusted operating cash flow for that period is allocated among the investors.

Terms for repayment of contributions

The terms for incorporation, development, and operation of the Company, as well as the compensation paid by the Company to the Manager and its affiliates at each stage are set out below:

Stage	Remuneration
Company's incorporation	Payment of costs.
Acquisition of the project	Asset management fee. Developer fee, if applicable.
Project Development	Asset Management Fee, Preferred Return.
Project	Sale of the Asset, Management Fee, Expanded Interest.

SECTION 4: EXECUTIVE COMPENSATION

In 2018, Del Mar Energy Inc. established a competitive and transparent compensation framework for its management, recognizing each team member's accountability for the company's achievements.

Key Components of Compensation:

1. **Total Compensation Amount:** \$1,859,347.21, which includes:
 - **Base Salary:** Payments made to key executives, including CEO Michael Latham and CFO Richard Bowman.
 - **Bonuses:** Awarded for successfully meeting goals, such as executing key projects and improving profitability.

- **Management Fees for Assets and Projects:** Comprising fixed amounts and percentages tied to the operating profits of the projects.

Remuneration structure includes:

- **Long-Term Incentives:** Management has been granted options for profit participation in long-term projects.
- Executive Roles:
 - Michael Latham (CEO): Provided strategic direction and secured external capital.
 - Richard Bowman (CFO): Oversaw financial operations, including cost management and tax strategy.
 - Gregory Hall (CTO): Developed and applied innovative technologies to enhance project performance.

The compensation structure is aligned with the company's performance, encouraging management to achieve high efficiency levels.

SECTION 5: OWNERSHIP STRUCTURE

Del Mar Energy Inc. is structured as an industrial holding company that manages special purpose entities (SPEs) for renewable energy, mining, and construction projects.

1. Special Purpose Entities (SPEs):

- Each SPE is responsible for a single project, minimizing risks and ensuring asset protection.
- **100% Ownership:** All SPEs are fully owned by Del Mar Energy Inc.

2. Geographic Asset Allocation:

- United States: 66% of assets, including oil, renewable energy, and road construction projects.
- Europe: 28% of assets, primarily in renewable energy and coal mining projects.

3. Long-Term Strategy:

- Accumulate projects to generate stable income.
- Possibility of selling stabilized projects for profit, leveraging the company's expertise.

This structure enables the company to manage risks effectively and secure capital for new projects.

SECTION 6: SECURITY HOLDERS

In 2018, Del Mar Energy Inc. actively engaged private investors through a crowdfunding platform.

Annual Highlights:

- Total Capital Raised: \$19,928,341.02.
- **Investor Profile:**
 - Primarily private individuals.
 - Attractive investment conditions include equal profit sharing and minimal risks.
- **Financial Allocation Policy:**
 - Investors receive payments from the net profits of projects.
 - Payments are contingent on sufficient cash flow, ensuring the company's stability.
- **Key Characteristics:**
- **Non-Transferable Shares:** Investor shares cannot be sold or transferred, protecting the company's structure.
- **Transparency:** The company ensures regular and detailed financial disclosures.

This model makes Del Mar Energy Inc. an attractive option for private investors seeking reliable income sources.

SECTION 7: FINANCE REPORTING



REPORT OF THE INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS OF THE INTERNATIONAL INDUSTRIAL HOLDING DEL MAR ENERGY INC FOR 2018

To the Private Investors of the International Industrial Holding "DEL MAR ENERGY INC"

CONCLUSION ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE INDUSTRIAL HOLDING

Opinion

We have conducted an audit of the financial statements concerning the properties of the International Industrial Holding DEL MAR ENERGY INC and related transactions ("Special Purpose Financial Statements"), which include:

- Reports on the net asset value, including the valuation of the International Industrial Holding as of December 31, 2018;
- Monthly reports detailing the increase (decrease) in the value of the assets comprising the International Industrial Holding for each month of 2018;
- A report on compensation and expenses related to the trust management of the assets of the International Industrial Holding for 2018;
- Notes to the annual financial statements of the International Industrial Holding for 2018.

In our opinion, the accompanying special purpose financial statements of Del Mar Energy Inc, an international industrial holding company, as of December 31, 2018, and for the year then ended, have been prepared in all material respects in accordance with the reporting requirements for the properties of the international industrial holding company and transactions involving these properties as stipulated by the Investment Company Act of 1940, FORM 10-K, "2a-7 of the Investment Company Act," including the calculation of the average annual net asset value.

Basis for Opinion

We conducted our audit in compliance with International Standards on Auditing ("ISA"). Our responsibilities in accordance with these standards are outlined in the section "Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements" of this report.

We maintain independence as per the Auditor Independence Rules and the Code of Ethics for Accountants, adhering to the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, and we have fulfilled our other ethical obligations as per these professional standards. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Significant Matters: Accounting Principles

We draw attention to the Notes to the Annual Financial Statements of the Industrial International Holding Company for 2018, which outline the regulatory requirements for special purpose financial reporting. The accompanying special purpose financial statements were prepared to reflect the company's compliance with the requirements of these U.S. regulations concerning the properties of the Industrial International Holdings and transactions involving these properties. Therefore, these special purpose financial statements may not be suitable for other purposes. We do not express a modified opinion in relation to this matter.

Management's Responsibility for the Special Purpose Financial Statements

Management is responsible for preparing these special purpose financial statements in accordance with the reporting requirements for the properties of the international industrial holding company and transactions involving these properties as established by U.S. regulations, as well as for the internal control system that management believes is necessary to enable the preparation of special purpose financial statements free from material misstatement, whether due to fraud or error.



Auditor's Responsibilities for the Audit of Special-Purpose Financial Statements

Our purpose is to obtain reasonable assurance that the special purpose financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these special purpose financial statements.

As part of an audit conducted in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. Additionally, we:

- Identify and assess the risks of material misstatement of the special purpose financial statements due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of the internal control relevant to the audit to design audit procedures appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control system;
- Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as the related disclosures.

We communicate with management regarding, among other matters, the planned scope and timing of the audit, as well as significant findings from the audit, including any significant deficiencies in internal control that we identify during the audit.

REPORT ON THE RESULTS OF PROCEDURES PERFORMED BY THE AUDITOR IN ACCORDANCE WITH THE REQUIREMENTS OF THE FEDERAL LAW "ON INVESTMENT FUNDS"

The management of the Management Company is responsible for compliance with the requirements established by U.S. regulations regarding the properties of the international industrial holding and transactions involving these properties.

In accordance with the article on investment funds, we conducted an audit of:

1. Compliance as of the reporting date with the requirements regarding:
 - The composition and structure of the assets comprising the international industrial holding;
 - The estimated value of a single investment site, the amount that can be used to finance industrial projects, and the amount of monetary compensation to be paid in connection with the financing of the company's projects.
2. Compliance with industrial holding requirements concerning:
 - The rules for accounting and reporting concerning the properties of the industrial holding company and transactions involving these properties;
 - Requirements for the storage of properties constituting the industrial holding and the documents certifying rights to the properties of the industrial holding;
 - Requirements for transactions made with the assets of the industrial holding company.

Based on the procedures performed, we found no violations of applicable legislation in all material respects. We did not conduct any procedures regarding the accounting and reporting of the properties within the holding and transactions involving these properties, other

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than those we deemed necessary to express an opinion on whether the special purpose financial statements of the company as of December 31, 2018, and for the year then ended, were prepared in all material respects in accordance with the reporting requirements for industrial holdings under U.S. regulations.

Grace Bennett
Deputy General Director, Deloitte
March 11, 2019





Report on the Net Asset Value, Including the Valuation of Assets (Property) of the Industrial Holding DEL MAR ENERGY INC

Section 1: Parameters of the Net Asset Value Report

<i>Current reporting date</i>	<i>Previous reporting date</i>	<i>Currency Code in Which the Net Asset Value is Expressed</i>
1	2	3
12/31/2018	12/31/2017	USD

Subsection 1: Cash

<i>Indicator</i>	<i>Code</i>	<i>Amount as of Current Reporting Date</i>	<i>Amount as of Previous Reporting Date</i>	<i>Percentage of Net Asset Value as of the Current Reporting Date</i>	<i>Percentage Change Compared to Previous Reporting Date</i>
1	2	3	4	5	6
<i>Including: Total Depository Accounts</i>	01.01	942,723.04	594,126.87	1.5	1.5
<i>Including: In U.S. Currency</i>	01.01.01	942,723.04	594,126.87	1.5	1.5
<i>In Foreign Currency</i>	01.01.02	0.00	0.00	0.00	0.00
<i>Including: Total Accounts in Credit Organizations</i>	01.02	0.00	0.00	0.00	0.00
<i>In U.S. Currency</i>	01.02.01	0.00	0.00	0.00	0.00
<i>In Foreign Currency</i>	01.02.02	0.00	0.00	0.00	0.00

Subsection 2: Industrial Projects (Excluding Unrealized Projects)

<i>Indicator</i>	<i>Code</i>	<i>Amount (cost) as of Current Reporting Date</i>	<i>Amount (cost) as of Previous Reporting Date</i>	<i>Proportion of Total Assets as of the Current Reporting Date, in Percentage</i>	<i>Proportion of Net Asset Value as of the Current Reporting Date, in Percentage</i>
1	2	3	4	5	6
<i>Industrial assets-total</i>	02	62,039,436.93	37,459,543.3	95	95
<i>Includes: Industrial facilities in the United States</i>	02.01	43,305,632.36	27,439,238.40	66	66
<i>Of which: Mineral</i>	02.01.01	22,430,493.48	18,436,344.02	34	34



extraction projects

<i>Road construction projects</i>	02.01.02	3,306,026.73	1,384,239.38	5	5
<i>Energy facilities projects</i>	02.01.03	4,328,524.41	2,893,322.14	6.5	6.5
<i>Renewable energy production projects</i>	02.01.04	5,002,424.03	3,485,483.06	7.6	7.6
<i>Coal mining operations projects</i>	02.01.05	8,238,163.92	1,239,849,80	12.5	12.5
<i>Including: Industrial projects in Europe</i>	02.02	18,733,804.57	5,153,608.87	28	28
<i>Of which: Mineral extraction projects</i>	02.02.01	7,037,201.43	1,384,304.94	10.7	10.7
<i>Road construction projects</i>	02.02.02	2,326,024.92	783,438,02	3.55	3.55
<i>Energy Facilities</i>	02.02.03	3,401,439.38	492,387.39	5.18	5.18
<i>Renewable Energy Production Facilities</i>	02.02.04	2,309,306.04	394,483.83	3.52	3.52
<i>Coal Mining Enterprises</i>	02.02.05	3,659,833.2	2,098,994,69	5.58	5.58
<i>Securities</i>	02.03	0.00	0.00	0.00	0.00
<i>Patents</i>	02.04	11,230,392.03	1,428,402.39	17.12	17.12
<i>Laboratories and Research Centers</i>	02.05	9,439,432.49	3,438,293.65	14.39	14.39

Subsection 3: Loan and Credit Claims, Including Mortgage-Secured Obligations

Indicator	Code	Amount (cost) as of Current Reporting Date	Amount (cost) as of Previous Reporting Date	Proportion of Total Assets as of the Current Reporting Date, in Percentage	Proportion of Net Asset Value as of the Current Reporting Date, in Percentage
1	2	3	4	5	6
<i>Including: Loan receivables, which is not secured by mortgage</i>	03.01	0.00	0.00	0.00	0.00
<i>Security deposits</i>	03.02	0.00	0.00	0.00	0.00



Subsection 4: Other Assets Not Listed in Subsections 1-3

<i>Indicator</i>	<i>Code</i>	<i>Amount (cost) as of Current Reporting Date</i>	<i>Amount (cost) as of Previous Reporting Date</i>	<i>Proportion of Total Assets as of the Current Reporting Date, in Percentage</i>	<i>Proportion of Net Asset Value as of the Current Reporting Date, in Percentage</i>
1	2	3	4	5	6
<i>Including: Motor vehicles</i>	04.01	692,339.58	382,392.31	1.05	1.05
<i>Building materials</i>	04.02	164,450.42	89,431.49	0.25	0.25
<i>Share in joint ventures</i>	04.03	2,549,534.52	729,583.58	3.89	3.89

Subsection 5: Debts

<i>Indicator</i>	<i>Code</i>	<i>Amount (cost) as of Current Reporting Date</i>	<i>Amount (cost) as of Previous Reporting Date</i>	<i>Proportion of Total Assets as of the Current Reporting Date, in Percentage</i>	<i>Proportion of Net Asset Value as of the Current Reporting Date, in Percentage</i>
1	2	3	4	5	6
<i>Total Debt Overall</i>	05	398,433.41	258,296.06	0.61	0.61
<i>Amounts owed to investors</i>	05.01	127,034.58	98,438.82	0.19	0.19
<i>Amounts owed to auditors</i>	05.02	32,346.43	2,349.48	0.05	0.05
<i>Tax liabilities</i>	05.03	239,052.4	28,359.73	0.36	0.36
<i>Other receivables</i>	05.04	0.00	0.00	0.00	0.00

Subsection 6: Total Asset Value

<i>Indicator</i>	<i>Code</i>	<i>Amount (cost) as of Current Reporting Date</i>	<i>Amount (cost) as of Previous Reporting Date</i>	<i>Proportion of Total Assets as of the Current Reporting Date, in Percentage</i>
1	2	3	4	5
<i>General Data Value Total Assets. (sum of lines 01 to 05)</i>	06	65,990,051.08	38,737,891.4	100.6

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Section 4: Liabilities

Indicator	Code	Amount (cost) as of Current Reporting Date	Amount (cost) as of Previous Reporting Date	Proportion of Total Assets as of the Current Reporting Date, in Percentage	Proportion of Net Asset Value as of the Current Reporting Date, in Percentage
1	2	3	4	5	6
Accounts Payable	07	0.00	0.00	0.00	0.00
Reserve for Remuneration Payments - total	08	50,000,000	40,000,000	0.00	0.00
Including: Liabilities to investors	08.01	127,034.58	2,349.48	0.19	0.19
Specialized depository, registrar, audit organization, and appraiser	08.02	32,346.43	49,438.94	0.05	0.05
Total liabilities	09	398,433.41	51,788.42	0.61	0.61

Section 5: Net Asset Value

Indicator	Code	Amount (cost) as of Current Reporting Date	Amount (cost) as of Previous Reporting Date
1	2	3	4
Net Asset Value (the difference between lines 06 and 09)	10	65,591,617.67	38,686,103
Additional paid-in capital, which is not considered as net assets	11	60,000,000	60,000,000
Including: Insurance premium	12	20,000,000	20,000,000

Michael Latham, Founder and CEO of Industrial Holdings

Grace Bennett, Authorized Representative of the Specialized Depository





Asset and Liability Distribution Used in the Calculation of Net Asset Value

1. Section Decoding

2. "Assets" Subsection 1. Monetary Assets

2.1. Cash in bank accounts

<i>Line Number</i>	<i>Bank Name</i>	<i>SWIFT Bank</i>	<i>RSSD ID</i>	<i>Currency Code</i>	<i>Bank Account Type</i>	<i>Cash Amount</i>	<i>Percentage of Total Asset Value, in Units</i>
1	2	3	4	5	6	7	8
1	Bank of America	BOFAUS3DAU2	1443266	USD	Current accrual	284,868.08	0.43
Total	x	x	x	x	x	284,868.08	0.43

2.2. Cash on deposit accounts in banking institutions

<i>Line Number</i>	<i>Bank Name</i>	<i>SWIFT Bank</i>	<i>RSSD ID</i>	<i>Currency Code</i>	<i>Bank Account Type</i>	<i>Cash Amount</i>	<i>Percentage of Total Asset Value, in Units</i>
1	2	3	4	5	6	7	8
1	Bank of America	BOFAUS3DAU2	1443266	USD	Current accrual	496,862.81	0.76
Total	x	x	x	x	x	496,862.81	0.76

2.3. Cash in the independent depository

<i>Line Number</i>	<i>Mobile Phone Code</i>	<i>Account Currency Code</i>	<i>Cash Amount</i>	<i>Percentage of Total Asset Value, in Percentage</i>
1	2	3	4	5
1	US128-29427	USD	160,992.15	0.25
Total	x	x	160,992.15	0.25



Subsection 2: Industrial Assets in the United States

2.1 Mineral extraction projects

<i>Line Number</i>	<i>Asset Type</i>	<i>Location</i>	<i>Total Quantity (units)</i>	<i>Total Value</i>	<i>Average Asset Value</i>	<i>Percentage of Total Net Asset Value, in Percentage</i>	<i>Note</i>
1	2	3	4	5	6	7	8
1	Oil rigs	State of Texas	186	10,164,461.30	54,647.64	15.49	15.49
2	Oil rigs	State of New Mexico	27	2,765,836.26	102,438.38	4.22	4.22
3	Gas Towers	State of Texas	43	2,983,422.26	69,381.91	4.55	4.55
4	Filtration Systems	State of Texas	38	436,205.34	11,479.09	0.67	0.67
5	Filtration Systems	State of Texas	17	213,429.23	12,554.66	0.33	0.33
6	Reallocation	State of New Mexico	84	432,037.92	5,143.31	0.66	0.66
7	Purification systems	State of Texas	78	387,392.43	4,966.57	0.59	0.59
8	Purification systems	State of New Mexico	54	632,430.92	11,711.68	0.96	0.96
9	Transport stations	State of Texas	1	236,962.03	236,962.03	0.36	0.36
10	Transport stations	State of New Mexico	1	297,832.38	297,832.38	0.45	0.45
11	Sampling stations	State of Georgia	1	112,846.83	112,846.83	0.17	0.17
12	Primary laboratories	State of Texas	2	197,309.74	98,654.87	0.3	0.3
13	Warehouse equipment	State of Texas	3	132,538.43	44,179.48	0.2	0.2
14	Collection points for recyclable materials	State of Texas	3	397,003.14	132,334.38	0.61	0.61
15	Stabilization systems	State of Texas	97	243,216.34	2,507.38	0.37	0.37
16	Design points	State of Texas	1	1,538,338.5	1,538,338.5	2.3	2.3



17	Sorting by points	State of Texas	11	1,259,231.43	114,475.59	1.9	1.9
18	Total	x	647	22,430,493.48	x	34	x

2.2 Road construction projects

Line Number	Asset Type	Location	Total Quantity (units)	Total Value	Average Asset Value	Percentage of Total Net Asset Value, in Percentage	Note
1	2	3	4	5	6	7	8
1	Private road	State of Texas	1	1,006,338.42	1,006,338.42	1.5	1.5
2	Private road	State of New York	1	1,711,638.46	1,711,638.46	2.6	2.6
3	Research Subject	State of New York	1	129,398.31	129,398.31	0.2	0.2
4	Special purpose vehicles	x	22	184,438.06	8,383.55	0.28	0.28
5	Building materials	x	x	274,860.48	x	0.42	0.42
6	Total	x	x	3,306,026.73	x	x	x

2.3 Energy Facilities

Line Number	Asset Type	Location	Total Quantity (units)	Total Value	Average Asset Value	Percentage of Total Net Asset Value, in Percentage	Note
1	2	3	4	5	6	7	8
1	Thermal power plant	State of California	4	3,311,852.11	827,963.03	5.05	0
2	Hydroelectric power station	State of New Mexico	1	1,016,672.3	1,016,672.3	1.6	0
3	Total	x	3	4,328,524.41	x	6.5	x



2.4 Facilities for Renewable Energy Production

<i>Line Number</i>	<i>Asset Type</i>	<i>Location</i>	<i>Total Quantity (units)</i>	<i>Total Value</i>	<i>Average Asset Value</i>	<i>Percentage of Total Net Asset Value, in Percentage</i>	<i>Note</i>
1	2	3	4	5	6	7	8
1	Wind turbines	State of Alabama	54	1,415,001.96	26,203.74	2.16	0
2	Wind turbines	State of New Mexico	17	384,981.66	22,645.98	0.59	0
3	Solar Panels	x	173	2,291,089.17	13,243.29	3.5	0
4	Solar substations	State of New Mexico	1	796,753.98	796,753.98	1.21	0
5	Stabilizers for transformers	x	27	114,597.26	4,244.34	0.17	0
6	Total	x	272	5,002,424.03	x	7.6	x

2.5 Coal Mining Enterprises

<i>Line Number</i>	<i>Asset Type</i>	<i>Location</i>	<i>Total Quantity (units)</i>	<i>Total Value</i>	<i>Average Asset Value</i>	<i>Percentage of Total Net Asset Value, in Percentage</i>	<i>Note</i>
1	2	3	4	5	6	7	8
1	Coal field	State of New Mexico	4	7,394,302.49	1,848,575.62	11.27	0
2	Drills	x	34	843,861.43	24,819.45	10.37	0
3	Total	x	38	8,238,163.92	x	12.5	x

Subsection 2: Industrial Assets in Europe

2.2.1 Industrial projects focused on mineral extraction

<i>Line Number</i>	<i>Asset Type</i>	<i>Location</i>	<i>Total Quantity (units)</i>	<i>Total Value</i>	<i>Average Asset Value</i>	<i>Percentage of Total Net Asset Value, in Percentage</i>	<i>Note</i>
1	2	3	4	5	6	7	8
1	Oil rigs	UAE	48	3,769,977.78	78,541.20	5.75	0
2	Purification points	Germany	1	124,438.38	124,438.38	0.19	0



3	Laboratories	France	1	47,358.03	47,358.03	0.07	0
4	Tanks	UAE	220	3,095,427.24	14,070.12	4.72	0
5	Total	x	49	7,037,201.43	x	10.73	x

2.2.2 Road Construction Projects

<i>Line Number</i>	<i>Asset Type</i>	<i>Location</i>	<i>Total Quantity (units)</i>	<i>Total Value</i>	<i>Average Asset Value</i>	<i>Percentage of Total Net Asset Value, in Percentage</i>	<i>Note</i>
1	2	3	4	5	6	7	8
1	Highway	France	1	592,358.39	592,358.39	0.9	0
2	Highway	Germany	1	743,029.42	743,029.42	1.13	0
3	Special purpose vehicles	x	16	237,391.43	14,836.96	0.36	0
4	Construction material	x	x	439,194.03	439,194.03	0.67	0
5	Production laboratories	Spain	1	204,832.74	204,832.74	0.31	0
6	Railroad track	United Kingdom	x	109,218.91	109,218.91	0.17	0
7	Total	x	x	2,326,024.92	x	3.55	x

2.2.3 Energy facilities in Europe

<i>Line Number</i>	<i>Asset Type</i>	<i>Location</i>	<i>Total Quantity (units)</i>	<i>Total Value</i>	<i>Average Asset Value</i>	<i>Percentage of Total Net Asset Value, in Percentage</i>	<i>Note</i>
1	2	3	4	5	6	7	8
1	Thermal Electrostatic Unit	Asia	1	297,483.32	297,483.32	0.45	0
2	Hydroelectric power station	Spain	1	194,904.07	194,904.07	0.3	0
3	Hydroelectric power station	The United Kingdom and Tansania	1	2,909,051.99	2,909,051.99	4.44	0
4	Total	x	3	3,401,439.38	x	5.18	x

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2.2.4 Facilities for Renewable Energy Production

Line Number	Asset Type	Location	Total Quantity (units)	Total Value	Average Asset Value	Percentage of Total Net Asset Value, in Percentage	Note
1	2	3	4	5	6	7	8
1	Solar Panels	UAE	84	583,439.48	6,945.71	0.89	0
2	Wind Turbines	The Netherlands	33	832,432.07	25,225.21	1.27	0
3	Wind platforms	Germany	43	642,329.34	14,937.89	0.98	0
4	Stabilizers	x	236	251,105.15	1,046	0.38	0
5	Total	x	396	2,309,306.04	x	3.52	x

2.2.5 Coal Mining Enterprises

Line Number	Asset Type	Location	Total Quantity (units)	Total Value	Average Asset Value	Percentage of Total Net Asset Value, in Percentage	Note
1	2	3	4	5	6	7	8
1	Deposit	Italy	2	2,878,782.72	1,439,391.36	4.4	0
2	Mine	Italy	7	781,050.48	111,578.64	1.19	0
3	Total	x	9	3,659,833.2	x	5.58	x

Founder and CEO of the Industrial Holding Michael Latham

Authorized Representative of the Specialized Depository Grace Bennett





REPORT ON ASSET VALUE INCREASES OR DECREASES FOR THE INTERNATIONAL INDUSTRIAL HOLDING

Section 1: Report Parameters

<i>Current reporting date</i>	<i>Currency Code in Which the Net Asset Value is Expressed</i>
1	2
January 2018	USD

Section 2: Parameters of the Asset Value Increase (Decrease) Report

<i>Indicator Name</i>	<i>Line Code</i>	<i>Value for the Reporting Period</i>
1	2	3
<i>Increase "+" (Decrease "-") in Asset Value Resulting from Transactions with Assets – total</i>	01	12,327,026.43
<i>Including transactions:</i>		
<i>Sale of land plots</i>	01.01	4,348,372.32
<i>Sale of enterprises and production facilities</i>	01.02	2,431,320.29
<i>Sale of industrial assets</i>	01.03	3,444,827.68
<i>Sale of vehicles</i>	01.04	78,349.81
<i>Sale of scientific developments and patents</i>	01.05	1,284,034.3
<i>Sale of design documentation</i>	01.06	0.00
<i>Profit from leasing company-owned property</i>	01.07	0.00
<i>Receipt of dividends from investments in real estate</i>	01.08	0.00
<i>Sale of artworks</i>	01.09	0.00
<i>Interest income from bank accounts</i>	01.10	0.00
<i>Receipt of dividends from third-party investment companies</i>	01.11	0.00
<i>Other income</i>	01.12	1,979,343.44
<i>Other expenses</i>	01.13	-839.29
<i>Impairment of real estate during production activities</i>	01.14	-1,238,381.02
<i>Increase "+" (Decrease "-") in Asset Value (lines 01+01.01+01.02+01.03+01.04+01.05+01.06+01.07+01.08+01.09)</i>	01.15	12,327,026.43



REPORT ON THE INCREASE (DECREASE) IN THE VALUE OF ASSETS OWNED BY THE INTERNATIONAL INDUSTRIAL HOLDING

Section 1: Report Parameters

<i>Current reporting date</i>	<i>Currency Code in Which the Net Asset Value is Expressed</i>
1	2
February 2018	USD

Section 2: Parameters of the Asset Value Increase (Decrease) Report

<i>Indicator Name</i>	<i>Line Code</i>	<i>Value for the Reporting Period</i>
1	2	3
<i>Increase "+" (Decrease "-") in Asset Value Resulting from Transactions with Assets – total</i>	01	19,860,144.56
<i>Including transactions:</i>		
<i>Sale of land plots</i>	01.01	3,482,230.48
<i>Sale of enterprises and production facilities</i>	01.02	472,234.83
<i>Sale of industrial assets</i>	01.03	7,384,342.04
<i>Sale of vehicles</i>	01.04	398,382.31
<i>Sale of scientific developments and patents</i>	01.05	9,428,329.74
<i>Sale of design documentation</i>	01.06	0.00
<i>Profit from leasing company-owned property</i>	01.07	0.00
<i>Receipt of dividends from investments in real estate</i>	01.08	0.00
<i>Sale of artworks</i>	01.09	0.00
<i>Interest income from bank accounts</i>	01.10	0.00
<i>Receipt of dividends from third-party investment companies</i>	01.11	0.00
<i>Other income</i>	01.12	381,249.43
<i>Other expenses</i>	01.13	-438,231.94
<i>Impairment of real estate during production activities</i>	01.14	-1,248,392.33
<i>Increase "+" (Decrease "-") in Asset Value (lines 01+01.01+01.02+01.03+01.04+01.05+01.06+01.07+01.08+01.09)</i>	01.15	19,860,144.56



REPORT ON THE INCREASE (DECREASE) IN THE VALUE OF ASSETS OWNED BY THE INTERNATIONAL INDUSTRIAL HOLDING

Section 1: Report Parameters

<i>Current reporting date</i>	<i>Currency Code in Which the Net Asset Value is Expressed</i>
1	2
March 2018	USD

Section 2: Parameters of the Asset Value Increase (Decrease) Report

<i>Indicator Name</i>	<i>Line Code</i>	<i>Value for the Reporting Period</i>
1	2	3
<i>Increase "+" (Decrease "-") in Asset Value Resulting from Transactions with Assets – total</i>	01	14,912,542.27
<i>Including transactions:</i>		
<i>Sale of land plots</i>	01.01	1,327,381.72
<i>Sale of enterprises and production facilities</i>	01.02	6,483,402.51
<i>Sale of industrial assets</i>	01.03	7,303,574.94
<i>Sale of vehicles</i>	01.04	83,349.21
<i>Sale of scientific developments and patents</i>	01.05	749,241.66
<i>Sale of design documentation</i>	01.06	0.00
<i>Profit from leasing company-owned property</i>	01.07	0.00
<i>Receipt of dividends from investments in real estate</i>	01.08	0.00
<i>Sale of artworks</i>	01.09	0.00
<i>Interest income from bank accounts</i>	01.10	0.00
<i>Receipt of dividends from third-party investment companies</i>	01.11	0.00
<i>Other income</i>	01.12	947,432.75
<i>Other expenses</i>	01.13	-734,348.03
<i>Impairment of real estate during production activities</i>	01.14	-1,247,492.49
<i>Increase "+" (Decrease "-") in Asset Value (lines 01+01.01+01.02+01.03+01.04+01.05+01.06+01.07+01.08+01.09)</i>	01.15	14,912,542.27



REPORT ON THE INCREASE (DECREASE) IN THE VALUE OF ASSETS OWNED BY THE INTERNATIONAL INDUSTRIAL HOLDING

Section 1: Report Parameters

<i>Current reporting date</i>	<i>Currency Code in Which the Net Asset Value is Expressed</i>
1	2
April 2018	USD

Section 2: Parameters of the Asset Value Increase (Decrease) Report

<i>Indicator Name</i>	<i>Line Code</i>	<i>Value for the Reporting Period</i>
1	2	3
<i>Increase "+" (Decrease "-") in Asset Value Resulting from Transactions with Assets – total</i>	01	-6,347,764.3
<i>Including transactions:</i>		
<i>Sale of land plots</i>	01.01	238,492.87
<i>Sale of enterprises and production facilities</i>	01.02	653,342.21
<i>Sale of industrial assets</i>	01.03	648,329.46
<i>Sale of vehicles</i>	01.04	47,292.32
<i>Sale of scientific developments and patents</i>	01.05	411,209.38
<i>Sale of design documentation</i>	01.06	0.00
<i>Profit from leasing company-owned property</i>	01.07	0.00
<i>Receipt of dividends from investments in real estate</i>	01.08	0.00
<i>Sale of artworks</i>	01.09	0.00
<i>Interest income from bank accounts</i>	01.10	0.00
<i>Receipt of dividends from third-party investment companies</i>	01.11	0.00
<i>Other income</i>	01.12	1,239,302.92
<i>Other expenses</i>	01.13	-9,238,438.02
<i>Impairment of real estate during production activities</i>	01.14	-347,294.84
<i>Increase "+" (Decrease "-") in Asset Value (lines 01+01.01+01.02+01.03+01.04+01.05+01.06+01.07+01.08+01.09)</i>	01.15	-6,347,764.3



REPORT ON THE INCREASE (DECREASE) IN THE VALUE OF ASSETS OWNED BY THE INTERNATIONAL INDUSTRIAL HOLDING

Section 1: Report Parameters

<i>Current reporting date</i>	<i>Currency Code in Which the Net Asset Value is Expressed</i>
1	2
May 2018	USD

Section 2: Parameters of the Asset Value Increase (Decrease) Report

<i>Indicator Name</i>	<i>Line Code</i>	<i>Value for the Reporting Period</i>
1	2	3
<i>Increase "+" (Decrease "-") in Asset Value Resulting from Transactions with Assets – total</i>	01	9,190,832.19
<i>Including transactions:</i>		
<i>Sale of land plots</i>	01.01	6,482,291.43
<i>Sale of enterprises and production facilities</i>	01.02	1,482,439.90
<i>Sale of industrial assets</i>	01.03	472,404.56
<i>Sale of vehicles</i>	01.04	657,348.29
<i>Sale of scientific developments and patents</i>	01.05	0.00
<i>Sale of design documentation</i>	01.06	0.00
<i>Profit from leasing company-owned property</i>	01.07	0.00
<i>Receipt of dividends from investments in real estate</i>	01.08	0.00
<i>Sale of artworks</i>	01.09	0.00
<i>Interest income from bank accounts</i>	01.10	0.00
<i>Receipt of dividends from third-party investment companies</i>	01.11	0.00
<i>Other income</i>	01.12	463,289.32
<i>Other expenses</i>	01.13	-234,458.23
<i>Impairment of real estate during production activities</i>	01.14	-132,483.08
<i>Increase "+" (Decrease "-") in Asset Value (lines 01+01.01+01.02+01.03+01.04+01.05+01.06+01.07+01.08+01.09)</i>	01.15	9,190,832.19



REPORT ON THE INCREASE (DECREASE) IN THE VALUE OF ASSETS OWNED BY THE INTERNATIONAL INDUSTRIAL HOLDING

Section 1: Report Parameters

<i>Current reporting date</i>	<i>Currency Code in Which the Net Asset Value is Expressed</i>
1	2
June 2018	USD

Section 2: Parameters of the Asset Value Increase (Decrease) Report

<i>Indicator Name</i>	<i>Line Code</i>	<i>Value for the Reporting Period</i>
1	2	3
<i>Increase "+" (Decrease "-") in Asset Value Resulting from Transactions with Assets – total</i>	01	16,103,740.2
<i>Including transactions:</i>		
<i>Sale of land plots</i>	01.01	2,031,429.23
<i>Sale of enterprises and production facilities</i>	01.02	7,217,021.48
<i>Sale of industrial assets</i>	01.03	6,329,025.76
<i>Sale of vehicles</i>	01.04	65,348.29
<i>Sale of scientific developments and patents</i>	01.05	638,562.02
<i>Sale of design documentation</i>	01.06	0.00
<i>Profit from leasing company-owned property</i>	01.07	0.00
<i>Receipt of dividends from investments in real estate</i>	01.08	0.00
<i>Sale of artworks</i>	01.09	0.00
<i>Interest income from bank accounts</i>	01.10	0.00
<i>Receipt of dividends from third-party investment companies</i>	01.11	0.00
<i>Other income</i>	01.12	382,003.56
<i>Other expenses</i>	01.13	-427,265.38
<i>Impairment of real estate during production activities</i>	01.14	-132,384.76
<i>Increase "+" (Decrease "-") in Asset Value (lines 01+01.01+01.02+01.03+01.04+01.05+01.06+01.07+01.08+01.09)</i>	01.15	16,103,740.2



REPORT ON THE INCREASE (DECREASE) IN THE VALUE OF ASSETS OWNED BY THE INTERNATIONAL INDUSTRIAL HOLDING

Section 1: Report Parameters

<i>Current reporting date</i>	<i>Currency Code in Which the Net Asset Value is Expressed</i>
1	2
July 2018	USD

Section 2: Parameters of the Asset Value Increase (Decrease) Report

<i>Indicator Name</i>	<i>Line Code</i>	<i>Value for the Reporting Period</i>
1	2	3
<i>Increase "+" (Decrease "-") in Asset Value Resulting from Transactions with Assets – total</i>	01	-3,011,249.09
<i>Including transactions:</i>		
<i>Sale of land plots</i>	01.01	-431,092.38
<i>Sale of enterprises and production facilities</i>	01.02	-3,381,93.00
<i>Sale of industrial assets</i>	01.03	1,928,711.27
<i>Sale of vehicles</i>	01.04	98,432.03
<i>Sale of scientific developments and patents</i>	01.05	1,234,397.04
<i>Sale of design documentation</i>	01.06	0.00
<i>Profit from leasing company-owned property</i>	01.07	0.00
<i>Receipt of dividends from investments in real estate</i>	01.08	0.00
<i>Sale of artworks</i>	01.09	0.00
<i>Interest income from bank accounts</i>	01.10	0.00
<i>Receipt of dividends from third-party investment companies</i>	01.11	0.00
<i>Other income</i>	01.12	274,302.29
<i>Other expenses</i>	01.13	-2,392,573.09
<i>Impairment of real estate during production activities</i>	01.14	-341,493.32
<i>Increase "+" (Decrease "-") in Asset Value (lines 01+01.01+01.02+01.03+01.04+01.05+01.06+01.07+01.08+01.09)</i>	01.15	-3,011,249.09



REPORT ON THE INCREASE (DECREASE) IN THE VALUE OF ASSETS OWNED BY THE INTERNATIONAL INDUSTRIAL HOLDING

Section 1: Report Parameters

<i>Current reporting date</i>	<i>Currency Code in Which the Net Asset Value is Expressed</i>
1	2
August 2018	USD

Section 2: Parameters of the Asset Value Increase (Decrease) Report

<i>Indicator Name</i>	<i>Line Code</i>	<i>Value for the Reporting Period</i>
1	2	3
<i>Increase "+" (Decrease "-") in Asset Value Resulting from Transactions with Assets – total</i>	01	68,160,171.77
<i>Including transactions:</i>		
<i>Sale of land plots</i>	01.01	756,302.57
<i>Sale of enterprises and production facilities</i>	01.02	438,392.31
<i>Sale of industrial assets</i>	01.03	64,291,053.57
<i>Sale of vehicles</i>	01.04	-175,384.92
<i>Sale of scientific developments and patents</i>	01.05	0.00
<i>Sale of design documentation</i>	01.06	0.00
<i>Profit from leasing company-owned property</i>	01.07	0.00
<i>Receipt of dividends from investments in real estate</i>	01.08	0.00
<i>Sale of artworks</i>	01.09	0.00
<i>Interest income from bank accounts</i>	01.10	0.00
<i>Receipt of dividends from third-party investment companies</i>	01.11	0.00
<i>Other income</i>	01.12	0.00
<i>Other expenses</i>	01.13	-733,482.29
<i>Impairment of real estate during production activities</i>	01.14	-3,583,291.47
<i>Increase "+" (Decrease "-") in Asset Value (lines 01+01.01+01.02+01.03+01.04+01.05+01.06+01.07+01.08+01.09)</i>	01.15	68,160,171.77



REPORT ON THE INCREASE (DECREASE) IN THE VALUE OF ASSETS OWNED BY THE INTERNATIONAL INDUSTRIAL HOLDING

Section 1: Report Parameters

<i>Current reporting date</i>	<i>Currency Code in Which the Net Asset Value is Expressed</i>
1	2
September 2018	USD

Section 2: Parameters of the Asset Value Increase (Decrease) Report

<i>Indicator Name</i>	<i>Line Code</i>	<i>Value for the Reporting Period</i>
1	2	3
<i>Increase "+" (Decrease "-") in Asset Value Resulting from Transactions with Assets – total</i>	01	11,589,920.05
<i>Including transactions:</i>		
<i>Sale of land plots</i>	01.01	648,392.58
<i>Sale of enterprises and production facilities</i>	01.02	234,301.34
<i>Sale of industrial assets</i>	01.03	4,395,032.77
<i>Sale of vehicles</i>	01.04	73,341.49
<i>Sale of scientific developments and patents</i>	01.05	4,382,593.04
<i>Sale of design documentation</i>	01.06	0.00
<i>Profit from leasing company-owned property</i>	01.07	0.00
<i>Receipt of dividends from investments in real estate</i>	01.08	0.00
<i>Sale of artworks</i>	01.09	0.00
<i>Interest income from bank accounts</i>	01.10	0.00
<i>Receipt of dividends from third-party investment companies</i>	01.11	0.00
<i>Other income</i>	01.12	2,483,021.74
<i>Other expenses</i>	01.13	-62,381.43
<i>Impairment of real estate during production activities</i>	01.14	-564,381.48
<i>Increase "+" (Decrease "-") in Asset Value (lines 01+01.01+01.02+01.03+01.04+01.05+01.06+01.07+01.08+01.09)</i>	01.15	11,589,920.05



REPORT ON THE INCREASE (DECREASE) IN THE VALUE OF ASSETS OWNED BY THE INTERNATIONAL INDUSTRIAL HOLDING

Section 1: Report Parameters

<i>Current reporting date</i>	<i>Currency Code in Which the Net Asset Value is Expressed</i>
1	2
October 2018	USD

Section 2: Parameters of the Asset Value Increase (Decrease) Report

<i>Indicator Name</i>	<i>Line Code</i>	<i>Value for the Reporting Period</i>
1	2	3
<i>Increase "+" (Decrease "-") in Asset Value Resulting from Transactions with Assets – total</i>	01	7,191,723.98
<i>Including transactions:</i>		
<i>Sale of land plots</i>	01.01	2,385,047.39
<i>Sale of enterprises and production facilities</i>	01.02	658,382.94
<i>Sale of industrial assets</i>	01.03	1,463,093.48
<i>Sale of vehicles</i>	01.04	23,381.73
<i>Sale of scientific developments and patents</i>	01.05	3,483,320.93
<i>Sale of design documentation</i>	01.06	0.00
<i>Profit from leasing company-owned property</i>	01.07	0.00
<i>Receipt of dividends from investments in real estate</i>	01.08	0.00
<i>Sale of artworks</i>	01.09	0.00
<i>Interest income from bank accounts</i>	01.10	0.00
<i>Receipt of dividends from third-party investment companies</i>	01.11	0.00
<i>Other income</i>	01.12	0.00
<i>Other expenses</i>	01.13	-348,283.11
<i>Impairment of real estate during production activities</i>	01.14	-473,219.38
<i>Increase "+" (Decrease "-") in Asset Value (lines 01+01.01+01.02+01.03+01.04+01.05+01.06+01.07+01.08+01.09)</i>	01.15	7,191,723.98



REPORT ON THE INCREASE (DECREASE) IN THE VALUE OF ASSETS OWNED BY THE INTERNATIONAL INDUSTRIAL HOLDING

Section 1: Report Parameters

<i>Current reporting date</i>	<i>Currency Code in Which the Net Asset Value is Expressed</i>
1	2
November 2018	USD

Section 2: Parameters of the Asset Value Increase (Decrease) Report

<i>Indicator Name</i>	<i>Line Code</i>	<i>Value for the Reporting Period</i>
1	2	3
<i>Increase "+" (Decrease "-") in Asset Value Resulting from Transactions with Assets – total</i>	01	14,771,981.14
<i>Including transactions:</i>		
<i>Sale of land plots</i>	01.01	7,358,302.57
<i>Sale of enterprises and production facilities</i>	01.02	2,379,201.48
<i>Sale of industrial assets</i>	01.03	-473,281.02
<i>Sale of vehicles</i>	01.04	43,927.73
<i>Sale of scientific developments and patents</i>	01.05	5,382,194.23
<i>Sale of design documentation</i>	01.06	0.00
<i>Profit from leasing company-owned property</i>	01.07	0.00
<i>Receipt of dividends from investments in real estate</i>	01.08	0.00
<i>Sale of artworks</i>	01.09	0.00
<i>Interest income from bank accounts</i>	01.10	0.00
<i>Receipt of dividends from third-party investment companies</i>	01.11	0.00
<i>Other income</i>	01.12	0.00
<i>Other expenses</i>	01.13	328,027.54
<i>Impairment of real estate during production activities</i>	01.14	-246,391.39
<i>Increase "+" (Decrease "-") in Asset Value (lines 01+01.01+01.02+01.03+01.04+01.05+01.06+01.07+01.08+01.09)</i>	01.15	14,771,981.14



REPORT ON THE INCREASE (DECREASE) IN THE VALUE OF ASSETS OWNED BY THE INTERNATIONAL INDUSTRIAL HOLDING

Section 1: Report Parameters

<i>Current reporting date</i>	<i>Currency Code in Which the Net Asset Value is Expressed</i>
1	2
December 2018	USD

Section 2: Parameters of the Asset Value Increase (Decrease) Report

<i>Indicator Name</i>	<i>Line Code</i>	<i>Value for the Reporting Period</i>
1	2	3
<i>Increase "+" (Decrease "-") in Asset Value Resulting from Transactions with Assets – total</i>	01	-20,507,558.9
<i>Including transactions:</i>		
<i>Sale of land plots</i>	01.01	-785,976.09
<i>Sale of enterprises and production facilities</i>	01.02	432,975.43
<i>Sale of industrial assets</i>	01.03	-6,089,461.84
<i>Sale of vehicles</i>	01.04	47,067.96
<i>Sale of scientific developments and patents</i>	01.05	78,974.67
<i>Sale of design documentation</i>	01.06	0.00
<i>Profit from leasing company-owned property</i>	01.07	0.00
<i>Receipt of dividends from investments in real estate</i>	01.08	0.00
<i>Sale of artworks</i>	01.09	0.00
<i>Interest income from bank accounts</i>	01.10	0.00
<i>Receipt of dividends from third-party investment companies</i>	01.11	0.00
<i>Other income</i>	01.12	163,348.09
<i>Other expenses</i>	01.13	-12,932,483.48
<i>Impairment of real estate during production activities</i>	01.14	-1,422,002.83
<i>Increase "+" (Decrease "-") in Asset Value (lines 01+01.01+01.02+01.03+01.04+01.05+01.06+01.07+01.08+01.09)</i>	01.15	-20,507,558.9



Explanatory Note to the 2018 Annual Report of DEL MAR ENERGY INC, an Industrial Holding Company

The financial statements concerning the properties of DEL MAR ENERGY, an international industrial holding company, and the transactions involving these properties have been prepared in accordance with the requirements of the Investment Company Act of 1940, FORM 10-K, "2a-7 of the Investment Company Act," including procedures related to the calculation of the average annual net asset value of the international industrial holding company, the estimated value of the investment assets of the industrial holding, and the value of properties transferred as payment for investment obligations (hereinafter referred to as the U.S. regulations).

CEO Michael Latham

