

# Petrostar CEO's Address

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Nanton, AB / TNW-ACCESSWIRE / July 8th, 2014 / [Petrostar Petroleum Corp.](#) ("Petrostar" or "the Company") is very pleased to offer this important address from company CEO Mr. Mackenzie Loree

Thankfully the AGM is complete for this year and we are well on our way as a company of achieving key milestones.

Many of the company's shareholders of Petrostar where inherited through past management teams and have seen much diversity along the way. The adversities that many have faced were negative and detrimental to the individual's investment in the company at that time. It has been two years in the making but our turnaround is near complete. For the first time since the sale of Maidstone (Oil Property in Saskatchewan) the company will be looking to achieve cash flow.

The company has been working diligently to reduce and bring its debt and liabilities to a manageable position and we have locked down one of the most exciting technologies to be introduced to the Natural Gas processing industry for years. Now we, Petrostar, will have the ability to develop dry natural gas processing facilities to yield liquids pricing.

The term BOE (Barrel of Equivalent) is an inconsequential conversion to the financial and investment world. A BOE is the comparison of a unit of energy, as 1 barrel of oil has the equivalent amount of energy as 6 MCF of natural gas. At the time of writing this 1 barrel of oil is worth \$103 USD (WTI) while Natural Gas is \$4.18 MMBTU (NYMEX)(Conversion Rate: \$ per MMBtu multiplied by 1.025 = \$ per Mcf).

Conventional Gross Pricing: \$25.707 USD NG Pricing Equivalency to Oil per Unit of Energy

Maverick GTL Conversion: \$78.00 USD Forecasted NG Pricing Equivalency to Oil per Unit of Energy

Our advantage is 300% + based on simple gross figures. What many don't know about the petroleum industries is the producers true net and the associated costs associated to production, marketing, handling, compression, pipeline tariffs, terminaling, treating, disposal, discounting...

For the sake of simplicity Maverick GTL is developing a market to provide a unit that is modular and equipped to processes at the field level, directly for the producer. Providing producers with this valuable option reduced costs, fees, and discounts while processing discounted natural gas feedstock into liquids and while receiving liquids based pricing.

## PROJECT UPDATES

Petrostar would like to offer the following updates to shed light on the status of the company's current investment interests:

### Tank Terminaling Operations - UNDERWAY

Through the acquisition of LOMAC Canada Ltd and their lease to the Aldersyde Alberta facility Petrostar is 12 months ahead of schedule for its terminaling goal. The company had originally assessed and AFE of \$4.5mm dollars to license, construct and commission the planned facility for Farrow Alberta. The targeted deadlines where subject to licensing, financing and construction restrains.

The LOMAC acquisition will cost the company the equivalent of \$500,000 in shares and a limited amount of cash to prepare the facility for operations. Considering the condition of the existing site and its proximity to locally based infrastructure the company is anticipating operating cash flow for Q3 2014.

#### GTL (Gas to Liquids) Technology Licensing and Development - UNDERWAY

Petrostars joint venture with Maverick Synfuels is a strategic development that coincides with Petrostars other investments in a very positive manor. Maverick Northstar Inc has proposed the development of an R&D Facility to be located on the property that Petrostar obtained in the LOMAC Canada acquisition. The facility is equipped with a 6,000 + square foot facility equipped with tankage and an operating laboratory for product and catalyst testing.

Through the formation of the JV partnership Petrostar allotted various gas properties into the Maverick Northstar entity. These properties include Beaverhills Lake, and Forestburg. The company is also accessing the feasibility of a development for Petrostar's Herronton Alberta's NG assets.

Why Methanol? Aside from Methanol being a base feedstock for a multitude of chemical feedstock in manufacturing and a high demand commodity for the Petroleum Industries field uses, Methanol is an excellent gasoline additive and is also the base product of DME. For any or all who are curious DME is an alternative fuel that is gaining traction in Europe and various parts of Asia. Vehicle manufacturers such as Volvo and Mercedes are manufacturing DME powered vehicles. Even though this is a long way from North America pilot programs are currently underway to test the feasibility of DME as a transportation fuel such as the Volvo Safeway trials in California.

Another important aspect of Methanol production is the revenue obtained from the conversion of Natural Gas to Methanol. The company is projecting a revenue stream equivalent to \$13 per MCF based on current Methanol prices and our licensed technologies yield efficiencies.

#### Modular Oil Refining and Upgrading - ON HOLD

The company has decided to shelve the Modular Oil Refining and Upgrading program for Canada. With the setbacks in Vulcan County the company has decided it would be best to focus on other major opportunities to establish and develop a steady cash flow stream before entering back into this market.

Unfortunately the Modular Refineries are heavily scrutinized even through our developments where planned to be compact and environmentally friendly. These hurdles are manageable but very expensive to navigate. Because of this the company has decided to put the project on hold for a future date.

#### Petroleum and Natural Gas Production & Prospects - UNDERWAY

Through the development of Maverick Northstar Petrostar has reassigned the majority of its current Petroleum and Natural Gas interests into the JV Company. Petrostar has retained its Herronton assets and is looking to advance its position in to producing and development opportunities if the opportunity presents itself.

Primary focus for the company is to conserve undervalued share issuances that are not vital to the company's security or interim development base.

#### Integrated Services and Support Developments - UNDERWAY

Petrostar has identified key support markets and niche services that will aid in the company's integrated business activities. Upon the successful completion of key milestones many of the opportunities identified will be implemented and developed to aid the primary investment interests. As a insight into our methodology modular power production is an application that best serves a major project. The sub development will provide fixed/hedged pricing options, lower operating overhead, offer consistency in deliverable contracts

and provide additional investment opportunities with extended return that would otherwise be lost to arms length operators.

#### Corporate Structure & Foundation - UNDERWAY

In order to create a viable investment opportunity the company has three objective to clean the company is focused on cleaning its structure and laying the building block for a strong and viable foundation:

**Debt Retirement** The Company has been working diligently to settle and retire outstanding debt and obligations for its historical operations. These operations include shares for debt or cash settlements to interested parties. Other vendors and accounts have been verified to confirm the status of unverified accounts and potential obligations. To date the program has been very successful and has been primary beneficial for all parties involved. Unfortunately these activities are time consuming and painstaking but many issues have been resolved and remediated.

**Cash Flow** Petrostar has been without cash flow for over three years now. With recent acquisitions and business development we are poised to be cash flowing by Q3 2014. Establishing and maintaining cash flow is the life line and necessity for companies to not only maintain but to build a future. Our corporate overhead and development strategy has allowed the company to operate with minimal expense and on a very lean basis. With the addition of a cash operation we can utilize our existing structure to maximize the value for developments and the establishment of additional operating stream.

**Liquidity** The definition of Liquidity is: "market liquidity is a market's ability to facilitate an asset being sold quickly without having to reduce its price very much." For Public companies in general it is a pivotal factor that determines if a specific investment is viable. Without liquidity purchased units are difficult to liquidate and accumulation of interest is difficult without causing inflation. Petrostar cannot control its liquidity but the company can work to promote the company in an ethical and responsible fashion to introduce new investors to the market and to allow all parties the ability to make educated financial decisions and trading based on current and readily available corporate news. The company has taken positive steps to expand its contact base and is looking at the viability of expanding its marketing and presence to the general public. If you see the companies name or emblem in the near future then you will be able to verify that our efforts have been effective. If not, call Bruce Scafe at 1-877-737-8864 or email [bscafe@petrostarpetroleum.com](mailto:bscafe@petrostarpetroleum.com)

#### About Petrostar Petroleum Corp.

Petrostar is a Tier 2 Canadian-based oil and gas exploration company trading on the TSX Venture Exchange with property assets in both Alberta and Saskatchewan.

For further information, please contact:

Bruce Scafe, IR and Communications Officer

1-877-737-8864 or [bscafe@petrostarpetroleum.com](mailto:bscafe@petrostarpetroleum.com)

Alternate Contact.

Mackenzie Loree, CEO

1-403-861-6779 or [mloree@petrostarpetroleum.com](mailto:mloree@petrostarpetroleum.com)

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