

Crown Oil Sands Insurance Float Right

WarriorHealth CombatCare
Time to Come Home™



Proposal Background Note:

Governments lease land rights that are divided into air rights, surface rights, and subsurface rights. Provinces earn leasehold royalty by licensing subsurface mining, quarrying, Oil Sands, and Oil and Gas (O&G) rights. Oil resources are valuable but the value of O&G and ore mining rights do not come forward until the resource has been extracted. Drilled O&G is especially hard to value. The drilling industry is replete with stories of dry holes being beside wet holes, with no easy geological explanation. Even when a well is producing, it must be tapped and flow volume measured for one-year's duration after cap-off to assess commercial value.

But we know the Oil Sands are exactly where they are, and because we know roughly what the volume is, we can calculate what the spot market value of that resource will be.

Un-extracted Oil Sands therefore have an anticipated value that can be leased as a separate royalty, before scheduled extraction. This rights stream could have any purpose. One purpose could be to backstop insurance, through a *Crown Oil Sands Insurance Float Right ("Float Right")* mechanism, that is leveraged for other purposes; for example, leasing the risk to the federal government to backstop 100% of Combat PTSD care costs.

Outcomes for Government

- Oil Sands resource divided into two royalty streams:
 - Anticipated value of unextracted resource: *Crown Oil Sands Insurance Float Right ("Float Right")*
 - Actual value of extracted resource: *Crown Oil Sands Liquid Oil Right ("Liquid Right")*
- New royalties and taxes for Alberta, Saskatchewan, and federal government; and AB could avoid PST
- Creates value during lean market years and while waiting for new pipeline capacity
- Backstopping a move of insurance industry headquarters to the region

Outcomes for Industry

- Effect on global oil, insurance, and finance market (tradeable as new spot market segment)
- Float Right leverages 10% of resource that is extractable using current technology
- As collateral, could Float Right leverage the other 90% until it is extractable?
- "100% Capture" Target (100% of extractable liquid resource) becomes a value-added activity
- "Zero Waste" Target (100% pollution prevention of extractable resource) becomes a value-added activity
- Float Right Licensee does not necessarily have to be Liquid Right Licensee
- Leaseable by Provinces to Sovereign States, to collateralize Cognitive Combat Insurance/Securities risk
- Similar strategic opportunities exist in other Oil Sands regions (USA, Russia, Kazakhstan)

ABOUT WarriorHealth CombatCare: With Combat PTSD, a wounded warrior's war never stops. We help veterans regain pride and independence by ending that war. With an effective, evidence-based treatment in play, insurance companies will cover 100% of Combat PTSD care costs. WarriorHealth is developing that treatment. Our vision is a world without homeless, desperate, starving, suicidal veterans. It is time to bring all of our veterans home. Please pray for our cause.