



Venro Petroleum  
Corporation





Venro continually reviews its contract commitments to provide the producer with the best available pricing options. Experienced in all aspects of markets trading, we can offer the most innovative marketing alternatives for our suppliers. In the myriad of regions wherein we maintain an active presence, Venro can accommodate crude oils possessing a wide range of specifications, to include gravity, pour point, sulfur content, distillation ranges, etc. Our long-term supply contracts span several states, including Utah, Texas, Louisiana, Colorado, Kansas, Wyoming, and Oklahoma.

## Coal



Recognizing the importance of providing energy price alternatives to its end-users customers, Venro has diversified its slate of alternative energy sources to include coal and petroleum coke.

With regard to coal, Venro has utilized existing contacts as well as our capabilities in domestic and international petroleum products and gas liquids trading and distribution, and has acquired spot and long-term commitments for steam (thermal) and metallurgical (coking) coal, as well as various coke products (met, foundry, pea and coke breeze).

From domestic and international sources, Venro arranges up to Panamax - size deliveries of coal.

Venro's coal strategy includes achieving competitive advantages through operating efficiencies and market growth in both domestic and foreign markets. Management participates with federal and state agencies to ensure that sulphur emission standards and acid rain regulations are maintained. The utilization of low sulphur coal provides a cost-effective solution to these environmental concerns.

## Asphalt

The U.S. market utilizes in excess of thirty million tons of paving asphalt per year.

Venro personnel are active in helping the U.S. procure this massive amount of asphalt through its established international networks.

Through affiliations and joint venture partners, Venro maintains an active presence in marketing asphalt and asphalt specialty products (under coatings, paints, sealants, etc), including polymer-modified asphalt. In the U.S., there are no less than 3,600 governmental agencies (national, state, county, etc) that annually procure asphalt requirements through their individual and separate purchasing departments.

By participating in on-going presentations and test strips, Venro anticipates transacting asphalt business in thirty-eight of the fifty states during 1992.

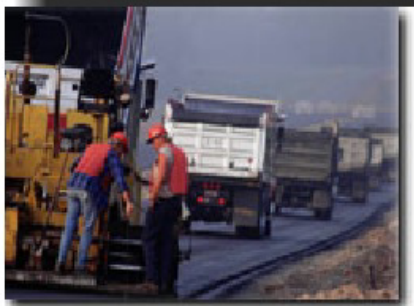


## Asphalt

In 1990, Venro entered into an exclusive U.S. agreement with Trinidad to market its Trinidad Lake Asphalt (TLA) from the historically renowned Pitch Lake.



Since the middle of last century, more than seven and half million tons of asphalt has been removed from the lake. Undoubtedly the largest consistent deposit of natural asphalt into the world, TLA is internationally acclaimed for its high percentage (twenty three percent) of asphaltic resins and its fine mineral matter content.



The TLA resins are up to six times higher than the best refinery produced asphalt alternative, which allows for denser construction of asphaltic pavements and higher resistance against aging and deformation. Additionally, the mineral matter suspended in the asphalt makes TLA behave like a very stiff asphalt (similar to a roofing asphalt).

TLA has achieved a proven history of performance in its applications, and is accorded high respectability by knowledgeable end-users, which include New York's Kennedy and La Guardia airports, the George Washington Bridge, and the German Autobahn systems

## Petrochemicals

Over the past six years, Venro has steadily grown to become a recognized force in petrochemicals and solvents. Currently, Venro serves the needs of large and small manufacturers involved in pharmaceuticals, papers, metals, printed products, textiles and more.



Our extensive contacts in oil and gas throughout the Western Hemisphere brought us an awareness of the vast opportunities that exist in matching the products of the manufacturers in one area with the needs of end-users in another area.

Venro technical expertise in logistics and handling so specialized products has proven invaluable in arranging safe and timely deliveries to meet our commitments.



## Woodchips

The massive worldwide paper industry accounts for tremendous demand of raw materials, including woodchips (hard and soft wood), whose suppliers are dwindling each year.

Environmental concerns challenge existing woodcutting and lumber practices from historical production sites, which has resulted in a worldwide search for new supplies by the paper industry. Venro established itself as a woodchip supplier in 1991 and relies on suppliers that abide by existing environmental regulations.

## Venro Capital

In an effort to keep pace of the growth in the need to incremental capital growth, we have created Venro capital management company LLC (the company). Our focus is on the protection and stabilization of client investment portfolios from the ravages of market volatility without placing a ceiling on potential capital growth. At first blush this may not seem possible if referenced to conventional investment theory. Conventional investment theory opines that reward is correlated to risk. We do not disagree with that postulate. However Venro Capital Management's investment style employs a change in that risk/reward theorem. Our investment methodology is designed to provide a significant comfort level for our clients with less exposure to market eruptions stemming from geopolitical, sociopath, or natural disaster causes. Our investment style puts a floor on potential principal loss, but does not put a ceiling on potential investment gains. We are able to reach for this goal by virtue of a conservative asset allocation mix, allowing our portfolios to significantly outperform market-diversified portfolios while having a lower degree of volatility.





## Worldwide Trading

Venro Petroleum Corporation is an active market participant in the international supply and marketing of crude oil and the related refined products and by products.



Registered with every national oil company, Venro maintains an active presence and awareness of changing market conditions and products availabilities that pertain to each country's key market centers. In most instances, Venro plays both a seller and a purchaser role to various Caribbean, Central and South American countries.



Of key interest to Venro's petroleum product division are bulk cargoes of jet fuel, diesel, fuel oil, naphtha, gas oil, gasoline and petroleum coke products. Through U.S. refinery processing arrangements, Venro accesses international crude oil and unfinished petroleum products (straight run fuel oils, cat feeds, lube oil, naphtha's, etc.) for processing at U.S. East and Gulf Coast locations.

While opting for a greater percentage of term purchase commitments from its refinery suppliers, Venro also buys sizeable volumes of spot cargoes. Hedging the majority of these combined volumes through the NYMEX futures market helps Venro management lock in refinery margins and guard against the "downside." Venro's U.S. refined petroleum products are typically delivered into bulk markets through the pipelines, barges, and occasional truck transport.

## Natural Gas

The natural gas industry is a major energy supplier to homes, commercial business, and industries, providing nearly one-quarter of all the energy consumed in this country. Confidence in natural gas as an abundant, clean-burning, and competitively priced fuel continues to grow as our nation looks for a means of enhancing national energy security, reducing air pollution, and improving the country's position in world markets.



Venro is committed to a long-term presence in this strategic energy marketplace, and thus focuses on acquiring and marketing natural gas on a nationwide basis, to distributors and end-users alike.



As market circumstances dictate, Venro may opt to process various feedstock's (such as natural gas and LPG's) through fractionation agreements existing with various petrochemical entities on the U.S. Gulf Coast. Through these arrangements, we have the capability to blend custom products to meet our customer's product requirements.

## Expanding Areas of Involvement



### Petroleum Lubricants & Greases

Venro is registered as a minority-owned corporation with several state and local governments, as well as large industrial entities, to supply petroleum fuel, lubricants, and greases. Originally centered around domestic market places, Venro's growing activities in lube oils and greases have expanded to include international shipments to various countries. To meet custom lube oils specifications, specialized blending and delivery are handled through various third party facilities.



### Petroleum Coke

Through strong relations established with petroleum coke end-users, Venro markets premium anode (needle) coke, as well as green petroleum (fuel grade) coke, which constitute the majority of United States petroleum coke production. Future business objectives include marketing calcined petroleum coke, which is often utilized by the carbon raiser, titanium oxide and other specialty markets.

### LPG

Venro sources its Liquefied Petroleum Gas (LPG) internationally and domestically, direct from producers in the field or from refineries involved in processing raw mix or crude oil. Domestically, third party processing provides Venro with a vehicle through which untreated field production of natural gas can be processed at a benefit to the producer and pipelines. Internationally, bulk shipments of butanes, propane's, pentanes, etc., are delivered to Venro's existing agreements on the U.S. East and Gulf Coast for isomerization processing, petrochemical application, or into products blending (e.g., gasoline).

### Fertilizers

Through constant fertilizer business involvement, Venro has procured spot and long-term supplies of phosphate rock, urea, potash, sulphur, and other fertilizer products. An excellent trade commodity, fertilizer goods provide Venro many barter and counter trade opportunities with the diverse countries that Venro enjoys business arrangements.

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