

Company Sponsored Research
Investment Summary Report
12/15/2021

Foothills Exploration, Inc. (FTXP)

Wind River Basin Asset Offers Oil Extraction Potential

Investment Highlights

- Foothills Exploration Inc (FTXP) holds **strategically located core oil and gas assets in the US Rocky Mountain regions**. The principal asset of Foothills Exploration is the Wind River Basin of Wyoming, which covers approximately 18,500 acres of land - According to a third-party engineering study, the land has an after-risk **potential of producing 21 million barrels of oil and 37.6 billion cubic feet of gas**. The company also has access to over 5,700 acres of land in the Unita Basin, where FTXP is exploring new drill programs.

- Foothills Exploration is involved in the acquisition and development of high-quality oil and gas assets by actively seeking to grow its footprint in the Rocky Mountain regions. The company retains a third-party engineering firm to determine the probable resources and merits of prospective acquisitions. The company has **entered into a participation agreement with an Illinois Basin Operator through its direct subsidiary Anaconda Energy LLC to identify inactive wells which can be returned to production by incurring minimal costs**.

- Foothills Exploration wants to build a stable portfolio of assets by **catering to present-day energy needs through its high-impact oil and gas exploration projects and betting on future needs by foraying into sustainable and emission-free hydrogen and helium exploration**. This blend of strategies could help the company in staying relevant to today's business needs and also by being an early mover in the hydrogen space it can potentially capitalize on this growth opportunity earlier than its counterparts.

- New Energy Ventures LLC is a subsidiary formed by Foothills Exploration Inc. which focuses on sustainable energy goals through power generation and oil field clean tech applications**. Additionally, it also has other areas of interest in natural hydrogen & helium exploration, carbon capture, and hydrogen production. The company intends to acquire existing gas stations and then rebrand them into retail hydrogen refueling stations and also add EV rapid charging stations.

- We have valued FTXP using NPV methodology incorporating the company's primary asset with prospective resources of ~27.4 million BOE. Based **on our assumptions we have valued the company at ~\$76.20 million or ~\$0.008 per share, contingent on successful execution by the company**. We view FTXP as mainly suitable for institutional and high-risk-tolerant retail investors, given the high risk-reward scenario provided by a unique oil and gas E&P play.

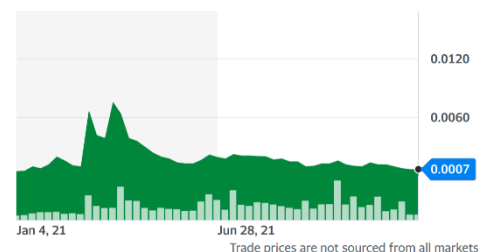
Company Description

Foothills Exploration Inc. (OTC: FTXP) is an independent upstream oil and gas company involved in the exploration and development of reservoirs and drill oil & gas wells by engaging in the acquisition of oil and natural gas assets. The company has a tightly defined geographic focus: the U.S. Rocky Mountain region, which helps it leverage basin-specific knowledge and technical and operational expertise.

Oil and Gas E&P

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Price- Volume History



Key Statistics

Closing Price (As of 12/14/2021)	\$0.0007
52 Week Range	\$0.0003-\$0.0155
Average Volume (10 days)	99.99M
Shares Outstanding (m)	9090.60m
Market Capitalization (m)	\$6.36m
Valuation Per Share	\$0.008
Enterprise Value/Revenue	56.20x

Revenue (in \$ millions)

Dec. FY	2019A	2020A	2021E
FY	1.67M	0.467	0.477

EPS (\$)

Dec. FY	2019A	2020A	2021E
FY	(0.56)	0.01	(0.00)