

XTREME OIL AND GAS, INC.

Valuation Report as of December 2009

Report dated November 1, 2010

2010

GENEVA ROTHWEIL PARTNERS, LTD.

VALUATION OF THE COMMON STOCK OF:

Xtreme Oil & Gas, Inc.

5700 W. Plano Parkway, Suite 3600

Valuation Date: December 31, 2009

Report Dated: November 1, 2010

OPINION LETTER

November 1, 2010

Rathbourne Mercantile, Ltd.
Garden View Court
Encinitas, California 92024

Dear Rathbourne Mercantile, Ltd.,

The enclosed valuation report has been developed for the exclusive and confidential use of Rathbourne Mercantile, Ltd.. The report has been prepared by Geneva Rothweil Partners, Ltd. dated November 1, 2010 and was made by and/or under the direct supervision of the undersigned. The purpose of the valuation is to render an opinion as to the fair market value of the common stock interest, as of December 31, 2009.

In preparing our business valuation report, we have relied upon historical financial information provided to us by management and derived from the companies SEC filings as well as materials provided by management. This financial information has not been audited, reviewed, or compiled by us and accordingly we do not express an opinion or any form of assurance on this financial information.

Our report is based on historical and prospective financial information provided to us by management and other third parties. Users of this valuation report should be aware that business valuations are based on future earnings potential that may or may not materialize. Therefore, the actual results achieved during the projection period will vary from the projections used in this valuation, and the variations may be material. The accompanying report discusses all the assumptions and limiting conditions that apply to this opinion of value and are integral to the understanding of the opinion.

Based upon our study and analytical review procedures, we have concluded that a reasonable estimate of the fair market value of a 100% common stock interest of Xtreme Oil & Gas, Inc. as of December 31, 2009 is \$102,520,900 .

This engagement was not contingent upon developing or reporting predetermined results. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*. No one provided significant business appraisal assistance to the person signing this certification.

Sincerely yours,
Geneva Rothweil Partners, Ltd.

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EXECUTIVE SUMMARY

Governing Standard:	USPAP
Purpose:	Additional Capital Raise
Standard of Value:	fair market value
Client Name:	Rathbourne Mercantile, Ltd.
Business Name:	Xtreme Oil & Gas, Inc.
Type of Entity:	corporation
Business Interest Valued:	100%
Valuation Date:	December 31, 2009
Report Date:	November 1, 2010
Appraiser Firm:	Geneva Rothweil Partners, Ltd.
Conclusion of Value:	\$102,520,900

INTRODUCTION

Specifics

Geneva Rothweil Partners, Ltd. has been retained by Rathbourne Mercantile, Ltd. to estimate the fair market value of Xtreme Oil & Gas, Inc.. Xtreme Oil & Gas, Inc. is a corporation located at 5700 W. Plano Parkway, Suite 3600 in Plano, Texas 75093. Furthermore, an interest of 100% is being valued as of December 31, 2009.

The appraisal will be used by Rathbourne Mercantile, Ltd. for the sole purpose of Additional Capital Raise. The distribution of this report is restricted to the Rathbourne Mercantile, Ltd., legal and tax professionals advising Rathbourne Mercantile, Ltd. and any regulatory agencies whereby reporting is required. Any other use of this report is unauthorized and the information included in the report should not be relied upon.

Definitions

Appendix F has a glossary of terms that is applicable to this engagement.

Standard of Value

The standard of value for this report is fair market value.

Premise of Value

This report is prepared using the premise that the subject company is a going concern.. This means that it is presumed that in the future the assemblage of assets, resources and income producing items will continue in use to produce income and cash flow. The subject company is a going concern business enterprise.

SOURCES OF INFORMATION

The primary sources of information were research on the economy, industry and company, analysis of financial statement and interviews with key people. Please see Appendix D for a complete listing.

APPROACH

Business valuation theory promulgates three basic approaches to value.

Asset Based Approach: A general way of determining a value indication of a business's assets and/or equity using one or more methods based directly on the value of the assets of the business less liabilities.

Income Approach: A general way of determining a value indication of a business's assets and/or equity using one or more methods wherein a value is determined by converting anticipated benefits.

Market Approach: A general way of determining a value indication of a business's assets and/or equity using one or more methods that compare the subject to similar investments that have been sold.

The various methods of valuation that appraisers use in practice are typically considered as subdivisions of these broad approaches. Valuation methods under the Market and Income approaches generally contain common characteristics such as measures of benefit streams, discount rates and/or capitalization rates and multiples.

Assumptions

There are several key assumptions that this report relies on.

This valuation report has been prepared in accordance with the *Uniform Standards of Professional Appraisal Practice*. In accordance with these standards, a Statement of Contingent and Limiting Conditions is provided as Appendix B. and a Statement of Appraiser Qualifications is included in Appendix C.

Scope Limitation

The scope of this valuation engagement report was limited. We were engaged to perform a valuation for Xtreme Oil & Gas, Inc. with the intent of ascertaining an opinion of value. However, we were limited to the information that was provided as of December 31, 2009 regarding the companies limited operating history. If more information were available to us, matters may have come to our attention that could have a material impact on the opinion of value contained in this report.

Accordingly, our level of assurance on the estimate of value is reduced. This report is not intended to serve as a basis for expert testimony in a court of law or other governmental agency without further analysis and resulting documentation.

COMPANY

History

Xtreme Oil & Gas, Inc. (the “Company” formerly Xtreme Technologies, Inc.), a Nevada corporation formed on October 3, 2006 is organized to engage in the acquisition, operation and development of oil and natural gas properties located in Texas and the southeast region of the United States. Effective December 29, 2006, Xtreme Technologies, Inc., a then Washington corporation, acquired Emerald Energy Partners, Inc., (“Emerald”) a Nevada corporation, in exchange for the issuance of 7,960,000 shares of the Company’s common stock and changed the Company’s name to Xtreme Oil & Gas, Inc. (“Xtreme”).

Since its formation, the Company has been involved in the acquisition and management of fee mineral acreage and the exploration for and development of oil and natural gas properties, principally involving drilling wells located on the company’s mineral acreage. The Company’s mineral properties and other oil and natural gas interests are all located in the United States, primarily in Oklahoma and Texas. The majority of the Company’s oil and natural gas production was from its’ Texas wells. All of its oil and natural gas revenues were derived from the sale of oil. Substantially all the Company’s oil and natural gas production is sold by the Company directly to independent purchasers.

The Company from time to time sells or otherwise disposes of its interest in oil and natural gas properties as a normal course of business.

Nature of the Business

Xtreme Oil and Gas, Inc. believes there are opportunities to acquire properties that formerly produced oil and gas or are now operating under marginal circumstances and can be redeveloped for profitable operation using newer production techniques. These opportunities are primarily the result of neglect or abandonment of oil and gas producing properties owned by persons lacking the capital and other resources necessary to bring the properties back into production and develop recoverable hydrocarbons that remain. When we identify such a prospect we determine whether there is reason to believe the prospect has remaining hydrocarbons yet to be produced, determine a value for the prospect, and, if warranted under all the circumstances, pursue acquisition of the prospect.

Products or Services

The Company is in the process of building our portfolio of oil and natural gas properties. With the application of advanced drilling, completion and stimulation technologies combined with a strong commodity pricing environment could make profitable the development of oil and gas prospects that were formerly productive or are now operating under marginal circumstances.

The Company is currently producing oil and gas from properties it owns and operates in Texas and Oklahoma. We expect to acquire oil and gas properties with a history of production and/or strong reserve potential in the southwest United States. Our estimated reserves are 5,000,000 barrels today and expect to further increase those reserves through by 2014. We have potential properties for acquisition in Texas, Oklahoma, and Louisiana.

Our commercial saltwater disposal (SWD) business is unique and carries no commodity pricing or exploration risk generating large EBITDA Margins of 90%. Oil wells produce large quantities of saltwater that is trucked and disposed of at a cost of over \$1.35 /bbl. Our commercial saltwater disposal wells will be local to producers and truckers alike and will significantly reduce their costs. By 2014 we expect to increase our SWD wells from one to nine, each with a capacity of 20,000 to 30,000 barrels/day.

Capital Structure

The Company is authorized to issue up to 200,000,000 shares of common stock, \$0.001 par value per share. The holders of the common stock do not have any preemptive right to subscribe for, or purchase, any shares of any class of stock.

The Company is authorized to issue up to 50,000,000 shares of preferred stock, \$0.001 par value per share of which none were issued and outstanding as of June 30, 2010.

The Company has one class of Preferred Stock and Nontransferable Preferred Stock. The Nontransferable Preferred Stock, consisting of 1,000 shares, is all owned by Mr. McAndrew.

Significant current period changes in stockholders' equity during the six months ended June 30, 2010 consisted of the following:

Common Stock

In the second quarter of 2010, we sold 498,330 restricted shares of our common stock to nine investors for \$331,747 cash. Shares were sold with the average sale price being \$.67 per share.

In the second quarter of 2010, we issued 2,757,925 restricted shares of our common stock to 4 members of our management team and three members of our staff and consultants for \$1,604,971 worth of services. Our consultant shares issued were valued at \$1.00 and are being recognized over the vesting term. During the six months ended June 30, 2010, we recognized \$2,671,501.

During May 2010, we sold 400,000 common shares of Small Cap Strategies, Inc. to Knight Enterprises for 1,160,000 shares of our common stock and the acquisition of

\$35,000 in accounts payables. We recognized a gain of \$149,965 on the sale. The common shares acquired were immediately cancelled.

During the second quarter we cancelled 470,000 shares of common stock held in treasury. As of June 30, 2010, we have 850,000 shares of common stock recorded in treasury stock.

In the second quarter of 2010, we signed a Term Sheet with Kodiak Capital for a \$5,000,000 investment. Pursuant to the Term Sheet, we shall have the right, but not the obligation, to “put” to Kodiak (the “Put Right”) up to \$5 million in shares of our common stock (i.e., we can compel Kodiak to purchase our common stock at a pre-determined formula). In the Term Sheet, Kodiak committed to purchase 2,000,000 shares at \$1.25 per share. The initial put shall be closed within 30 days of the date of the filing of a registration statement in the amount of \$2,500,000 and shall be priced at \$1.25 per share. We have no obligation to utilize any or the full amount available under the Term Sheet.

Management

Willard G. McAndrew III, 55, Chairman, Chief Executive Officer and President

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Mr. McAndrew has thirty eight years’ experience in the energy industry from field operations to refining. Since December 2006 Mr. McAndrew has served as the Chairman, CEO and President of Xtreme Oil & Gas. From 2001 through March 2006 he served as the CEO, President and Director of Energy and Engine Technology, Inc. He began his career in 1969, gaining experience working for Hercules Drilling Company as a roustabout in South Louisiana. Mr. McAndrew attended Louisiana State University and then spent two years in the United States Marine Corps. Later, he joined Exxon Corporation Refinery’s Distillation and Specialties division in Baton Rouge, Louisiana, becoming the fourth generation in his family to work for Exxon. Mr. McAndrew has served as President and owner of several small companies that were involved in all phases of the oil and gas business from drilling, reworking, completion, leases etc. He has been a consultant since 1990 to companies and is responsible for the structure, formation and marketing of partnerships and energy financing. Mr. McAndrew has held the following security licenses: 24, 27, 7, and 63.

Nicholas P. DeVito, 47, Chief Operating Officer– Mr. DeVito has 26 years experience

in engineering and operations in a variety of industries including telecommunications, alternative energy, manufacturing and health and fitness. From 2001 through 2003, Mr. DeVito has served VP of Business Development and as CEO of several subsidiaries in Tellium, a telecommunications equipment manufacturing company. From 2004 through 2006 he consulted to Rexplax, a private fitness company and NEMA, a private consumer products company acting to improve operations and grow sales. In 2007 and 2008 he served as the Chief Operating Officer of Raven Biofuels, an alternative energy development company that sought to create biofuels from waste

agricultural products. He has a BSEE and MSEE from Columbia University and an MBA in Management from New York University.

Roger Wurtele, 63, Chief Financial Officer – Mr. Wurtele is a versatile, experienced finance executive that has served as the CFO for public and private companies. He has a broad range of experience in public accounting, corporate finance and executive management. Mr. Wurtele was the CFO of an energy company that operated approximately 900 oil wells, located in three states. Mr. Wurtele graduated from Univ. of Nebraska and has been a CPA for 40 years.

Admiral Edward Allen, Director - Admiral Allen is a former U.S. Navy flag officer, a corporate executive and now owns his own Executive Coaching and Consulting business. Achieving the rank of US Navy Rear Admiral, he led six operational commands before serving on the Joint Chiefs of Staff. The Admiral earned a Master's Degree in International Relations, graduated from the National War College and completed Graduate Business studies in Information Technology. He was awarded the United States Navy League John Paul Jones Award for Inspirational Leadership and the Tailhooker of the Year Award. As a Vice President-Business Development for the Oracle Corporation, Ed focused on e-Business solutions for Department of Defense Agencies and was responsible for Oracle's Leadership and Executive Coaching initiative. He also serves as Vice Chairman of the Board and Regional Director for Cherry Financial Partners, Inc.

E.L. Shockey, Director, - Mr. Shockey is a successful and experienced entrepreneur and executive who currently acts as a mentor for many of the companies in his investment portfolio.

He will officially join the Board once the Company's Form 10SB has been declared effective by the SEC. After completing his service in the U.S. Navy, Mr. Shockey entered the software industry and gained broad knowledge of military software and telephony applications while at GE, RCA, Raytheon, and Northern Telecom. He founded Computerware in 1978 and successfully developed and marketed a telephone company management system for shared tenant services. Computerware was bought by a venture capital fund in 1986. Mr. Shockey then founded Telecommunications Support Systems (TSS) to dispatch substitute teachers for schools. Its customers included 600 of the largest school districts in the U.S. and Canada. TSS was sold in 2000 and currently operates as eSchools Solutions, Inc.

Expectations

Xtreme's three properties have estimated reserves of 5,000,000 barrels and currently can produce 58 barrels per day of light sweet crude. Production is expected to reach 1,000 barrels within 24 Months and over 3,000 barrels per day within 48 months. Based on development schedule of 4 projects per year, we expect our proven reserves to reach 15,000,000 barrels within 48 months. Acquisitions will consist of properties either with historical production or with strong reserves potential. Under these assumptions we expect the share price to rise over \$23.00 over four years.

Xtreme's saltwater disposal business is a dream business that offers EBITDA margins as high as 90%. Oil wells produce large quantities of saltwater that must be trucked and disposed of typically at cost to the producer of over \$1.35 /bbl. Xtreme has strategically positioned its SWD wells local to producers and truckers alike and will be able offer disposal services to these groups at significantly lower prices. The key to this business is the location of the property with several identified already. Xtreme expects to have four such wells operating by 2014 with a capacity of 150,000 barrels/day or \$32M of EBITDA in 2014. As a service business, Xtreme's SWD wells are generally not affected by movements in oil prices.

Industry Outlook

Market conditions, the unavailability of satisfactory gas and oil processing and transportation may hinder access to gas and oil markets or delay production. The availability of a ready market for gas and oil production depends on a number of factors, including the demand for and supply of gas and oil and the proximity of reserves to pipelines or trucking and terminal facilities. In addition, the amount of gas and oil that can be produced and sold is subject to curtailment in certain circumstances, such as pipeline interruptions due to scheduled and unscheduled maintenance, excessive pressure, physical damage to the gathering or transportation system or lack of contracted capacity on such systems. The curtailments arising from these and similar circumstances may last from a few days to several months, and in many cases we are provided with limited, if any, notice as to when these circumstances will arise and their duration. As a result, companies may not be able to sell, or may have to transport by more expensive means, the gas and oil production from wells or we may be required to shut in gas wells or delay initial production until the necessary gathering and transportation systems are available. Any significant curtailment in gathering system or pipeline capacity, or significant delay in construction of necessary gathering and transportation facilities, could have adverse effects on the business, financial condition or results of operations.

There is inherent risk of incurring significant environmental costs and liabilities in gas and oil operations due to the handling of petroleum hydrocarbons and generated wastes, the occurrence of air emissions and water discharges from work-related activities and the legacy of pollution from historical industry operations and waste disposal practices. Companies may incur joint and several or strict liability under these environmental laws and regulations in connection with spills, leaks or releases of petroleum hydrocarbons and wastes on, under or from our properties and facilities, many of which have been used for exploration, production or development activities for many years, oftentimes by third parties not under our control. Private parties, including the owners of properties upon which we conduct drilling and production activities as well as facilities where petroleum hydrocarbons or wastes are taken for reclamation or disposal, may also have the right to pursue legal actions to enforce compliance as well as to seek damages for non-compliance with environmental laws and regulations or for personal injury or property damage. In addition, changes in environmental laws and regulations occur frequently, and any such changes that result in more stringent and costly waste handling, storage, transport, disposal or remediation requirements could have a material adverse effect on production or operations or financial position.

COMPANY BALANCE SHEETS

Summary Balance Sheets

	Dec 2009	Dec 2008
ASSETS		
Cash	739,851	180,289
Accounts Receivable	211,388	244,307
Inventory	-	-
Other Current Assets	-	-
Total Current Assets	<u>951,239</u>	<u>424,596</u>
Fixed Assets	6,669,182	5,727,509
(Accumulated Depreciation)	(73,541)	(44,385)
Intangible Assets	-	-
(Accumulated Amortization)	-	-
Other Non-Current	-	-
Non-Operating Assets	207,862	206,362
Total Assets	<u><u>7,754,742</u></u>	<u><u>6,314,082</u></u>
LIABILITIES & EQUITY		
Accounts Payable	4,723,996	1,034,450
Income Taxes	-	-
Short Term Notes Payable	-	235,000
Current Portion of LT Debt	-	-
Other Current Liabilities	-	-
Total Current Liabilities	<u>4,723,996</u>	<u>1,269,450</u>
Long Term Debt	-	-
Other Non-Current Liabilities	300,000	212,500
Non-Operating Liabilities	-	-
Total Liabilities	<u>5,023,996</u>	<u>1,481,950</u>
Equity	2,730,746	4,832,132
Total Liabilities & Equity	<u><u>7,754,742</u></u>	<u><u>6,314,082</u></u>

COMPANY PROFIT AND LOSS

Summary Profit and Loss Statements

	Dec 2009	Dec 2008
	<u> </u>	<u> </u>
Revenues less Discounts and Allowances	2,050,312	2,974,831
Cost of Goods Sold	261,540	665,033
Gross Profit	<u>1,788,772</u>	<u>2,309,798</u>
Operating Expenses		
Depreciation/Amortization	-	-
Officers' Compensation	-	-
Operating Lease and Rent	-	-
Drilling and Completion Cost	1,255,271	1,684,552
General and Administrative Expenses	3,834,771	16,778,418
Loss on Disposal of Property	585,891	-
Impairment of Good Will	-	815,000
Impairment of Oil Properties	-	1,616,000
Total Operating Expenses	<u>5,675,933</u>	<u>20,893,970</u>
Operating Profit	<u>(3,887,161)</u>	<u>(18,584,172)</u>
Other Income/Expenses		
Interest Expense	1,792	12,275
Other Income	21,534	152,141
Other Expense	-	-
Income Before Taxes	<u>(3,867,419)</u>	<u>(18,444,306)</u>
Income Taxes	-	-
Net Income	<u><u>(3,867,419)</u></u>	<u><u>(18,444,306)</u></u>

ESTIMATE OF VALUE

Methodologies Considered But Rejected

While there are many methods that can be used to determine the fair market value of a company, the fact pattern in the specific case of Xtreme Oil & Gas, Inc. dictates that certain methodologies are inappropriate. The following lists those methods and the reasons why they are not used.

Adjusted Book Value - Going Concern Method

The adjusted book value going concern method develops a value by adjusting the reported book values of a subject company's assets to their actual or estimated fair market values and subtracting its liabilities adjusted to their actual or estimated fair market values.

The adjusted book value methodology was rejected for determining the value of Xtreme Oil & Gas, Inc. because our review indicates that the value of the enterprise is driven by the ability of the collection of assets in place to generate a benefit stream that is more important in terms of valuation than the value of the underlying assets themselves. In other words, the value of the individual assets and their associated liabilities are less important than the manner in which management has utilized them.

Liquidation Value Method

The liquidation value method develops a value by adjusting the reported book values of a subject company's individual assets to their actual or estimated fair market values as if they were to be sold in an orderly, piecemeal manner and subtracting the associated liabilities adjusted to their actual or estimated fair market value. This method was rejected in the valuation of Xtreme Oil & Gas, Inc. because our review indicates that the enterprise is an ongoing enterprise and it is more appropriately valued using another method.

Capitalization Cash Flow Method

The capitalization of cash flow method develops a value by dividing a benefit stream by a risk-adjusted capitalization rate. This method was not considered in the valuation of Xtreme Oil & Gas, Inc. because of the lack of a reliable estimate of a stable, sustainable, ongoing benefit stream. Without such a benefit stream it is improbable that the capitalization of cash flow method would calculate a reliable estimate of fair market value.

Capitalization of Excess Earnings Method

The capitalization of excess earnings method develops a value by blending pieces of the asset approach and the income approach. During Prohibition in the 1920's, this

method was introduced to estimate the intangible value of breweries and distilleries lost as a result of enacting Prohibition laws. The methodology adds the present value of the excess portion of a benefit stream over the normal benefit stream provided by the assemblage of the assets to the fair market value of those assets generating the benefit stream. This method was rejected in the valuation of Xtreme Oil & Gas, Inc. because based upon the information available to us other methods were more appropriate.

Determination of Fair Market Value

Indicated Value Calculation

As determined below, the fair market value indicated by using the Adjusted Book Value as a Going Concern method was \$1,829,600 and was rounded to \$1,829,600.

	<u>Dec 2009</u>
Unadjusted Equity	2,730,746
Tax Effect of Built In Gain	-
Total Adjustments	<u>-</u>
Adjusted Equity - Going Concern Value	2,730,746
Less Minority Interest Discount	0.0%
Sub-Total	<u>2,730,746</u>
Less Marketability Discount	33.0%
Indicated Value	<u><u>1,829,600</u></u>
 Selected Value	 <u><u>1,829,600</u></u>

Discounted Future Cash Flow

The discounted future cash flow method was applied and the fair market value of Xtreme Oil & Gas, Inc. as of December 31, 2009 was \$67,484,100. This income method is the most appropriate method to use because the method focuses on the present value of the forecasted future benefits that would accrue to the hypothetical owner of the company that vary greatly in the short run and are still estimable in the long run. This method requires an explicit forecast of the future benefit streams over a reasonably foreseeable short term and an estimate of a long term benefit stream that is stable and sustainable, i.e. not varying from period to period and the benefit stream is determined to continue into the future without compromise. An appropriate discount rate and an estimate of long term growth beyond the forecast period allow discrete present values to be calculated and summed for all the benefit streams to determine the entity value.

Estimate of Ongoing Benefit Stream

The analysis presented below represents the ongoing economic benefit stream. It depicts the calculation of the after tax cash flows benefit stream.

Calculation of the Ongoing Economic Benefit Stream

After Tax Cash Flow	Dec 2009	Dec 2008
Adjusted EBT	(3,867,419)	(18,444,306)
Adjusted Depreciation and Amortization	-	-
	(3,867,419)	(18,444,306)
Weight	50	50
Weighted Average	(11,155,863)	
Less Ongoing Depreciation/Amortization Expense	-	
Taxable Base	(11,155,863)	
Less State Income Taxes	15% (1,673,379)	
Sub-Total	(9,482,483)	
Less Federal Taxes (From Below)	(1,422,372)	
Sub-Total	(8,060,111)	
Add Back Ongoing Depreciation/Amortization Expense	-	
Decrease/(Increase) in Working Capital	2,927,900	
Decrease/(Increase) in Capital Expenditures	(912,500)	
Increase/(Decrease) in Long Term Debt	-	
Ongoing Capacity	(6,044,711)	
Selected Ongoing Capacity	(6,044,700)	

The weighting above was performed to show an even distribution.

Taxes were calculated as \$(1,673,379) for the state and \$(1,422,372) for federal. The benefit stream was reduced by these outflows.

A cash flow stream needs to define the changes in working capital, capital expenditures and long term debt. The ongoing change in working capital is \$2,927,900. The ongoing change in capital expenditures is \$(912,500).

Benefit Stream Forecast Assumptions

Certain assumptions must be made in this model. Primarily, what is the reasonably foreseeable short term. The benefit stream should have different characteristics than the sustainable long term benefit stream. The fact set for Xtreme Oil & Gas, Inc. as of December 31, 2009 dictates that the reasonable foreseeable short term is 5 years.

The method of forecast was dollar growth.

Given these assumptions, the benefit stream was forecasted 5 using the dollar growth. The next step is to determine a discount rate.

Discount Rate

The discount rate represents the risk an investor is willing to take on for the potential reward an investment in the subject company will return. Different rates apply to types of businesses. It is also known as the return that an investor requires by generating the investment. This risk is not calculated in a vacuum or a sterile environment but rather it is calculated based on the factors that can be contrasted against investing in other vehicles that are available and in the specific environment as of the valuation date.

The buildup method layers different risk estimates to build up a discount rate. The appropriate discount rate components for the Company are the risk free rate, equity risk premium, size premium and company specific premium.

Risk Free Rate

The risk free rate measures the rate of return an investor can earn without taking any additional risk. Examples of risk free returns are the United States Treasury bonds. As of the valuation date, December 31, 2009, this yield was 1.2%. The rate applied to the buildup was 1.2%.

Equity Risk Premium

The equity risk premium represents the risk an investor takes on for investing in large public companies. This risk is measured by taking the returns over the last 78 years and subtracting the risk free return over the last 78 years (average annual returns for large capitalization stocks minus average annual returns for long term government bonds). This information is published by Ibbotson Associates. As of December 31, 2009, the equity risk premium was 4.0%. The rate applied to Xtreme Oil & Gas, Inc. was 4.0%.

Industry Risk Premium

Based upon the industry of the subject company as reported in *Stocks, Bonds, Bills, and Inflation Yearbook*, a publication of Ibbotson & Associates, the industry risk premium was calculated as 9.5%. The rate applied to Xtreme Oil & Gas, Inc. was 9.5%.

Specific Company Risk Premium

Based upon Company specific factors - cyclical risk, risks of competitive encroachment, size and various operating concentrations (key executive dependency, customer concentration, and the like) - the summation requires an additional risk premium of 3.0%.

Discount Rate Calculation

The schedule below shows how the discount rate was calculated. The discount rate selected for Xtreme Oil & Gas, Inc. is 0.297.

Cost of equity		
Risk-free Rate of Return	1.2%	
Common Stock Equity Risk Premium	4.0%	
Small Stock Risk Premium	12.0%	
Plus/Minus Industry Risk Premium	9.5%	
Company Specific Premium	3.0%	
		<hr/>
Discount Rate		<u>29.7%</u>
		<hr/>
Selected Discount Rate		<u>29.7%</u>

Terminal Growth Rate and Benefit Stream

One of the key elements to the discounted future cash flow method is that an estimate of a long term benefit stream that is stable and sustainable can be determined. Put another way, this benefit stream is continuing into the future without change. In the short term, the benefit stream can vary wildly due to circumstances in the fact pattern. However, at the end of the reasonably foreseeable future a terminal benefit stream must be estimated.

We estimate 10.0% long term compound annual growth. This cash flow growth estimate is based upon our assessment of the Company's prospects for sustained growth in relationship to the estimate of ongoing cash flow power developed above.

The cash flow in the fifth period of the discrete forecast was \$70,862,409. Applying the growth rate of 10.0%, we estimate the continuing stream should be \$77,948,650.

The stream is then discounted to present value and summed with the discrete present values in determining the fair market value of Xtreme Oil & Gas, Inc..

Indicated Value

To calculate the fair market value of Xtreme Oil & Gas, Inc., the first step is to list the discrete short term benefit streams and present value them to December 31, 2009. The terminal benefit stream is then present valued. The sum of all these indicate an initial fair market value.

Application of Minority Interest Discount

A minority interest discount is a reduction to the initial indicated value due to a lack of control prerogatives such as declaring dividends, liquidating the company, going public, issuing or buying stock, directing management, setting management's salaries, etc. In our opinion, a minority interest discount of 38.0% is appropriate.

Application of Marketability Discount

In our opinion, a discount of 35.0% is required for lack of marketability. The discount reflects an expectation for the lack of a secondary market in which to negotiate a quick sale.

Appendix E contains further information on the lack of a marketability discount.

Indicated Value Calculation

The following schedule presents the indicated value using the discounted future cash flow method. As calculated, the indicated fair market value of Xtreme Oil & Gas, Inc. is \$67,484,138 which has been rounded to \$67,484,100.

Forecast Period	Projected Economic Stream	Growth Rate	Factor At 29.7% Disc Rate	Terminal Value	Discounted Value
2010	18,906		77.101%		14,577
2011	16,684,575	#####	59.446%		9,918,253
2012	28,296,523	69.6%	45.833%		12,969,199
2013	47,891,074	69.2%	35.338%		16,923,675
2014	70,862,409	48.0%	27.246%		19,307,055
2015-forever	77,948,650	10.0%	27.246%	395,678,426	107,805,890
Total Discounted Cash Flows					166,938,649
Less Minority Interest Discount					38.0%
Sub-Total					103,501,962
Less Marketability Discount					35.0%
Sub-Total					67,276,276
Excess/Non-Operating Assets					207,862
Indicated Value					67,484,138
Selected Value					67,484,100

Subject Company Transactions

There were 10 transactions involving the Company's stock. The transaction prices ranged from \$0.50 to \$1.25 per share of stock. Based on the price paid per share of stock and the number of shares of stock outstanding at the time of the transactions, the implied value of the Company ranged from \$21,467,774 to \$53,783,715.

Indicated Value Calculation

The following schedule presents the conclusions of value using the capitalization of earnings method. As calculated, the indicated fair market value of the Xtreme Oil & Gas, Inc. is \$37,838,679 which has been rounded to \$37,839,000.

Transaction Number	# 1	# 2	# 3	# 4	# 5	# 6	# 7	# 8	# 9	# 10
Date of Transaction	9/3/2010	8/25/2010	7/29/2010	7/29/2010	6/25/2010	6/4/2010	6/4/2010	6/4/2010	6/4/2010	6/1/2010
Transaction Price Per Share	0.75	1.00	1.00	0.75	0.75	1.25	1.00	0.50	0.75	1.00
Total Shares Outstanding	43,810,301	43,730,302	43,720,302	43,620,302	43,155,637	43,026,972	43,001,972	42,935,547	42,785,547	42,653,881
Implied Value	32,857,726	43,730,302	43,720,302	32,715,227	32,366,728	53,783,715	43,001,972	21,467,774	32,089,160	42,653,881
Weight Applied	10	10	10	10	10	10	10	10	10	10
Indicated Value	37,838,679									
Selected	37,839,000									

Market Data Method – P/E

Guideline companies are companies that provide a reasonable basis for comparison to the relevant investment characteristics of a company being valued. Guideline companies are most often publicly traded companies, although they may be private, in the same or similar business as the subject of this valuation. Guideline companies are used as a basis to develop valuation conclusions with respect to a subject company under the presumption that a similar market exists for the subject company as exists for the guideline companies.

Ideal guideline companies are in the same business as the company being valued. However, if there is insufficient transaction evidence in the same business, it may be necessary to consider companies with an underlying similarity of relevant investment characteristics such as markets, products, growth, cyclical variability and other salient factors.

The guideline company method uses a group of public companies and/or privately held companies selected for their ability to provide valuation guidelines for the analyst. The most commonly used version of the guideline company method develops a price/earnings ratio with which to capitalize net income. By convention, analysts express the relationship between the market price of a stock and its historical earnings in the form of a ratio of the market price of earnings for the most recent twelve months, i.e., price/earnings (P/E) ratio. If the public company group is sufficiently homogeneous with respect to the companies selected, their recent performances, and the public market's reaction to their performances, analysts typically calculate some form of average P/E ratio as representative of the group.

Selected Guideline Companies

We researched guideline companies by first identifying the industry in which Xtreme Oil & Gas, Inc. operates and, using the Standard Industrial Classification Code (SIC Codes) for the industry, we performed a search for a group of companies in a similar line of business as that of the subject company. We screened this group further through the use of key words and phrases that are unique to and describe the subject Company's product or operations and to eliminate those companies whose stock is very thinly traded. We also considered other possible companies mentioned by management or discovered in other research. In the end, further analysis of the remaining companies in terms of operating, financial, geographical, industry, and/or market characteristics to insure that the guideline companies are reasonable for inclusion in the guideline company group.

The screening process described above yielded a group of 3 publicly traded companies for consideration as guideline companies. Of this group, there are 3 companies that are considered comparable to Xtreme Oil & Gas, Inc.. See the

Geneva Rothweil Partners, Ltd.

appendix for the listing of the comparable companies. The PE ratios averaged -19.03x and the median was -13.99x. The selected PE ratio was -13.99x.

Estimate of Earnings Stream

The analysis presented below represents the calculation of the ongoing economic benefit stream. It depicts the calculation of the earnings or net income after tax benefit stream.

Calculation of the Earnings or Net Income After Tax Benefit Stream

	Dec 2009	Dec 2008
Historic Pre-Tax Income	(3,867,419)	(18,444,306)
Weight on Pre-Tax Income	50	50
Weighted Average Pre-Tax Income	(11,155,863)	
Less: Estimated State Income Taxes	-	
Income before Federal Taxes	(11,155,863)	
Less: Federal Taxes (See Below)	(1,673,379)	
Calculated Net Income Base	(9,482,484)	
Selected Net Income Base	(9,482,500)	

The weighting above was performed to show an even distribution.

Taxes were calculated as \$0 for the state and \$-1,673,379 for federal. The ongoing benefit stream was reduced by these outflows.

The ongoing earnings was calculated as \$(9,482,484) and the selected earnings was rounded as \$(9,482,500).

Indicated Value Calculation

Each of the market PE were weighted. The following schedule presents the conclusions of value using the market data PE ratio method. As calculated, the indicated fair market value of the Xtreme Oil & Gas, Inc. is \$76,923,988 which has been rounded to \$76,924,000.

Indicated Value Calculation						
	MidMarket	Mercer	Pratts	Merged or Acquired Data	Comparable Private Data	Comparable Public Data
Economic Base	(9,482,500)	(9,482,500)	(9,482,500)	(9,482,500)	(9,482,500)	(9,482,500)
P/E Multiple	-	-	-	-	-	(13.99)
Sub-Total	-	-	-	-	-	132,627,566
Less Minority Interest Discount	42.0%	0.0%	0.0%	0.0%	0.0%	42.0%
Operating Value	-	-	-	-	-	76,923,988
Weight Applied	-	-	-	-	-	100
Indicated Value	<u>76,923,988</u>					
Selected Value	<u>76,924,000</u>					

Market Data Method – P/R

Guideline companies are companies that provide a reasonable basis for comparison to the relevant investment characteristics of a company being valued. Guideline companies are most often publicly traded companies, although they may be private, in the same or similar business as the subject of this valuation. Guideline companies are used as a basis to develop valuation conclusions with respect to a subject company under the presumption that a similar market exists for the subject company as exists for the guideline companies.

Ideal guideline companies are in the same business as the company being valued. However, if there is insufficient transaction evidence in the same business, it may be necessary to consider companies with an underlying similarity of relevant investment characteristics such as markets, products, growth, cyclical variability and other salient factors.

The guideline company method uses a group of public companies and/or privately held companies selected for their ability to provide valuation guidelines for the analyst. The most commonly used version of the guideline company method develops a price/earnings ratio with which to capitalize net income. By convention, analysts express the relationship between the market price of a stock and its historical revenues in the form of a ratio of the market price of revenues for the most recent twelve months, i.e., price/revenues (P/R) ratio. If the public company group is sufficiently homogeneous with respect to the companies selected, their recent performances, and

the public market's reaction to their performances, analysts typically calculate some form of average P/R ratio as representative of the group.

Selected Guideline Companies

We researched guideline companies by first identifying the industry in which Xtreme Oil & Gas, Inc. operates and, using the Standard Industrial Classification Code (SIC Codes) for the industry, we performed a search for a group of companies in a similar line of business as that of the subject company. We screened this group further through the use of key words and phrases that are unique to and describe the subject Company's product or operations and to eliminate those companies whose stock is very thinly traded. We also considered other possible companies mentioned by management or discovered in other research. In the end, further analysis of the remaining companies in terms of operating, financial, geographical, industry, and/or market characteristics to insure that the guideline companies are reasonable for inclusion in the guideline company group.

The screening process described above yielded a group of 3 publicly traded companies for consideration as guideline companies. Of this group, there are 3 companies that are considered comparable to Xtreme Oil & Gas, Inc.. See the appendix for the listing of the comparable companies. The P/R ratios averaged 1926.10x and the median was 93.49x. The selected P/R ratio was 93.49x.

Estimate of Revenues Stream

The analysis presented below represents the calculation of the ongoing economic benefit stream. It depicts the calculation of the revenues benefit stream.

Calculation of the Revenues Benefit Stream		
	<u>Dec 2009</u>	<u>Dec 2008</u>
Historic Revenue	2,050,312	2,974,831
Weight on Revenue	50	50
Weighted Average Revenue	<u>2,512,572</u>	
Selected Revenue Base	<u>2,512,600</u>	

The weighting above was performed to show an even distribution.

The ongoing revenue was calculated as \$2,512,572 and the selected revenue was rounded as \$2,512,600.

Application of Minority Interest Discount

A minority interest discount is a reduction to the initial indicated value due to a lack of control prerogatives such as declaring dividends, liquidating the company, going public, issuing or buying stock, directing management, setting management's salaries, etc. In our opinion, a minority interest discount of 0.0% is appropriate because

Indicated Value Calculation

Each of the market P/R were weighted. The following schedule presents the conclusions of value using the market data P/R ratio method. As calculated, the indicated fair market value of the Xtreme Oil & Gas, Inc. is \$136,236,927 which has been rounded to \$136,236,900.

Indicated Value Calculation								
	MidMarket	BIZCOMPS	Mercer	Pratts	Merged or Acquired Data	Comparable Private Data	Comparable Public Data	IBA Data
Revenue Base	2,512,600	2,512,600	2,512,600	2,512,600	2,512,600	2,512,600	2,512,600	2,512,600
P/R Multiple	-	-	-	-	-	-	93.49	-
Sub-Total	-	-	-	-	-	-	234,891,253	-
Adjustment	-	2,522,884	-	-	-	-	-	(4,072,757)
Sub-Total	-	2,522,884	-	-	-	-	234,891,253	(4,072,757)
Less Minority Interest Discount	0.0%	42.0%	0.0%	0.0%	0.0%	0.0%	42.0%	0.0%
Operating Value	-	1,463,273	-	-	-	-	136,236,927	(4,072,757)
Weight Applied	-	-	-	-	-	-	100	-
Indicated Value	<u>136,236,927</u>	-	-	-	-	-	-	-
Selected Value	<u>136,236,900</u>	-	-	-	-	-	-	-

Market Data Method – P/EBIT

Guideline companies are companies that provide a reasonable basis for comparison to the relevant investment characteristics of a company being valued. Guideline companies are most often publicly traded companies, although they may be private, in the same or similar business as the subject of this valuation. Guideline companies are used as a basis to develop valuation conclusions with respect to a subject company under the presumption that a similar market exists for the subject company as exists for the guideline companies.

Ideal guideline companies are in the same business as the company being valued. However, if there is insufficient transaction evidence in the same business, it may be necessary to consider companies with an underlying similarity of relevant investment characteristics such as markets, products, growth, cyclical variability and other salient factors.

The guideline company method uses a group of public companies and/or privately held companies selected for their ability to provide valuation guidelines for the analyst. The most commonly used version of the guideline company method develops a price/earnings ratio with which to capitalize net income. By convention, analysts express the relationship between the market price of a stock and its historical earnings before interest and taxes in the form of a ratio of the market price of earnings before interest and taxes for the most recent twelve months, i.e., price/EBIT (P/EBIT) ratio. If the public company group is sufficiently homogeneous with respect to the companies selected, their recent performances, and the public market's reaction to their performances, analysts typically calculate some form of average P/EBIT ratio as representative of the group.

Selected Guideline Companies

We researched guideline companies by first identifying the industry in which Xtreme Oil & Gas, Inc. operates and, using the Standard Industrial Classification Code (SIC Codes) for the industry, we performed a search for a group of companies in a similar

line of business as that of the subject company. We screened this group further through the use of key words and phrases that are unique to and describe the subject Company's product or operations and to eliminate those companies whose stock is very thinly traded. We also considered other possible companies mentioned by management or discovered in other research. In the end, further analysis of the remaining companies in terms of operating, financial, geographical, industry, and/or market characteristics to insure that the guideline companies are reasonable for inclusion in the guideline company group.

The screening process described above yielded a group of 3 publicly traded companies for consideration as guideline companies. Of this group, there are 3 companies that are considered comparable to Xtreme Oil & Gas, Inc.. See the appendix for the listing of the comparable companies. The P/EBIT ratios averaged -17.96x and the median was -13.99x. The selected P/EBIT ratio was -13.99x.

Estimate of Earnings Before Interest and Taxes Stream

The analysis presented below represents the calculation of the ongoing economic benefit stream. It depicts the calculation of the earnings before interest and taxes benefit stream.

The ongoing EBIT was calculated as (11,155,863) and the selected EBIT was rounded as (11,155,900).

Indicated Value Calculation

Each of the market P/EBIT ratio calculations was weighted. The following schedule presents the conclusions of value using the market data P/EBIT ratio method. As calculated, the indicated fair market value of the Xtreme Oil & Gas, Inc. is \$90,498,953 which has been rounded to \$90,499,000.

	Mercer	Comparable Public Data
EBIT Base	(11,155,900)	(11,155,900)
P/EBIT Multiple	-	(13.99)
Sub-Total	-	156,032,677
Less Minority Interest Discount	0.0%	42.0%
Operating Value	-	90,498,953
Weight Applied		100
Indicated Value	<u>90,498,953</u>	
Selected Value	<u>90,499,000</u>	

Market Data Method – P/EBITDA

Guideline companies are companies that provide a reasonable basis for comparison to the relevant investment characteristics of a company being valued. Guideline companies are most often publicly traded companies, although they may be private, in

the same or similar business as the subject of this valuation. Guideline companies are used as a basis to develop valuation conclusions with respect to a subject company under the presumption that a similar market exists for the subject company as exists for the guideline companies.

Ideal guideline companies are in the same business as the company being valued. However, if there is insufficient transaction evidence in the same business, it may be necessary to consider companies with an underlying similarity of relevant investment characteristics such as markets, products, growth, cyclical variability and other salient factors.

The guideline company method uses a group of public companies and/or privately held companies selected for their ability to provide valuation guidelines for the analyst. The most commonly used version of the guideline company method develops a price/earnings ratio with which to capitalize net income. By convention, analysts express the relationship between the market price of a stock and its historical earnings before interest, taxes, depreciation and amortization in the form of a ratio of the market price of earnings for the most recent twelve months, i.e., price/earnings before interest, taxes, depreciation and amortization (P/EBITDA) ratio. If the public company group is sufficiently homogeneous with respect to the companies selected, their recent performances, and the public market's reaction to their performances, analysts typically calculate some form of average P/EBITDA ratio as representative of the group.

Selected Guideline Companies

We researched guideline companies by first identifying the industry in which Xtreme Oil & Gas, Inc. operates and, using the Standard Industrial Classification Code (SIC Codes) for the industry, we performed a search for a group of companies in a similar line of business as that of the subject company. We screened this group further through the use of key words and phrases that are unique to and describe the subject Company's product or operations and to eliminate those companies whose stock is very thinly traded. We also considered other possible companies mentioned by management or discovered in other research. In the end, further analysis of the remaining companies in terms of operating, financial, geographical, industry, and/or market characteristics to insure that the guideline companies are reasonable for inclusion in the guideline company group.

The screening process described above yielded a group of 3 publicly traded companies for consideration as guideline companies. Of this group, there are 3 companies that are considered comparable to Xtreme Oil & Gas, Inc.. See the appendix for the listing of the comparable companies. The P/EBITDA ratios averaged -17.93x and the median was -15.20x. The selected P/EBITDA ratio was -15.20x.

Estimate of EBITDA Benefit Stream

The analysis presented below represents the calculation of the ongoing economic benefit stream. It depicts the calculation of the earnings before interest, taxes, depreciation and amortization (EBITDA) benefit stream.

Calculation of EBITDA Benefit Stream

	Dec 2009	Dec 2008
Historic EBT	(3,867,419)	(18,444,306)
Historic Interest Expense	-	-
Historic Depreciation/Amortization	-	-
EBITDA	<u>(3,867,419)</u>	<u>(18,444,306)</u>
Weight on EBITDA	50	50
Weighted Average EBITDA	<u>(11,155,863)</u>	
Selected EBITDA Base	<u>(11,155,900)</u>	

The weighting above was performed to show an even distribution.

The ongoing EBITDA was calculated as \$(11,155,863) and the selected EBITDA was rounded as \$(11,155,900).

Indicated Value Calculation

Each of the market P/EBITDA were weighted. The following schedule presents the conclusions of value using the market data P/EBITDA ratio method. As calculated, the indicated fair market value of the Xtreme Oil & Gas, Inc. is \$98,337,000 which has been rounded to \$98,337,000.

	Mercer	Comparable Public Data
EBITDA Base	(11,155,900)	(11,155,900)
P/EBITDA Multiple	-	(15.20)
Sub-Total	-	169,546,551
Less Minority Interest Discount	0.0%	42.0%
Operating Value	-	98,337,000
Weight Applied		100
Indicated Value	<u>98,337,000</u>	
Selected Value	<u>98,337,000</u>	

CONCLUSION OF VALUE

In the schedule below, we have assigned weights to the values indicated by the various valuation methods. The weights are intended to reflect our opinion of the relative importance or reliability of the methods when determining fair market value

Weights are assigned as follows:

Book Value Method	2,730,746		0%
DCF Indicated Value	67,484,100	10	10%
COEE Indicated Value	3,053,000		0%
Market Data P/E Indicated Value	76,924,000	10	10%
Market Data P/SDE Indicated Value	(449,500)		0%
Market Data P/R Indicated Value	136,236,900	30	30%
Market Data P/A Indicated Value	-		0%
Market Data P/B Indicated Value	-		0%
Market Data P/C Indicated Value	-		0%
Market Data P/EBT Indicated Value	-		0%
Market Data P/EBIT Indicated Value	90,499,000	25	25%
Market Data P/EBITDA Indicated Value	98,337,000	25	25%
Industry P/E Indicated Value	-		0%
Industry P/R Indicated Value	-		0%
Industry P/B Indicated Value	-		0%
Industry P/C Indicated Value	207,900		0%
Subject Company Transactions	37,839,000		0%
Calculated Weighted Average Conclusion of Value	<u>102,520,880</u>	<u>100</u>	<u>100%</u>
Selected Conclusion of Value	<u>102,520,900</u>		

Indicated Fair Market Value

As calculated in the following schedule, the indicated fair market value of the Xtreme Oil & Gas, Inc. is \$102,520,880 which has been rounded to \$102,520,900.

Conclusion Of Total Value	102,520,900
Total Shares Outstanding	43,810,301
Value Per Share	2.34
Number Of Shares Being Valued	<u>43,810,301</u>
Value of Interest Appraised	<u>102,520,900</u>
Rounded	<u>102,520,900</u>

OPINION

Therefore, based upon the facts and circumstances of the valuation and subject to the limitations in both conditions and scope listed in this report, our opinion of the resultant fair market value of Xtreme Oil & Gas, Inc. on a Discounted Cash Flow Basis as of December 31, 2009 is:

\$ 102,520,900

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APPENDIX A: VALUATION CERTIFICATION AND SIGNATURE OF THE ANALYST

We certify to the best of our knowledge:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or the specified) personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. Our analyses, opinion,, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
8. We have (have not) made a personal inspection of the property that is the subject of this report. (If more than one person signs this certification, the certification must clearly specify which individuals did and which individuals did not make a personal inspection the appraised property.)
9. No one provided significant personal property appraisal assistance to the person signing this certification. (If there are exceptions, the name of each individual providing significant personal property appraisal assistance must be stated.)

Signature of the Analyst:

Geneva Rothweil Partners, Ltd.

APPENDIX B: LIMITING CONDITIONS

Preparation of this report involved the review of substantial documentation with respect to the Company, the industry and the national economy. Information reviewed relative to the Company is summarized in Appendix C. Sources of information related to the industry and the national economy are cited specifically at appropriate sections of the report.

In conjunction with the preparation of this report, O of Geneva Rothweil Partners, Ltd. visited with management of Xtreme Oil & Gas, Inc.. This visit, together with other conversations with management, provided important perspective to our understanding of the information reviewed and analyzed in the preparation of this valuation opinion.

In all cases, we have relied upon the referenced information without independent verification. This report is, therefore, dependent upon the information provided. A material change in critical information relied upon in this report would be cause for a reassessment to determine the effect, if any, upon our conclusion.

Users of this business valuation report should be aware that business valuations are based on future earnings potential that may or may not materialize. Therefore, the actual results achieved during the projection period will vary from the projections utilized in this valuation, and the variations may be material.

Some assumptions invariably will not materialize, and unanticipated events and circumstances may occur. Therefore, the actual performance in any areas forecasted/projected will vary from the forecast/projection, and the variations may be material. Geneva Rothweil Partners, Ltd. will not express any form of assurance on the likelihood of achieving the forecast/projection or on the reasonableness of the used assumptions. Any such forecast/projection is presented as part of the appraisal and is not intended to be used separately.

The value premise(s) cited in this report are fundamental to the value opinions rendered herein, and we reserve the right to reconsider such premise(s) should subsequent or additional information be discovered, although no such obligation exists.

We have relied upon the representations of the owners, management and other third parties concerning the value and useful condition of all equipment, real estate, investments used in the business, and any other assets or liabilities except as specifically stated to the contrary in this report. We have not attempted to confirm whether or not all assets of the business are free and clear of liens and encumbrances, or that Xtreme Oil & Gas, Inc. has good title to all assets.

The estimate of value included in this report assumes that Xtreme Oil & Gas, Inc. will maintain the character and integrity of the company through any sale, reorganization or reduction of any owner's/manager's participation in the existing activities of the company.

Since neither Xtreme Oil & Gas, Inc. management nor advisors have advised us otherwise, we assume that there is full compliance with all applicable federal, state, and local laws and regulations unless the lack of compliance is stated, defined, and considered in the appraisal report.

Public information, purchased private information and industry statistical information are from sources we deem to be reliable; however, we make no representation as to the accuracy or completeness of such information, and have accepted the information without further verification.

This report and its related calculations were prepared using various software applications potentially including Microsoft Word and Microsoft Excel, Express Business Valuation, and/or various Internet-related software, third-party data (as indicated) and information.

We assume no responsibility for the legal description or matters including legal or title considerations. Title to the subject assets, properties, or business interests is assumed to be good and marketable as represented by owners, management and advisors of Xtreme Oil & Gas, Inc. unless otherwise stated.

We assume no hidden or unapparent conditions regarding the subject assets, properties or business interests.

Unless otherwise stated in this report, we did not observe, and we have no knowledge of, the existence of hazardous materials with regard to the subject assets, properties, or business interests. However, we are not qualified to detect such substances. We assume no responsibility for such conditions or for any expertise required to discover them.

No opinion, counsel or interpretation is intended in matters that require legal or other appropriate professional advice. It is assumed that such opinions, counsel or interpretations have been or will be obtained from the appropriate professional sources.

The analyses, opinions, and conclusions presented in this report apply to this engagement only and may not be used out of the context presented herein. This report is valid only for the effective date(s) specified and only for the purpose(s) specified herein.

Although we have exerted considerable diligence and applied our best efforts in constructing this document, immaterial anomalies, if any, may arise. Even so, we are confident that our overall conclusion would still fall within a materially consistent conclusion.

While the client has not informed Xtreme Oil & Gas, Inc. of any intent to do so, any third parties to whom this report is shown may be assured that this report, while performed in the employ of the client, was materially prepared on a non-advocacy basis. Any third persons, however, are cautioned that Geneva Rothweil Partners, Ltd. has no duty to you and, therefore, no warranty is expressed or implied. Nothing in this report is intended to replace your independent sole judgment, due diligence, or decision to seek professional legal, accounting, or valuation counsel.

This report has been prepared solely for the use of the party or parties named and specifically for the purposes set out therein. In accordance with normal practice, we hereby disclaim liability to any other person. Any other person should not rely upon the information and conclusions reached nor should any statement in this report be used for any other purpose without written consent from Xtreme Oil & Gas, Inc..

The statements and opinions given in this report are given in good faith and in the belief that such statements are not false or misleading. In preparing this report we have relied upon information believed to be reliable and accurate provided by the owners, management and advisors of Xtreme Oil & Gas, Inc. and other sources. We have no reason to believe that any material facts have been withheld from us, nor do we warrant that our investigation has revealed all of the matters in which an audit or more extensive examination might disclose.

This valuation reflects facts and conditions existing at the date of this valuation. Subsequent events have not been considered, and we have no obligation to update our report for such events and conditions.

Geneva Rothweil Partners, Ltd. does not purport to be a guarantor of value. Valuation of closely held companies is an imprecise science, with value being a question of fact, and reasonable people can differ in their estimates of value. Geneva Rothweil Partners, Ltd., however, performed conceptually sound and commonly accepted methods and procedures of valuation in determining the estimate of value included in this report. Geneva Rothweil Partners, Ltd. is not liable for any use, reliance, financial applications, report distribution or other utilization of any kind, by any party not having written authorization from Geneva Rothweil Partners, Ltd..

The appraised estimate of fair market value in this report is based on the definition applied throughout such report. An actual transaction in the shares may be completed at a value higher, lower or equal to the value rendered herein. We make no guarantee of any kind with regard to the likely or ultimate amount that may result in any future transaction.

The opinion(s) offered in this report do not constitute an offer to buy or sell the shares.

The valuation analyst, by reason of performing this valuation and preparing this report, is not to be required to give expert testimony nor to be in attendance in court or at any government, professional or regulatory hearing, including IRS matters with reference to the matters contained herein, unless prior written arrangements have been made with Geneva Rothweil Partners, Ltd. regarding such additional engagement as to the timing, fee arrangements, and nature of the services required.

None of the partners or employees of Geneva Rothweil Partners, Ltd. have any present or contemplated future interest in the property being valued, any personal interest with respect to the parties involved, or any other interest that might prevent us from performing an unbiased valuation. We were compensation is not contingent on an action or event resulting from the analysis, opinions, or conclusions in, or the use of, this report.

Possession of this report does not carry with it the right of publication. It may not be used for any purpose by any person other than the client to whom it is addressed without our written consent and, in any event, only with proper written qualifications and only in its entirety.

Neither all nor any part of the contents of this report shall be disseminated to the public through advertising, public relations, news, sales, or other media without our prior written consent and approval.

Liability of Geneva Rothweil Partners, Ltd. and its partners and employees for errors and omissions, if any, in this work will be limited to the amount of its compensation for the work performed in this assignment.

This report is further subject to any other contingencies, assumptions, and limiting conditions that may be set out elsewhere within this report.

APPENDIX C: QUALIFICATIONS OF APPRAISER

Geneva Rothweil Partners, GmbH have vast experience in accounting, finance and valuation work. GRP and its principals have worked as a valuation and finance partner in transactions on a global basis, involving engagements for transactions ranging from succession planning to leveraged buyouts, management buy-ins, spinouts, financings (minority and majority), public offerings and many others.

The principals of the firm have been involved with valuating organizations in Europe and North America. The principals have been invited to speak to some of the worlds largest institutions to discuss the subject of corporate valuations.

APPENDIX D: SOURCES OF INFORMATION

The following list is an example of the sources of information

- Interview with Companies consultant
- Xtreme's Business Plan
- Executive Summary
- Companies 5 year projections
- SEC S-1 and 10Q filings

This information was accepted without further verification. See Appendix B for a complete list of the assumptions and limitations to which this valuation report is subject to.

APPENDIX E: MARKETABILITY DISCOUNT

Marketability relates to the liquidity of an investment relative to a comparable and actively traded alternative. In essence, impairment of liquidity increases an investor's expected rate of return. As a result, the market clearing price of a nonmarketable security is discounted relative to the price of its marketable counterpart. The discount for lack of marketability is stated as a percentage of a marketable value.

The valuation of share of stock in closely held corporations typically warrants a discount for lack of marketability. Many factors affect the liquidity of an investment. Among them are the following:

1. Number of shareholders;
2. Size of the block of stock being valued;
3. Restrictions on its sale by agreement or law;
4. The absence of registration; and,
5. The anticipated dividend flow attributable to the investment.

When attempting to quantify these factors that influence liquidity into an appropriate discount for lack of marketability, it is necessary to consider the following factors:

1. The holding period. Without an active market, an investor must hold for an uncertain length of time until a liquidity event occurs. In general, longer holding periods without liquidity imply higher discounts for lack of marketability. An investor should reasonably characterize exit timing along a probability distribution. Although subjective, the relative probabilities of exit dates are reasonably related to the following:

- a. Historical ownership policies (insiders, outsiders, family, investors, etc.);
- b. Buy/sell or other shareholder agreements;
- c. Management/ownership succession (age, health, competence, emerging liquidity needs);
- d. Business plans and likely exit strategies of the controlling owner(s); and ,
- e. Emerging attractiveness for equity offering or acquisition.

2. Required holding period return. To overcome the unattractiveness of the lack of liquidity, an investor in such securities expects a premium return in excess of that provided by liquid alternatives. Investment features that impair marketability will exact higher expected rates of return which imply higher discounts for lack of marketability. Unattractive features of a lack of liquid security could include the following:

- a. Absence, inadequacy of or inability to pay dividends;
- b. Subjective uncertainties related to the duration of the expected holding period and to achieving a favorable exit date valuation;
- c. Restrictive shareholder agreements; and,
- d. Various other features that increase uncertainty of cash flows.

3. Growth in underlying value during the holding period. If an investment is appreciating, that growth will provide a portion of the realized return during the holding period. Growth and marketability discounts are negatively correlated. As expected capital appreciation increases, discounts for lack of marketability decrease. Growth potential should be evaluated in the context of management's business plan, historical growth, and external factors such as emerging industry conditions and market valuations.

4. Expected cash flow distributions during the holding period. Holding period returns are also provided by interim cash flows (in addition to capital appreciation). As with growth, holding period cash distributions and discounts for lack of marketability are negatively correlated. Holding period cash flows (dividends, etc.) should be evaluated in the context of historical dividend policy, ability to distribute and the cash needs implied by the business plan.

Empirical Studies

Guidance as to the proper level of the discount can also be found in examining studies which have approached the question from several different perspectives.

One approach is to analyze the differences in prices between publicly traded securities and those of restricted stocks of the same companies. Since a "lettered" stock is identical to the traded stock in all respects except marketability, the difference in price highlights the marketability discount. Among the more prominent studies are the following:

1. "Discounts Involved in Purchases of Common Stock," in US 92nd Congress, 1st Session, House, Institutional Investor Study Report of the Securities and Exchange Commission (Washington, DC: US Government Printing Office, March 10, 1971, 5:2444-2456, Document No. 92-64, Part 5);
2. A study of closed end investment funds (Milton Gelman, "An Economist-Financial Analyst's Approach to Valuing Stock of A Closely Held Company," *Journal of Taxation* (June 1972), p. 354);
3. A study of prices paid for restricted stocks (Robert E. Maroney, "Most Courts Overvalue Closely Held Stocks," *Taxes*, March 1973, pp. 144-54);
4. A study of prices paid for restricted stocks (J. Michael Maher, "Discounts for Lack of Marketability for Closely Held Business Interests," *Taxes*, September 1976, pp. 562-71; and,
5. A more recent study of restricted stocks (William L. Silber, "Discounts on Restricted Stock: The Impact of Illiquidity on Stock Prices," *Financial Analysts Journal*, July/August 1991, pp. 62-64.)

All of these studies identified median or average discounts in the range of 30-40% for prices of non-marketable stocks in comparison to marketable shares which were otherwise deemed to be comparable. The SEC Institutional Investor study reflected a mean discount of 25.8% while the remainder had average discounts in the range of 33-35%.

A second approach is to analyze the relationship between the prices of companies whose shares were initially offered to the public (IPO) and the prices at which their

shares traded privately within a five month period immediately preceding the public offering. A series of studies conducted by John D. Emory at Robert W. Baird & Co., Inc. indicate median and mean lack of marketability discounts of 40% to 45% (see Emory, John D., "The Value of Marketability as Illustrated in Initial Public Offerings of Common Stock, February 1992 through July 1993," *Business Valuation Review*, December 1993, pp. 3-5).

The objective of the Emory studies is to relate the prices at which private transactions took place before an IPO and the price at which the stock was subsequently offered to the public, in order to objectively gauge the value of marketability. The majority of the companies in the survey reflected discounts exceeding 30%. The highest discounts indicated in the sample were 82% and 94%.

The implication of the studies is clear: presumably arm's length transactions taking place within a short time of the actual IPOs occur at substantial discounts to the ultimate public offering price. These studies support both the validity and magnitude of marketability discounts in general, and particularly for companies that are not public offering candidates and for which the prospects for shareholder liquidity may be remote.

Court Decisions

Further guidance for marketability discounts can be found in various court decisions. These decisions provide insight into the discounts allowed in various circumstances. We look at evidence from court decisions, not to cite as direct evidence in the instant case, but to review how courts have previously interpreted the objective evidence presented. In addition, we look to court cases for general guidance concerning the nature of evidence deemed acceptable in previous decisions.

A survey performed by Thomas Solberg (Thomas A. Solberg, "Valuing Restricted Securities: What Factors Do the Courts and the Service Look For," *Journal of Taxation*, September 1979, pp. 150-54) of fifteen cases indicated a mean discount of 37.4%. A similar study by Phillip Moore (Phillip W. Moore, "Valuation Revisited," *Trusts & Estates*, February 1987, pp. 40-52), which analyzed fourteen cases by the U.S. Tax Court from 1969 through 1982, indicated wide variations in the decisions but with a trend toward allowing higher discounts.

In "Estate of Berg" (61 TCM 1991-279), the Tax Court relied upon an expert's analysis of specific factors that influenced the magnitude of a minority interest discount (20%) and a marketability discount (10%). The expert's specificity appeared to be persuasive to the court. Other experts in the Berg case were admonished by the court for presenting discount analyses that were "exceedingly general and lacking in specific analysis of the subject interest."

In "Estate of Jung" (101 TIC. No.28), the Tax Court allowed a 35% discount for lack of marketability for a 21% interest in Jung Corp., a manufacturer and distributor of elastic textile goods. Jung's revenues (\$68 million) and profits (\$3.1 million) had been growing for several years, a dividend was being paid, and there was a reasonable knowledge that the company could be an attractive acquisition candidate. Of

particular note is that the court relied upon several of the empirical studies cited above.

The various studies indicate that a marketability discount in the range of 35%-40% is near the mean. The court cases are increasingly referring to objective data, but the courts are asking for data and analysis that relate to the specific cases in question, not mere averages. It is important to note that the actual range of discounts can be very wide with the top end of the range at 70% or more, depending on the features and circumstances of the subject company.

APPENDIX F: GLOSSARY

This Glossary was developed jointly by representatives of the American Institute of CPAs, the American Society of Appraisers, the Canadian Institute of Business Valuers, the Institute of Business Appraisers, and the National Association of Certified Valuation Analysts.

Adjusted Book Value - the value that results after one or more asset(s) or liability amounts are added, deleted, or changed from their respective financial statement amounts.

Appraisal - See Valuation.

Appraisal Approach - See Valuation Approach.

Appraisal Date - See Valuation Date.

Appraisal Method - See Valuation Method.

Appraisal Procedure - See Valuation Procedure.

Asset (Asset-Based) Approach - a general way of determining a value indication of a business, business ownership interest, or security by using one or more methods based on the value of the assets of that business net of liabilities.

Benefit Stream - any level of income, cash flow, or earnings generated by an asset, group of assets, or business enterprise. When the term is used, it should be supplemented by a definition of exactly what it means in the given valuation context.

Beta - a measure of systematic risk of a security; the tendency of a security's returns to correlate with swings in the broad market.

Blockage Discount - an amount or percentage deducted from the current market price of a publicly traded security to reflect the decrease in the per share value of a block of those securities that is of a size that could not be sold in a reasonable period of time given normal trading volume.

Business - see Business Enterprise.

Business Enterprise - a commercial, industrial, service, or investment entity, or a combination thereof, pursuing an economic activity.

Business Valuation - the act or process of determining the value of a business enterprise or ownership interest therein.

Capital Asset Pricing Model (CAPM) - a model in which the cost of capital for any security or portfolio of securities equals a risk free rate plus a risk premium that is proportionate to the systematic risk of the security or portfolio.

Capitalization - a conversion of a single period stream of benefits into value.

Capitalization Factor - any multiple or divisor used to convert anticipated benefits into value.

Capitalization Rate - any divisor (usually expressed as a percentage) used to convert anticipated benefits into value.

Capital Structure - the composition of the invested capital of a business enterprise; the mix of debt and equity financing.

Cash Flow - cash that is generated over a period of time by an asset, group of assets, or business enterprise. It may be used in a general sense to encompass various levels of specifically defined cash flows. When the term is used, it should be supplemented by a qualifier (for example, “discretionary” or “operating”) and a definition of exactly what it means in the given valuation context.

Control - the power to direct the management and policies of a business enterprise.

Control Premium - an amount (expressed in either dollar or percentage form) by which the pro rata value (calculated, in proportion value) of a controlling interest exceeds the pro rata value of a noncontrolling interest in a business enterprise, that reflects the power of control.

Cost Approach - a general way of estimating a value indication of an individual asset by quantifying the amount of money that would be required to replace the future service capability of that asset.

Cost of Capital - the expected rate of return (discount rate) that the market requires in order to attract funds to a particular investment.

Discount - a reduction in value or the act of reducing value.

Discount for Lack of Control - an amount or percentage deducted from the pro rata share of value of one hundred percent (100%) of an equity interest in a business to reflect the absence of some or all of the powers of control.

Discount for Lack of Marketability - an amount or percentage deducted from the value of an ownership interest to reflect the relative absence of marketability.

Discount Rate - a rate of return (cost of capital) used to convert a monetary sum, payable or receivable in the future, into present value.

Economic Life - the period of time over which property may generate economic benefits.

Effective Date - See Valuation Date.

Enterprise - See Business Enterprise.

Equity Net Cash Flows - those cash flows available to pay out to equity holders (in the form of dividends) after funding operations of the business enterprise, making necessary capital investments, and reflecting increases or decreases in debt financing.

Equity Risk Premium - a rate of return in addition to a risk free rate to compensate for investing in equity instruments because they have a higher degree of probable risk than risk free instruments (a component of the cost of equity capital or equity discount rate).

Excess Earnings - that amount of anticipated benefits that exceeds a fair rate of return on the value of a selected asset base (often net tangible assets) used to generate those anticipated benefits.

Excess Earnings Method - a specific way of determining a value indication of a business, business ownership interest, or security determined as the sum of the value

of the assets obtained by capitalizing excess earnings and the value of the selected asset base. Also frequently used to value intangible assets. See Excess Earnings.

Fair Market Value - the price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm's length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts. {NOTE: In Canada, the term "price" should be replaced with the term "highest price".}

Forced Liquidation Value - liquidation value at which the asset or assets are sold as quickly as possible, such as at an auction.

Going Concern - an ongoing operating business enterprise.

Going Concern Value - the value of a business enterprise that is expected to continue to operate into the future. The intangible elements of Going Concern Value result from factors such as having a trained work force, an operational plant, and the necessary licenses, systems, and procedures in place.

Goodwill - that intangible asset arising as a result of name, reputation, customer loyalty, location, products, and similar factors not separately identified.

Goodwill Value - the value attributable to goodwill.

Income (Income-Based) Approach - a general way of determining a value indication of a business, business ownership interest, security, or intangible asset using one or more methods that convert anticipated benefits into a present single amount.

Intangible Assets - nonphysical assets (such as franchises, trademarks, patents, copyrights, goodwill, equities, mineral rights, securities and contracts as distinguished from physical assets) that grant rights, privileges, and have economic benefits for the owner.

Invested Capital - the sum of equity and debt in a business enterprise. Debt is typically long term liabilities or the sum of short term interest bearing debt and long term liabilities. When the term is used, it should be supplemented by a definition of exactly what it means in the given valuation context.

Invested Capital Net Cash Flows - those cash flows available to pay out to equity holders (in the form of dividends) and debt investors (in the form of principal and interest) after funding operations of the business enterprise and making necessary capital investments.

Investment Risk - the degree of uncertainty as to the realization of expected returns.

Investment Value - the value to a particular investor based on individual investment requirements and expectations. {NOTE: In Canada, the term used is "Value to the Owner."}

Key Person Discount - an amount or percentage deducted from the value of an ownership interest to reflect the reduction in value resulting from the actual or potential loss of a key person in a business enterprise.

Levered Beta - the beta reflecting a capital structure that includes debt.

Liquidity - the ability to quickly convert property to cash or pay a liability.

Liquidation Value - the net amount that can be realized if the business is terminated and the assets are sold piecemeal. Liquidation can be either “orderly” or “forced”.

Majority Control - the degree of control provided by a majority position.

Majority Interest - an ownership interest greater than fifty percent (50%) of the voting interest in a business enterprise.

Market (Market-Based) Approach - a general way of determining a value indication of a business, business ownership interest, security, or intangible asset by using one or more methods that compare the subject to similar businesses, business ownership interests, securities, or intangible assets that have been sold.

Marketability - the ability to quickly convert property to cash at minimal cost.

Marketability Discount - See Discount for Lack of Marketability.

Minority Discount - a discount for lack of control applicable to a minority interest.

Minority Interest - an ownership interest less than fifty percent (50%) of the voting interest in a business enterprise.

Net Book Value - with respect to a business enterprise, the difference between total assets (net of accumulated depreciation, depletion, and amortization) and total liabilities of a business enterprise as they appear on the balance sheet (synonymous with Shareholder’s Equity); with respect to an intangible asset, the capitalized cost of an intangible asset less accumulated amortization as it appears on the accounting books of the business enterprise.

Net Cash Flow - a form of cash flow. When the term is used, it should be supplemented by a qualifier (for example, “Equity” or “Invested Capital”) and a definition of exactly what it means in the given valuation context.

Net Tangible Asset Value - the value of the business enterprise’s tangible assets (excluding excess assets and nonoperating assets) minus the value of its liabilities. {NOTE: In Canada, tangible assets also include identifiable intangible assets.}

Nonoperating Assets - assets not necessary to ongoing operations of the business enterprise. {NOTE: In Canada, the term used is “Redundant Assets.”}

Orderly Liquidation Value - liquidation value at which the asset or assets are sold over a reasonable period of time to maximize proceeds received.

Premise of Value - an assumption regarding the most likely set of transactional circumstances that may be applicable to the subject valuation; e.g. going concern, liquidation.

Portfolio Discount - an amount or percentage that may be deducted from the value of a business enterprise to reflect the fact that it owns dissimilar operations or assets that may not fit well together.

Rate of Return - an amount of income (loss) and/or change in value realized or anticipated on an investment, expressed as a percentage of that investment.

Redundant Assets - {NOTE: In Canada, see “Nonoperating Assets.”}

Report Date - the date conclusions are transmitted to the client.

Replacement Cost New - the current cost of a similar new property having the nearest equivalent utility to the property being valued.

Reproduction Cost New - the current cost of an identical new property.

Residual Value - the prospective value as of the end of the discrete projection period in a discounted benefit streams model.

Risk Free Rate - the rate of return available in the market on an investment free of default risk.

Risk Premium - a rate of return in addition to a risk free rate to compensate the investor for accepting risk.

Rule of Thumb - a mathematical relationship between or among variables based on experience, observation, hearsay, or a combination of these, usually applicable to a specific industry.

Special Interest Purchasers - acquirers who believe they can enjoy post-acquisition economies of scale, synergy, or strategic advantages by combining the acquired business interest with their own.

Standard of Value - the identification of the type of value being utilized in a specific engagement; e.g. fair market value, fair value, investment value.

Sustaining Capital Reinvestment - the periodic capital outlay required to maintain operations at existing levels, net of the tax shield available from such outlays.

Systematic Risk - the risk that is common to all risky securities and cannot be eliminated through diversification. When using the capital asset pricing model, systematic risk is measured by beta.

Terminal Value - See Residual Value.

Unlevered Beta - the beta reflecting a capital structure without debt.

The Risk Management Association – Formerly know as Robert Morris Associates .

Unsystematic Risk - the portion of total risk specific to an individual security that can be avoided through diversification.

Valuation - the act or process of determining the value of a business, business ownership interest, security, or intangible asset.

Valuation Approach - a general way of determining a value indication of a business, business ownership interest, security, or intangible asset using one or more valuation methods.

Valuation Date - the specific point in time as of which the valuator's opinion of value applies (also referred to as "Effective Date" or "Appraisal Date").

Valuation Method - within approaches, a specific way to determine value.

Valuation Procedure - the act, manner, and technique of performing the steps of an appraisal method.

Valuation Ratio - a fraction in which a value or price serves as the numerator and financial, operating, or physical data serve as the denominator.

Value to the Owner - {NOTE: In Canada, see Investment Value.}

Weighted Average Cost of Capital (WACC) - the cost of capital (discount rate) determined by the weighted average at market value of the cost of all financing sources in the business enterprise's capital structure.

