

## SECOND AMENDED SERIES A TERM SHEET

MHR Acquisitions, Inc.  
Project: Burris - Phase 1

A preferred shares project with an \$800,000.00 raise.



Issuing Company Project Office: MHR Acquisitions, Inc.

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Date of this offering: December 1, 2022

Amount of Financing : \$800,000.00

Preferred shares price: \$5.00

Number of Preferred Shares in this Offering: 160,000

Conversion Ratio : 1 preferred share to

10 common/voting/diluted shares at 50 U.S. cents (\$0.50) per share

Valuation post-close converted to

common/voting/diluted: \$8,000,000.00

5% holiday promotion on all purchases from December 1 through December 31, 2022

This Series A offering is strictly a private offering. Existing S.E.C. offerings run parallel to but do not cross over with this offering.

THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION DOES NOT PASS UPON THE MERITS OF OR GIVE APPROVAL TO ANY SECURITIES OFFERED OR THE TERMS OF THIS OFFERING, OR PASS UPON THE ACCURACY OR COMPLETENESS OF THIS TERM SHEET OR OTHER SELLING LITERATURE. THESE SECURITIES ARE OFFERED IN A STRICTLY PRIVATE OFFERING, AND NOT SUBJECT TO ANY S.E.C. EXEMPTION OR REVIEW. THE S.E.C. HAS NOT AND WILL NOT MAKE AN INDEPENDENT DETERMINATION AS TO THE SECURITIES OFFERED HERE.

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# I.

## INTRODUCTION

MHR Acquisitions, Inc. is a company that has created a consortium for the accumulation of one million natural gas wells in the United States.

The primary purpose for the creation of this consortium is to provide for expanded supplies of natural gas in response to real and projected shortages due to world events.

At present in the United States, there are a number of natural gas wells which, due to previously low prices, were made inactive by the owners. A large number of natural gas wells are, in addition, producing and obtaining the higher prices now. Owners of these well fields are interested in cashing out after several years of low prices. A buyer's market, therefore, exists as of the writing of this offering.

In the interim, improvements in the technology for extraction will provide for a significant increase in the productivity of the wells.

Importantly for the environment, improved vapor reduction units (VRU), will capture harmful environmental gas emissions, returning them back to the well. This process will allow still greater productivity as the process will result in an increase in pressure in the wells, thus boosting the product upwards into the pumps.

Given the considerations shown above, there still remains the further consideration of making sure that traditional returns on investment in the oil and natural gas sector can be understood by the investor. This sector, traditionally, is a cash paying dividend sector. Dividends are intending to be paid to the shareholders on a quarterly basis. In addition, monthly revenue checks are planned on the project.

MHR Acquisitions, Inc. has been registered with the United States Securities and Exchange Commission (S.E.C.) since the passage into law of JOBS Act legislation in the year 2013. The S.E.C. registration number, the CIK number, is: 0001644516.

Burriss Energy, LLC, is a Kansas limited liability company. The owners, members of the Burriss family, have resided in Coffey County, where the wells are located, for all or most of their lives. The family name maintains the highest reputation in the community.

In the past, the company operated 41 +/- natural gas wells, among several owners of land in Coffey County. The owners will handle the lease changeovers. The County Appraiser will take the coordinates from the previous operations, and map the wells to the current owners in case of any changes. This investment opportunity includes the company's operator license as well as the company's private pipeline, connected to the national pipeline for shipments.

II .

PROJECT DESCRIPTION -  
NATURAL GAS CONSORTIUM

MHR company officials selected the Burriss company as the most lucrative to shareholders of 'fast start' projects for the consortium. The

considerations shown above, existing wells, improved technology, high selling prices, a private pipeline connected to the national pipeline, and a company with an excellent reputation, will allow the investor to make an informed investment decision.

The Burris company, and the leases and wells, can be viewed on the Internet at: <https://www.shalexp.com/burris-energy-llc>.

A descriptor map of the company's private pipeline may be viewed here: [Burris private pipeline descriptor map](#).

The company information on file with the Office of the Secretary of State for the State of Kansas may be viewed here: [Burris KS SOS company information](#).

### III .

#### SHARES PRICING, DESCRIPTION OF SECURITIES, & 100% ACQUISITION

The asking price for the shares offering is: \$800,000.00

The number of shares in this offering is: 160,000.

Conversion Ratio : 1 preferred share to 10 common/voting/diluted shares at 50 U.S. cents (\$0.50) per share.

Valuation post-close converted to common/voting/diluted:  
\$8 million.

Separately from this Second Amended Term Sheet, the seller will sell 100% of the LLC, as an acquisition, for the price of \$1,000,000.00.

A matching private New York statutory bond is included in any Series A shares purchases.

#### IV.

#### DILUTION & DILUTION PROTECTION

The board has adopted the following dilution formula: a simplified ratio formula of 99:1.

The ratio is based upon management's decision, for this offering, to hold 99% of the shares for the founders, with 1/20 of 1% being available for this offering.

The ratio is subject to board review and adjustment, depending on the size of the investment from any one or more investors.

For substantial investors, the board maintains a flexible policy as far as the shareholder percentage.

Dilution protection is defined here as keeping constant the shares of all existing shareholders as each new shareholder makes purchases.

As an example, if a new shareholder, SH 1, purchases 100 shares, then, to maintain the 99% ownership of the company, 99 shares will be distributed to the founding shareholders, according to their percentage of ownership of the 99%.

To continue with the example, once a second shareholder, SH 2, makes a purchase, say 100 shares, then SH 1 receives 1 share, and the founders receive an additional 99 shares, distributed as shown above. In this manner, SH 1 never loses his/her voting power, and the potential benefits of his/her investment as the company grows and gains valuation.

Dilution becomes particularly important to the shareholder because dividends are based upon the amount of the dividend, per share. Thus, control becomes less important, being largely replaced by the cash benefits of dividends.



## V .

### USE OF PROCEEDS

The consortium projects are planned as proceeding in two phases.

This current phase is the result of a material agreement signed by the parties, MHR and Burrus company, to purchase outright, the entire Burris company.

The decision to purchase the entire company was made because, in that manner, all of the rights may be more easily transferred, the leases more easily renewed, and all of the field hardware, including the private pipeline, may still remain in the company name.

MHR, upon paying to the Burris family the purchase price, will with the assistance of Burris family members, make the complete transfer of all titles, rights and licenses. The purchase includes a business transition agreement, which pays to the Burris family members, a fee for assistance with the complete transfer of ownership, as well as assistance with

community relations with respect to the transfer as well as liaison services with the landowners.

The second round for each project in the consortium will be offered in order to raise the capital needed in order to complete the renewal of the leases, to upgrade existing field hardware, to purchase new field hardware, for licensing, administrative, legal, accounting, insurance, management, marketing and labor expenses.

MHR officials anticipate making some wells active within 60 days of the completion of the second offering, and all wells active and producing, within 120 days of such funding.

## VI.

### CONCLUSION

MHR Acquisitions, Inc. is working to contribute to an increase in the supply of natural gas in a stable U.S. market where supplies in other countries, at the present time, threaten to reduce supplies.

With a consortium of small to medium well fields, economies of scale can be achieved for better profit margins.

In a previous era, when natural gas prices fell, a very large number of natural gas wells in the United States were made inactive for reasons of a low return on investment.

Since that time, significant advances in drilling technology and vapor capture, together with record-setting prices that are expected to remain high into the foreseeable future, the prospects of high dividends and increases in valuation are now significant.

This Phase 1 will allow for the purchase of Burris Energy, LLC. Upon completion of the purchase, an immediate field assessment of the wells, pipeline and equipment will be made. The costs of returning the entire 41 +/- wells to operation will be assessed, and the Phase 2 offering will be added as a Series B offering.

With funding, the wells can be made operational, in stages, beginning 60 days from the date of funding on Phase 2.

Everything is in place for a fast restart.

At: New York City

December 1, 2022

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Anthony Ramos, Board Chair

### **ARCHIVIST'S CERTIFICATE**

I HEREBY CERTIFY, that on the 1st day of December, 2022, I caused this Second Amended Series A Term Sheet and Terms and Conditions to be placed onto the investor portal of the website, [www.mhrnyc.com](http://www.mhrnyc.com), and that I entered same, together with the original signatures, into the corporate records of MHR Acquisitions, Inc., and that I provided a copy to the board members.

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Anthony Ramos, Project Archivist

MHR Acquisitions, Inc.  
Project: Burris - Phase 1



TERMS AND CONDITIONS TO THE SECOND AMENDED SERIES A  
PREFERRED STOCK OFFERING

OFFERING DATE: DECEMBER 1, 2022

I.

CAPITALIZATION

This series A offering is designed so that the capitalization structure of the company from any sale does not change. The only manner in which the capitalization structure of the company would change would be by board resolution. In all other respects the language in the term sheet and in these terms and conditions apply.

Amount of Financing : \$800,000.00.

Separately from these Terms and Conditions to the Second Amended Term Sheet, the seller will sell 100% of the LLC, as an acquisition, for the price of \$1,000,000.00.

A matching private New York statutory bond is included in any Series

A shares purchases.

## II .

### CONVERSION

The preferred shares shall be convertible into shares of common/voting/diluted stock at any time at the election of each holder. The conversion rate shall be clearly shown on the subscription agreement.

More information on conversion and dilution is contained in the First Amended Series A Term Sheet.

## III .

### VOTING RIGHTS

The Series A preferred shares will count together with the common/voting/diluted stock on as-converted basis, whether or not yet converted and not as a separate class.

IV .  
RESELLING

As private shares: The board has authorized this Series A offering as a private offering. Any resales by Purchasers would be strictly private, subject to the further terms and conditions in this section.

As converted to Reg. D S.E.C. shares: A holder of preferred shares may convert those shares into any S.E.C. program of the company, subject to these further terms and conditions:

a ) the shares must first be redesignated into the same class as the S.E.C. shares;

b ) the asking shares price of the S.E.C. offering applies, and the Series A price must be adjusted accordingly, and the number of shares, either gained or lost, calculated;

c ) any S.E.C. restrictions on sales shall be applied to the conversion at the time of the conversion;

d ) the dilution formula applies only to the conversion, and does not affect the previous calculation as to any other shareholders.

As OTC shares: A holder of shares in a company OTC program, whether originated by the company, or made a part of the shares of the company by any other instrument, may convert the OTC shares upon completion of a shares purchase, subject to these further terms and conditions:

a ) the OTC shares shall be held only as OTC shares in the company, unless the purchaser wishes to convert same to either private shares or S.E.C. shares;

b ) upon an election to convert the shares to private shares, the Purchaser shall take those shares at an asking price that is agreed to by the board;

c ) the board shall, then determine the conversion rate;

d ) the conversion of any such shares to private shares shall not, unless by board resolution, alter the capital structure of the company;

e ) an election to convert the OTC shares to S.E.C. program shares shall be governed by the rules and regulations governing conversion of S.E.C. shares in this section;

f ) the dilution formula applies only to the conversion, and does not affect the previous calculation as to any other shareholders.



V .

CONFIDENTIALITY

This term sheet and any related discussions and correspondence are to be held in strict confidence by the Company any any potential or real Series A shares Purchaser, and may not to be disclosed to any party, other than counsel to, and the accountants of, the parties to the extent reasonably necessary for such persons to render advice in connection with the proposed transaction and other than to existing stockholders of the Company, without the prior written approval of the Company.

VI .

GOVERNING LAW

The securities sold in this Series A offering are from a company that is not trading on one of the large national or international exchanges. If the company has an OTC program, the company may be said to be trading on the OTC. Such a program, however, does not govern Series A sales or other private transactions.

To this extent, this Series A offering is a contract between parties, and the parties, therefore, agree, by their signatures below, to be governed by New York General Business Law for any disputes.

By the signature of the board chair below, the members of the board approve these terms and conditions.

At: New York City

December 1, 2022

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Anthony Ramos, Board Chair

### **ARCHIVIST'S CERTIFICATE**

I HEREBY CERTIFY, that on the 1st day of December, 2022, I caused these Terms and Conditions to the Second Series A Preferred Stock Offering to be placed onto the investor portal of the website, [www.mhrnyc.com](http://www.mhrnyc.com) and that I entered this document into the corporate records of MHR Acquisitions, Inc., and that I provided a copy to the board members.

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Anthony Ramos, Project Archivist