

MEDIA RELEASE

Gamma (γ) Prefluencing Strategies®

Hubble Project Group
Vancouver, Canada



David Huer
Market Strategist



Concept Developer/Author: David Huer. Image: Sourced by Design Vendor.

FLOAT RIGHTS - CAN WE PROFIT FROM OIL SANDS WITHOUT MINING THE ASSET?

Could Float Rights re-amortize Burnable Carbon assets without the recessionary threat of a carbon bubble?

26 June 2014

Hubble Project Group - Vancouver, Canada

David Huer proposes a practical strategy to profit from carbon assets without mining the asset. Could Float Rights incentivize the shift away from O&G?

Burnable Carbon (BC) energy investors face an enormous challenge--BC stocks provide reliable investment vehicles when nations and industry need reliable feedstocks for energy and hard-to-replace applications such as aviation fuel and lubricants. But projects poison water tables, destroy ecosystems, and increasingly face unavoidable costs as society moves away from burnable carbon energy. Carbon Float Rights offer a way forward, generating returns even when markets collapse.

Leaseable land rights consist of air and surface rights, and subsurface ore, quarried materials, and BC assets. But value does not come forward until extraction. Fluid Oil & Gas (O&G) is especially hard to value--the drilling sector is replete with stories of dry holes beside wet holes, with no easy geological explanation; and a producing well must be tapped and flow volume measured for one-year's duration to assess commercial value. Government structured the industry to demand extraction to pay royalties.

But what happens with Movable BC (MBC) resources? Unlike Fluid BC (FBC) asset owners, Oil Sands, Coal, and Peat owners know exactly where assets are, what the production will be, and can use this known data to calculate spot value. Producing competitive advantage in that un-extracted MBC has an *anticipated intangible value*, a pre-extractable leaseable rolling anticipatable value, that is financially extractable in sequenced pre-extraction before "Liquid Right" licensees mine the physical resource.

"Increasingly, governments demand a full accounting from industry. And investors bear the full cost when their investments extract polluting resources," said David Huer. "MBC Float Rights is one way to profit from the change--profiting in perpetuity (no carbon bubble), by extracting intangible value as a tradable right as markets cycle, without necessarily needing to extract the Liquid Right asset."

"Forward-thinking governments can use Float Rights to earn royalties during market ups-and-downs of the Liquid industry, and this new revenue, invested wisely, will finance the next phase of the Industrial Revolution--market demand for energy that do not pollute without consequences. Could we extend it to H2O tradeables ("[Hydrological Spreads](#)"), and work in parallel with Cap & Trade?" he added.

About Hubble Project Group:

Based in Vancouver, Canada, David Huer addresses complex 'black swan' challenges faced by investors, agencies and enterprising societies.

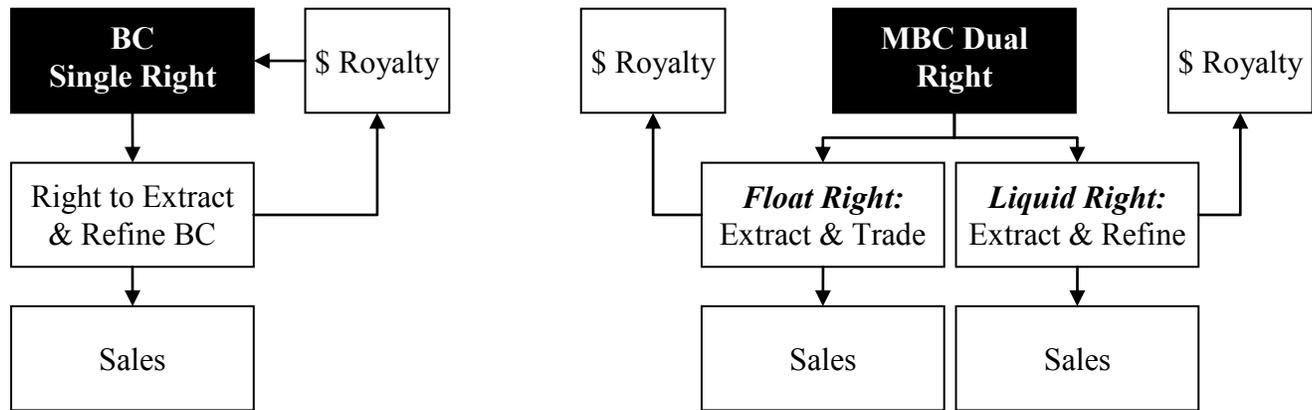
Contact:

David Huer, Strategist/Founder
Hubble Project Group

Further Reading:

<http://hubbleproject.com>
dhuer [at]hubbleproject.com

<http://hubbleproject.com/about/projects/ecological-finance/anticipated-future-value-of-public-resources-afvpr/>



Direct Outcomes for Industry

- Effect on global oil, insurance, and finance market (tradeable as new spot market segment)
- Float Right leverages 10% of resource that is extractable using current technology
- "100% Capture" Target (100% of extractable liquid resource) becomes a value-added activity
- "Zero Waste" Target (100% pollution prevention of extractable resource) becomes a value-added activity
- Float Right Licensee does not necessarily have to be Liquid Right Licensee
- Leasable by Provinces to Sovereign States, to collateralize other risks
- No need to depend on export or hold-ups in pipeline capacity
- Extraction owners could profitably backstop their insurance costs and rent risk coverage to other players

Numerous spin-offs for supporting industry

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • Cyberinfrastructure • Digital technology • Drilling technology • Electronics • Emerging technologies • Energy technology • Environmental technology • Lubrication & Machinery • Microtechnology • Mining techniques • Nanotechnology • Radio technology • Remote sensing technology • Waste treatment technology | <ul style="list-style-type: none"> • Feasibility studies • Global benchmarking • Supply-chain design & risk analysis • Real Estate & Resource Tenure Consolidation • Site Modeling & geotechnical engineering • Earthworks, drainage & stormwater management • Temporary and permanent accommodation • Industrial & commercial building construction • Site Planning, Grading & Utility Development • Construction / Post Construction Management • Erosion and Sedimentation Pollution Control • Integrated logistics for capture mapping • Extraction vapour loss monitoring • Information technology |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Example – Industry Drill-Down – Remote Sensing

- Remote sensing of royalty properties
- Monitor out-gassing as royalty value capture/loss ratio
- Build the tool and partnerships, test locally, leverage globally
- Data flows could post to spot market (ie. data reports affect materiality)
- Develop Stock Trading Data Board to leverage the data for capital markets reporting
- Leverage tool to monitor other out-gassing properties for a variety of customers