

February 3, 2023

TO: Members of Proteum Energy, LLC
(via email distribution)

Private and Confidential

RE: Fourth Quarter of 2022 Member Report, including:

- Letter from Executive Chairman, Tom Niccoli
- Letter from CEO, Larry Tree
- Transitus Press Release
- Financials and Quarterly Budget & Report

This Proteum Energy[®] Q4 2022 Quarterly Investor Report will provide you with important information regarding the Company's progress over the last 90 days and the significant events that have transpired in just the last 30 days of this new year. We feel it is important to share this information with our Members, especially those who hold Warrants and may be deciding whether to exercise those Warrants and make an additional investment in the Company, as well as those interested in acquiring Warrants to invest under the current terms. Please note that the Company has extended the date for Warrant holders as well as those Members who may want an assignment of Warrants to purchase additional units through April 1, 2023. The Board decided to extend this deadline given new developments which are explained within this and Larry Tree's communication.

Larry Tree's report will articulate the significant milestone events that have materialized recently which have helped support higher than anticipated third-party valuations. These valuations are being fueled by the quality of our IP and related technology as judged by the groups that underwrite the lending decisions of the institutional funding sources we are engaged with. Undergirding that value is what we see as increased acceptance of Proteum's platform strategy by our potential customers.

Also, included in this investor package is our latest Press Release regarding a possible relationship with a company based in the UK called Transitus Energy, Ltd. We recently signed an LOI with the intention of partnering with them and other North Sea countries to jointly develop hydrogen production through the use of our technology.

Finally, the Company's 4th Quarter 2022 Financial Report and Financials are attached as well as available via the "Investor Area" tab on the website.

On January 31, 2023, the original expiration date of the Friends and Family Warrants, a communication was sent to all warrant holders extending the option period, which stated the following:

"In the next few days, you will receive Proteum's Confidential Quarterly Investor Update. It will describe the following activities, some of which we discussed on our regularly scheduled January 12, 2023 investor call:

1. *Second draft of a Term Sheet for ~\$100MM+/- in potential debt financing on a five-year term, plus two 2-year extension, at a 7.5% interest rate (plus points) secured by our IP.*

2. *Nebraska Public Power District (a large public utility akin to APS in Arizona) meeting at our office where they expressed a desire to deploy Proteum's HDF for hydrogen production in their Mid-American Hydrogen Hub and specifically include Proteum in their Regional H2 Hub Grant application to the Department of Energy.*
3. *Status of our Golden State Hydrogen project, including optional offtake for green ammonia and additional strategic partners.*
4. *Status of our potential plant in the Bakken (North Dakota) and ammonia offtake.*
5. *Potential strategic relationships/investment by third parties.*
6. *Our strategy for the Appalachian region.*

Given the number and significance of these opportunities, some of which have progressed notably since the January 12th call, the Board of Directors (BOD) voted to extend the exercise date for your warrants, which was originally scheduled for today. The Board did that to allow you, our F&F Investor, additional time to understand these potential opportunities and make an appropriate choice regarding exercising your warrants. As such, the exercise expiration date is now April 1, 2023.

This communication and the extension of the exercise date are not meant to urge you (or anyone else) to exercise your warrants and purchase additional units. The decision to exercise your warrant option is entirely up to you. We are here to answer your questions and provide additional information at your request. However, the BOD makes no representations regarding the likelihood that any of these opportunities will materialize or the value to Proteum if it does. Other than extending the exercise date, the terms of your warrants remain unchanged. Accordingly, you remain free to exercise your outstanding warrants at any time before the expiration date and the BOD reserves the right to terminate unexercised warrants at any time if it determines doing so is in Proteum's best interests."

As you may be aware, a communication went to all Warrant holders in early November asking if they were willing to transfer any unexercised Warrant units to other Proteum members if they were not going to be investing in any or only some of their Warrant units. This was widely accepted and agreed to by those Warrant holders who responded. This was also announced to the general Proteum membership at the Annual Meeting held on January 12th. Since then, we have had several Warrant holders transfer Warrants to other Members who are not Warrant holders and some Warrant holders were eager to purchase additional units over their original Warrant allotment.

We encourage all those who may be interested in additional units at this \$0.15/unit price point to take advantage of this opportunity now through April 1st as the Company has identified and begun discussions with two outside investment groups considering an investment under an assignment of Warrants transferred from holders deciding not to participate. Although we could have simply closed the Friends & Family Warrant program on January 31st and sold the remaining units to one or both of these outside groups, we wanted to give current investors every opportunity to participate. Again, you are under no obligation to purchase any additional units.

If, after reading and analyzing Larry's report, you would like to invest in additional units or have questions, please give me a call. Myself and/or any one of the management team will make ourselves available to answer any and all questions you may have.

Website: We invite you to visit our website <https://www.proteumenergy.com/> and the "Investor Area" tab where you will find confidential information such as our quarterly reports which will be updated for the 4th quarter, industry news as well as our most current "Investor Deck" which is being updated on a regular basis.

The password for the Investor Area for Proteum Energy was updated to: **ProteuM2023**

The password for the Investor Area for CH4 Power was updated to: **Power42023**

Investor ZOOM Calls: On an administrative note, we want to remind you that Investor ZOOM Calls will continue to be held every two months, on Thursdays at 3:00PM MST until further notice. Each of you will continue to get a reminder prior to the call with an invitation to register and attend the ZOOM meeting.

Our next Investor ZOOM call is scheduled for **Thursday March 23 at 3:00pm Arizona time.** Further communication will be forthcoming concerning the agenda for this call.

Proteum Energy® would like to point out that this letter and the other information provided to the Members in our 4Q22 report is based upon the best information and estimates available to the Company at this time. This information includes “forward-looking statements” regarding future events and performance which may not be borne out but may vary materially from our expectations. Any decision to invest in the Company should only be made after a thorough review of the Company’s requisite private placement memorandum disclosures and in consultation with your investment and tax advisors. If you have any questions about this information, the Company’s private placement disclosures or our business plan, please do not hesitate to contact us.

On behalf of the Board of Directors, we again thank you for your support of Proteum Energy® and the development of its business model. We are pleased with the progress to date and eager to realize the opportunities the future holds.

Very truly yours,

/s/

Thomas C. Niccoli
Executive Chairman of the Board of Directors

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