

FORM CRS RELATIONSHIP SUMMARY

1. INTRODUCTION

EnergyNet.Com, LLC. is registered with the Securities & Exchange Commission as a broker-dealer. We are a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC), among other organizations. We are not a registered investment adviser; it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at: www.investor.gov/CRS which also provides educational materials about broker-dealers, investment advisers, and investing.

2. WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

EnergyNet is engaged in facilitating the sales of operated and non-operated working interests, producing and non-producing mineral interests, and royalty and overriding royalty interests in crude oil and natural gas properties between registered buyers and sellers through either an internet based live auction, sealed bid or negotiated sales process.

EnergyNet does not maintain accounts, does not place securities trades, does not make any investment recommendations, and does not hold or receive customer funds and/or securities. Our services are strictly non-discretionary, meaning that the final decision to buy or sell properties rests solely with you, the client. Our focus is strictly facilitating the sales between registered buyers and sellers through either an internet based live auction, sealed bid or negotiated sales process.

You must register as a Buyer to view EnergyNet's listings and auctions for properties other than the Government Listings. Government Listings can be viewed without registering a Buyer account. In order to place bids, the Buyer's agreement (or Bidding Terms Agreement for Government Listings) must be submitted. Before bidding, you must also submit bank information to obtain a bid allowance. You do not have to submit a Buyer's Agreement and bank information unless you want to place bids.

Questions to ask:

- *Given my financial situation, should I choose a brokerage service? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

3. FEES, COSTS, CONFLICTS, AND STANDARD OF CONDUCT

3A. What Fees Will I Pay?

EnergyNet earns a commission from properties sold. The commission is based on the Gross Sales Price for the property. If a property does not sell, EnergyNet does not earn a commission. Fees and costs, which may include recording fees, sales tax, and handling/administrative fees are discussed within the Buyer Agreement and Seller Agreement which you should read carefully.

Questions to ask:

Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

3B. What are your legal obligations to me when providing recommendations? How else does your firm make money and what conflicts of interest do you have?

EnergyNet does not make recommendations on the sale or purchase of securities. Our focus is facilitating the sale of properties between registered buyers and sellers through either an internet based live auction, sealed bid or negotiated sales process.

You should understand and ask us about any conflicts in the services we offer you. Here are some examples to help you understand what this means.

1. Exclusive Right to Sell: EnergyNet.com, LLC. typically obtains an exclusive right to sell the properties listed by sellers. This arrangement ensures that EnergyNet has the sole authority to facilitate transactions for these

REGULATION FORM BI FORM CRS RELATIONSHIP SUMMARY - DRAFT

properties. However, this exclusivity can sometimes create conflicts if other potential buyers or platforms are interested in the same properties.

2. Valuation and Reserve Price: Sellers may offer properties with or without a minimum reserve sales price. Determining an appropriate reserve price can be tricky. If the reserve is too high, it might discourage potential buyers. Conversely, if it's too low, sellers may not achieve their desired returns. Balancing these interests can lead to conflicts.
3. Auction vs. Sealed Bid: EnergyNet offers both auction and sealed bid sale processes. In an auction, buyers bid on properties until a specified ending time. The highest bidder meeting the reserve price (if any) wins the property. In a sealed bid process, sellers receive sealed offers from buyers and have the right to accept or reject any offer. Choosing the right method and managing expectations can be challenging.
4. Dual Agency: EnergyNet acts as an intermediary between buyers and sellers. While this can streamline the process, it also creates a dual agency situation. Representing both sides can be delicate, as conflicts of interest may arise. Transparency and clear communication are essential to maintain trust.
5. Terms and Conditions: Conflicts can emerge if there are discrepancies between the terms and conditions outlined in the Property Listing Agreement, the auction platform, and any additional information provided. Resolving conflicts related to these terms requires careful attention.
6. Separate Purchase and Sale Agreements: While the [Seller's Agreement for the Sale of Oil and Gas Properties](#) and the [Buyer's Agreement to Purchase Properties](#) governs the initial transaction, if the seller and buyer execute a separate purchase and sale agreement, the terms of that agreement will supersede those in the EnergyNet agreement. Ensuring consistency and clarity between these documents is crucial.

In summary, operating an auction platform involves balancing the interests of buyers, sellers, and the platform itself. Clear communication, ethical conduct, and adherence to legal standards are essential to mitigate conflicts of interest.

For further details on these conflicts, please speak to a financial professional at EnergyNet.

Questions to ask:

How might your conflicts of interest affect me, and how will you address them?

3C. How do your financial professionals make money?

EnergyNet earns a commission from properties sold. The commission is based on the Gross Sales Price for the property. If a property does not sell, EnergyNet does not earn a commission.

4. DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?

No. Visit www.investor.gov/CRS for a free and simple search tool to research us and our financial professionals. For additional information about our brokers and services, visit <https://brokercheck.finra.org/>

Questions to ask:

As a financial professional, do you have any disciplinary history? For what type of conduct?

5. ADDITIONAL INFORMATION

- You may find additional information about our services at our website: EnergyNet.com.
- You may request a copy of the Form CRS Relationship Summary by contacting an EnergyNet professional. You may also call **(877) 351-4488** for a copy or to request up-to-date information.

Questions to ask:

Who is the primary contact person for my account? Is he or she a registered representative of a broker-dealer? If I have concerns about how this person is treating me, who can I talk to?