

INDOCAN RESOURCES INC (IDCN)

Executive Summary

Indocan Resources Inc. is a real estate holding company investing in coastal vacation rental and commercial properties. The Company intends to hold properties for appreciation and rent them out for cash flow. The Company plans to use leverage and raise funds through private investment and a limited number of loans.

IDCN intends to acquire and develop real estate and related assets of interest. The company will focus on properties deemed to be selling at discounts to the market value. At all times, we will be aware of our stockholders, the environment and the impact our decisions make.

The Company's main clientele for our rental properties will be vacationers renting weekly or monthly. Commercial properties, when available, may also be acquired and leased out. Most of the properties acquired will be in the southeastern U.S., but property anywhere will be considered.

The Market

The vacation rental market is very lucrative, especially for coastal properties. There is also opportunity in commercial real estate if exceptional properties can be acquired at a discount.

Mission

It is the mission of IDCN to provide vacation properties for rental in the southeastern U.S. Any affordable commercial property that will produce adequate cash flow will also be considered for purchase and lease.

Financial Considerations

Startup expenses and funding will be modest. They include the monies needed to support operations until revenues reach an acceptable level. Most of the Company's liabilities will come from outside private investor loans and management investments. As soon as the Company has assets it will leverage them through bank or private borrowing. Profitability will depend on the timeliness of funding and application of the funds to acquire cash flow-producing properties.

Corporate Details

The Company was incorporated in Nevada in 1994 and changed to Wyoming The company currently trades in the Grey Market under the symbol IDCN.

* Company Symbol IDCN.

Company Officers

* Ken Ash, President

*Bill Bowman, Vice President - Corporate Development

*Larry Kau, Secretary - Treasurer

Company Directors

*Ken Ash

*Bill Bowman

*Larry Kau

Management of the Company will be performed by the directors and eventually property managers.

The Company's main office is located at: 5206 Holly Court
Morehead City, NC 28557
Website: indocanresources.com
Phone 252-342-8700

Market Analysis Summary

IDCN will be concentrating mainly on one market segment but no opportunity will be ignored. The focus will be the vacation rental market consisting of those couples and families seeking a weekend, weeklong or monthly vacation rental. The coastal vacation industry in the southeast has been growing steadily the last 20 years.

The coastal vacation home rental industry in the southeast consists of short, intermediate and long term rental.

Keys to Success

IDCN keys to long term profitability are as follows:

Establish and maintain contacts with repeat renters and rental listing services and other organizations such as the Chamber of Commerce.

Provide a level of service to customers during the rental periods that will give a high degree of satisfaction.

Objectives

The goals for IDCN are:

- Achieve profitability as soon as enough property is acquired to be leased.
- Acquire commercial property if available.
- Establish minimum 95% customer satisfaction rate to establish long term relationships with clients and create word- of- mouth advertising.

Market Segmentation

IDCN will be concentrating almost exclusively on the vacation segment of the market. This means the Company will be focused on renting property to those seeking to vacation in the Morehead City and Crystal Coast areas of North Carolina.

This market segment has special needs and we will try to provide vacation homes that are located near entertainment, shopping, boating, and other such amenities.

Strategy and Implementation Summary

IDCN 's business strategy is to enter a limited geographical area where it will be able to leverage its reputation over time into repeat rentals centered on excellent service.

We believe we can capitalize on this limited market and provide better vacation packages at an equal or more reasonable cost.

Management Summary

The Company will have no employees.

The Company office will be at: 5206 Holly Court
Morehead City, NC 28557

The day to day management will be handled by the directors of the Company.

Project Management Team

Ken Ash, President: Kenneth Ash is a board member and President of Indocan Resources .

Mr. Ash served in the Navy in the communications field. He served on board the USS Iowa (BB-61) and on board the USS Moinester (FF-1097). From 1987 - 1998 Mr. Ash worked in the securities industry.

From 1998 to present he has managed several multi-million dollar vacation properties on the Crystal Coast in N.C.

William J. Bowman: William is an elected board member and currently the Vice President of Indocan Resources, Inc. He earned his bachelor's degree in psychology from Lycoming College and went on to earn his master's degree in clinical psychology at Western Kentucky University. Following graduation Mr. Bowman worked as a staff psychologist at a state hospital while simultaneously establishing, co-owning and operating a franchised weight loss facility. He later began providing outpatient therapy at a community mental health agency and during a four year career, held the positions of Outpatient Therapist, Director of Student Assistance Services, Director of Clinical Services and finally Assistant Director to the Executive Director in 1990. Upon earning his psychology license, he founded and is the sole owner of a private business that provides private and court referred custody and divorce mediation services. In addition, Mr. Bowman is a principal owner, founder and vice-president of a privately held residential rehabilitation and remarketing investment corporation.

Larry Kau: Is a Board Member, Secretary and Treasurer of Indocan Resources. He owned and operated an 800 acre dairy from 1972 -1988. He first earned a BS degree in English in 1971. He was employed by Commerce Group Corp in Milwaukee, WI. He served as equipment manager, helping to finance, acquire and deliver mining equipment to the Company's San Sebastian Gold Mine in the Republic of El Salvador CA. He has experience in residential property management, rehabilitation and rental.

Basic Forms of Real Estate

There are four basic forms of Real Estate investment: private equity, publicly traded equity, private debt, and publicly traded debt.

The private market consists of private equity and private debt investments involving direct investment or ownership in a single property or lending money to a purchaser. Direct investments can be solely owned or indirectly owned through a partnership or a commingled real estate fund. When an investor is purchasing an investment, he is considered an equity buyer, the income potential for the investor is the equity in the property. When an investor is lending money to an equity investor the investor is considered a debt investor. The income for the debt investor is from interest charged on the loan.

The public market does not consist of direct ownership of specific investments, instead the investor is purchasing securities that serve as a claim on underlying assets. An investor would purchase a share of a Real Estate investment Trust (REIT) or a Real Estate Operating Company (REOC). The REIT and the REOC have key differences, but both entities can invest in assets as an equity or debt investor. A REIT and REOC will invest in commercial Real Estate as an equity investor or invest as a lender of funds to other investors to received interest payments. When the REIT or REOC invests as a debt

investor, they are normally purchasing mortgage-backed securities and pushing the monthly interest revenue to the security holder.

Mortgage backed securities (MBS) were blamed for the crash in 2009 because the investors did not calculate the risk appropriately. Mortgage backed securities play a huge part in the markets and provide a substantial part in providing liquidity to homeowners and investors.

When investing in the private markets, investors need to have high amounts of cash and be willing to take on large risks. Private real estate investments are normally much larger than share purchases of securities in the public markets. In private real estate there is large liquidity risk versus the public markets. When investing in a REIT or REOC, you would be able to liquidate your shares almost immediately in the markets.

Mixed use properties serve more than one end user: an example would be an apartment building with the first floor being all restaurant store fronts.

Reasons to invest in Real Estate

There are many reasons why an investor would want to invest in real estate. When you are analyzing a property for yourself or as an analyst, you must know the purpose for the investment. This is very dependent on what type of valuations you will perform on the property. Some of the reasons to invest in real estate are: income, capital appreciation, inflation hedge, diversification, and tax benefits,

Risks associated with Real Estate investments.

There multiple risks associated with real estate. As you know real estate just doesn't go up forever, and you must try to measure all risks before placing a bid on the table. One must analyze the business conditions of the market. Commercial real estate is very dependent on GDP and population growth. You must analyze the macro economy and the risks associated with GDP growth and different market drivers. New property lead time risk consists of the lag time between when the property is purchased by an investor and before the investor is receiving its full income. In 2008 to 2010 we saw a huge drop in availability of capital causing harm to the commercial real estate markets. Other main risks consist of : inflation, changing demographics, environmental issues, management expertise, amount of leverage, cost of leverage, and many others.