

## Unconventional Oil Well EOR Stimulation Opportunity

1 June 2023

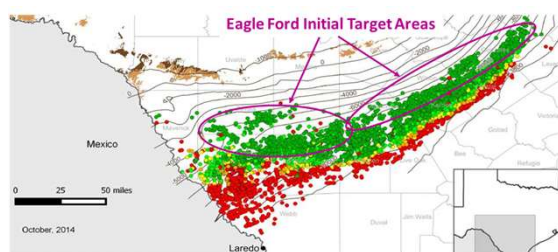
### Introduction

Third Wave Production (TWP) is a Texas LLC focused on field acquisition/JV and low carbon-footprint enhancement of oil recovery from mature unconventional wells, particularly those that would benefit from environmentally-friendly, surfactant-based enhanced oil recovery (EOR) treatments. The company is led by highly experienced business and technical professionals in oil field development and surfactant-based EOR. Recent field trials by Third Wave have proven the technology. TWP will deploy base production enhancement and cost optimization as a foundation for significant "green" value growth from surfactant stimulation. Target wells/fields for acquisition or joint venture are being evaluated, and TWP is seeking investment partners.

### Investment Highlights

- The Investor achieves a low-cost entry and equity partnership with a company with a proven track record, proprietary intellectual property, identified mature unconventional well acquisition targets with near term value uplift via conventional re-development campaigns, and significant hydrocarbon recovery upside through low carbon intensity surfactant stimulation implementation.
- Unconventional wells typically only produce 6-8% of the oil originally in place. The wells targeted by TWP are mature and down their decline curve. The opportunity is to extract more value from the "tail", when current operators run out of options as the wells approach their economic limits.
- Proactive stewardship of hydrocarbon resources is a valuable skill in a world where the most desirable oil wells are ones that have already been drilled. TWP conservatively expects to be able to increase EUR by some 10%, helping meet global energy needs with a carbon intensity per barrel of about 1/6<sup>th</sup> that of a new well.
- The target reservoirs are "oil-wet", where, due to rock and fluid characteristics, the oil preferentially attaches to the mineral faces in the rock pore space, inhibiting oil recovery. Surfactants can alter this wettability to "water-wet", imbining water into the pores and expelling oil, as well as increasing the relative permeability to oil.
- TWP proved up this technology in the lab in collaboration with Texas A&M, and then partnered with an Eagle Ford operator to demonstrate the resulting chemical formulation in the field. A total of 8 EF wells have been stimulated, with returns of >100% and >40% in the first two wells respectively. The subsequent 6 trials tested low volume cost optimization with positive results.
- Third Wave has also partnered with an additional operator in the Permian/Midland basin and recently completed treatment of a Wolfcamp producer, now back on production and under evaluation..
- The go-forward strategy is to move to field acquisition and/or JV. The goal is to grow a company with value rooted in applying its own proprietary technology versus a me-too servco offering.
- The team has screened target wells across the EagleFord, Permian, DJ, SCOOP-Stack, and Bakken, identifying some 29,000 candidate wells for further technical and commercial work to mature to an ultimate investment/acquisition proposal.
- TWP's management team has onshore operating experience, state and local relationships, extensive experience delivering successful EOR projects, and will operate the field(s) on behalf of the Investor.

### Initial Targets – Eagle Ford and Permian Basin



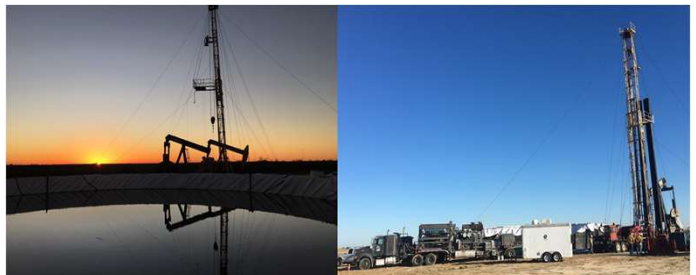
### Transaction Terms

<b>Capital Commitment</b>	- Acquisition funding commitment and initial G&A support - Field acquisition \$10-100 mln, with capital deployment funding - Future decision: scalability through further basin-consolidation acquisitions
<b>Legal Form</b>	JV or SPV majority WI acquisition in up to three fields, held by production
<b>Capital Structure</b>	Equity Investment with TWP, typical A/B share waterfall; various JV forms
<b>Target Investment</b>	Mature developed unconventional oil fields with surfactant stimulation potential
<b>Project Location</b>	Initially Eagle Ford and Permian Basin
<b>Production Rate</b>	~1000 barrels of oil per day increasing to ~2,000 in 2-3 years
<b>Return Target</b>	20%+ IRR
<b>Development Period &amp; Project Life</b>	3 years; 10+ years thereafter

### Deal Structure

	Investment	Equity Share & Structure
Equity Capital Commitment	\$10-100 mm USD	TBN
Go Forward Model	Further de-risk technology and deploy through field acquisition, focused operatorship, and redevelop for surfactant stimulation	

**Equity Investment:** During the acquisition phase, TWP will receive value for deal delivery and surf-stim IP/operating expertise, either directly or under a JOA, and later back-in waterfall rights pending performance benchmarks. JV structures also of interest.



### Contact Information

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