

6 November 2023

New Purchase Orders Awarded

Dubai. Hydrocarbon Dynamics Limited (“HCD”) has received a purchase order from its new Dubai based distributor for approximately A\$130,000 for HCD Multi-Flow. The product will be used by an operator in Africa to clean a pipeline containing organic deposits in preparation for running a smart pig. A successful outcome is expected to lead to other opportunities with this distributor and this client.

Australia. HCD has also received a purchase order from a new Australian client for approximately A\$27,000 of HCD Multi-Flow. The product will be used in a trial for pour point reduction of a high pour point crude. The producer has secured an offtake agreement and awaits government approvals to commence production at which time the HCD pour point reduction trial is expected to commence.

Other New Purchase Orders

After the September quarter end, HCD received the following additional orders (as noted in the September Quarterly report):

Gulf of Mexico. HCD received a second purchase order to trial HCD Multi-Flow on an offshore subsea pipeline in the Gulf of Mexico for the mid-sized oil and gas producer discussed in previous releases. This producer previously trialled HCD Multi-flow on two separate offshore wells as reported in the 21 April 2023 release and the June 2023 Quarterly Activities Report. The trials demonstrated the product’s efficacy at remediating and inhibiting paraffin deposition and led to these additional opportunities. The A\$10,000 purchase order was issued by our new US based distributor who have a significant presence in the Gulf of Mexico. HCD anticipates that success will result in an opportunity to treat their much larger pipeline with chemical treatment valued at around A\$2,200,000 annually.

The treatment is designed to control paraffin deposition in topsides equipment and in the subsea pipeline. Successes with this producer will also give HCD’s distributor the references and beachfront needed to launch a successful sales and marketing campaign with other Gulf of Mexico producers plagued by similar paraffin related problems.

India. As an update to our June 2023 Quarterly Activities Report, HCD will ship 38 drums of products in October to India for multiple Tri-Phase squeeze trials and a pour point reduction trial, with two independent producers. The trials provide HCD with an opportunity to break into the independent producer market in India and are on a “no cure no pay” basis.

USA. Hydrocarbon Dynamics has also received orders for two separate trials in the USA. The first with a supermajor integrated oil and gas company for a one well paraffin control trial in the Delaware Basin of New Mexico.

In the second, HCD received a purchase order from one of its US distributors for a one well trial in Bakersfield, California to clean out, then inhibit the formation of damaging wax deposits.

Both sales are of inconsequential amounts but both opportunities can lead to significant business upon success.

Approved by the board of Directors.

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