Hydroacoustics Inc. (HAI)

Presentation at EnerCom Dallas 2023

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Hydroacoustics (HAI) creates value by applying four decades of acoustic experience to today's challenges

Low Frequency Acoustic Downhole Tool

IOR/EOR

CCUS

Open Loop Geothermal

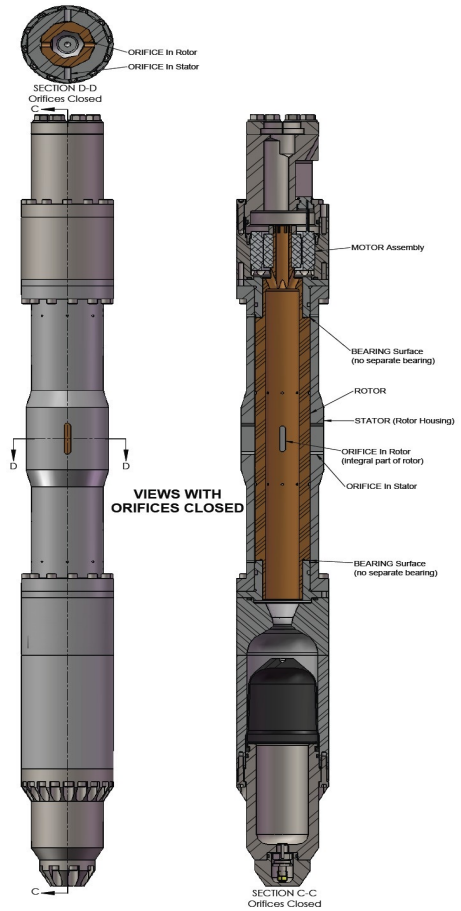
Venturi Meter for Wells

Real time data

Transducers

Source: HAI

HAI's ORT unit adds a new option to improving oil recovery, carbon sequestration, and open loop geothermal



ORT Fundamentals:

- Patented design
- Operates independently, or in conjunction with, existing well stimulation and improved recovery technologies
- Initial test of current design in 2018
- Currently operating in mature Permian Basin waterflood

Source: HAI

The ORT is a cost-effective option to improve recovery, increase injectivity, and prolong field life with low GHG intensity

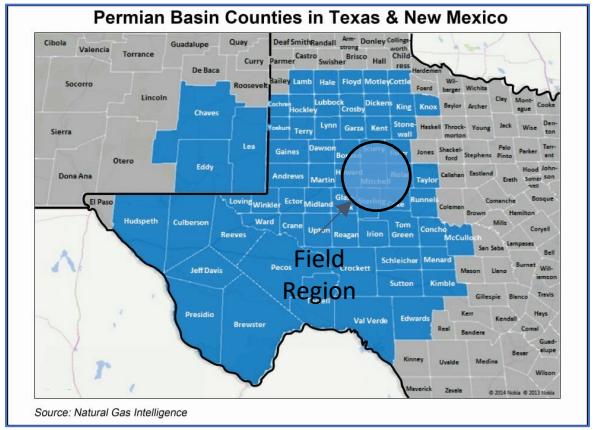
Increased Oil Recovery	Data from an ongoing project in the Permian has shown a 30%+ increase in daily oil production after accounting for other factors, and a decrease in terminal decline
Increased Oil Reserves	Net reserve additions per ORT installation of 100,000-190,000 barrels over ten years
Prolonging Field Life	The ORT allows operators to prolong field life by increasing oil recovery, booking additional reserves, and delaying P&A liabilities
Increased Injectivity	Data has shown a 300% improvement in injectivity of the well that ORT has been employed in and improved injectivity in at least 3 injection wells within a 1-mile radius
Low GHG Intensity	Increased production from the ORT generates approximately 13 times less GHG emissions compared to horizontal drilling and 4-1/2 times less than just the leakage and transportation of CO_2 for CO_2 EOR

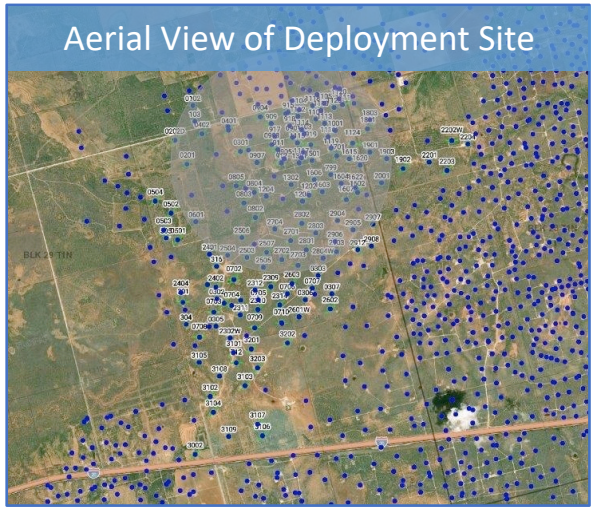
Source: HAI

Permian Basin Deployment: Clear Fork Waterflood

Proof of Concept Deployment in Permian Basin

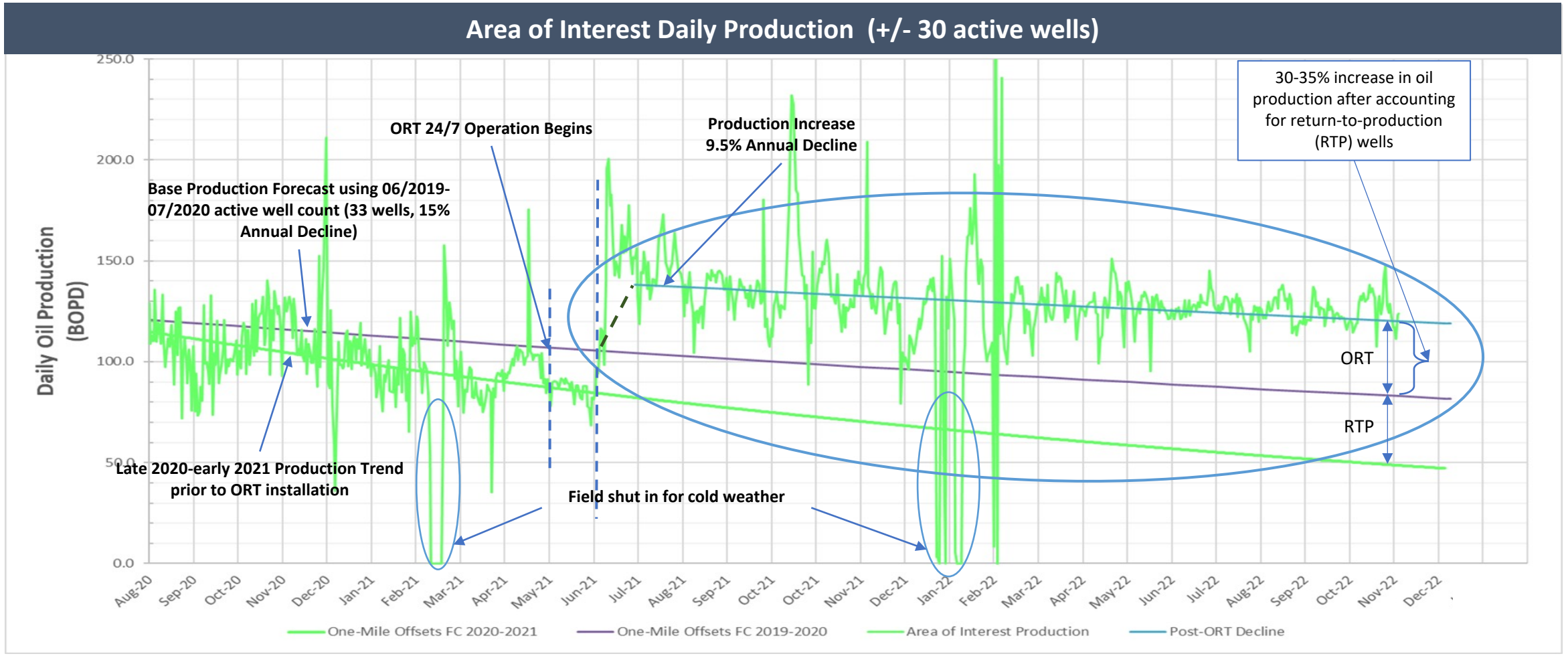
- Builds on prior tests of ORT
  - Material increase in oil production
  - Established ORT functionality
- Mature waterflood
- ORT performing reliably in a challenging operating environment
  - 99% up-time since beginning full operation May, 2021
- ORT's operation has mobilized bypassed oil, thereby improving oil production and injection rates within one-mile area of interest
  - Measurements of approximately 30%+ daily increase in oil production after accounting for return-to-production (RTP) wells.
  - Reduced average decline rate from 15% to less than 10%





Source: HAI

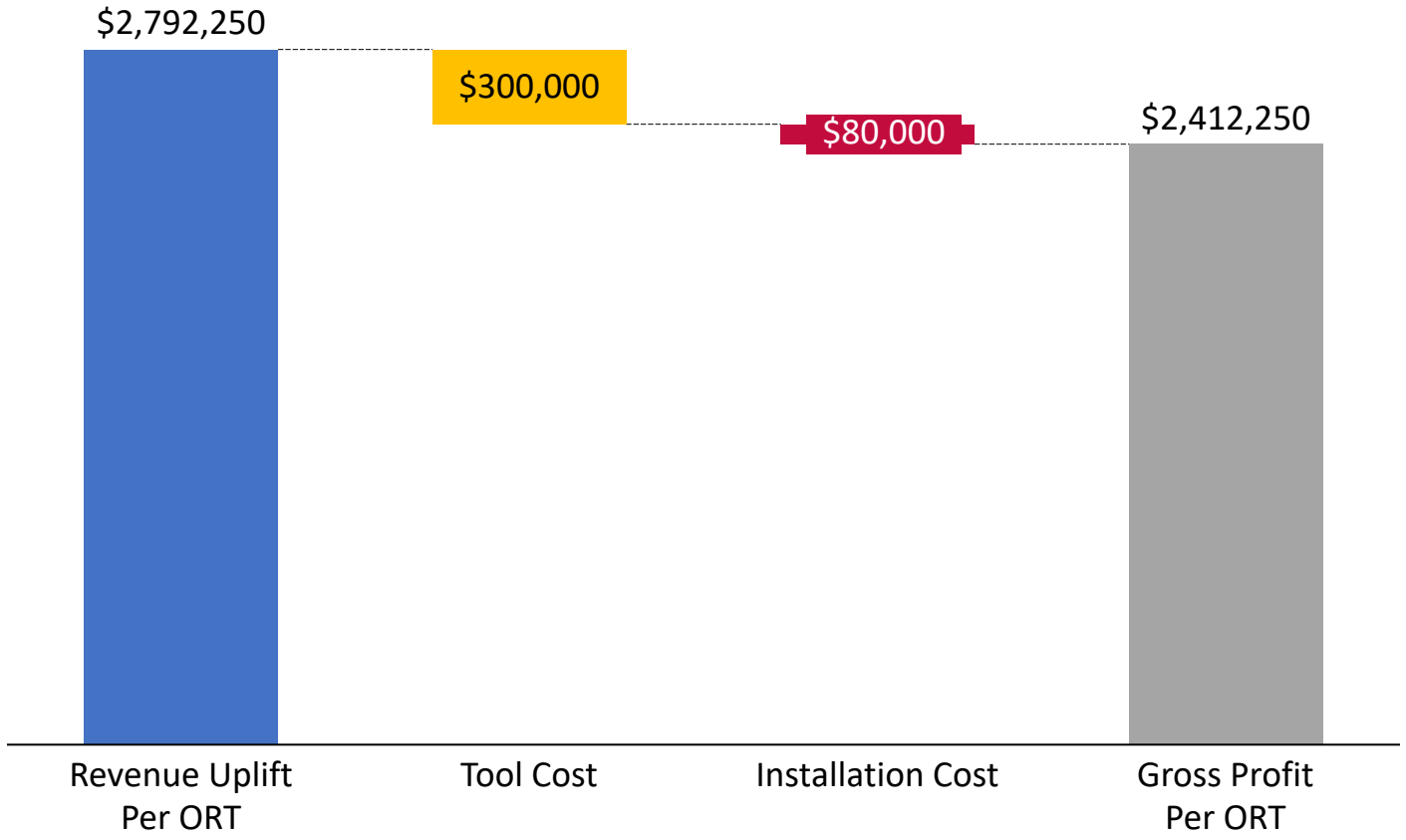
Permian Basin 2021/22: Oil Recovery Data



Source: HAI; E&P field production data from 08/05/2020 to 11/30/2022

A single ORT deployment has the potential to add about $1.4m in revenue per year from increased production in the field

Single Unit Economic Uplift from Increased Production (2-years)



Key Metrics	Assumption
Average Daily Production	5 bpd per well
Wells Within Response Area	30 wells
Average Uplift	30%
WTI Price	$85

Source: HAI; Pickering Energy Partners

The ORT produces The Greenest Barrel™

Environmental Impact of ORT Compared to New Drilling		
Sustained production of 100,000 barrels of oil per day over 10 years		
	ORT (2500 Devices)	**New Drilling (1150 Wells)**
Land	No additional impact	950 acres of specific surface disturbance over 190 square miles
Air	0.015 CO_2e tons/barrel	0.040 CO_2e tons/barrel
Water	No additional impact	17 billion gallons

Source: HAI analysis based on OPGEE model v3.0b, released May 14th, 2022

HAI's venturi meter is a cost-effective gateway to measurable performance improvements from oilfield AI

Venturi Meter Fundamentals:

- Combination venturi meter and capacitive sensor
- Detects water, oil, and gas flowing through device
- Plumbed into standard pump jack well piping
- Meter interfaces with automated pump controller

Source: HAI

Improved data acquisition leads to superior field optimization

- Provides daily data directly to production allocation software
- Cost-effective well level oil and water production rates
- Smart pump-off control
- Improve pumping well health & identify flowline issues
- Reduce fugitive emissions

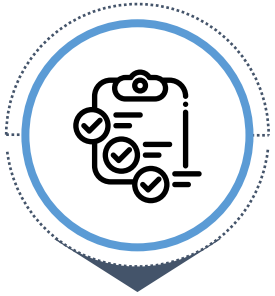
We can drive growth in a large market

Illustrative Example: US/Canada conventional Full Field Deployment Parameters & Assumptions

Conventional Wells US/Canada

600,000

wells



Wells Within HAI Parameters

300,000

wells

Number of ORTs Required[1]

10,000

ORT systems

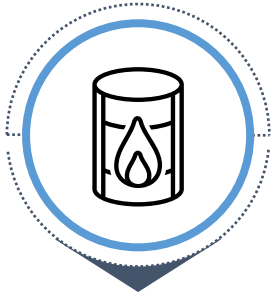
Average Daily Production Per Well

5

bpd

Average ORT Production Uplift

30%



Net Reserve Additions[2]

1,000,000,000

barrels

Daily Total Increased Production

450,000

bpd

Source: HAI

1. Assumes each ORT covers 1 mile radius and 30 active wells
2. 10-year timeframe

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