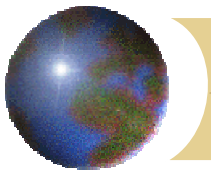


*EOR – CO₂ Sequestration:
Mating Vent Stack CO₂ with
Enhanced Oil Recovery Projects*

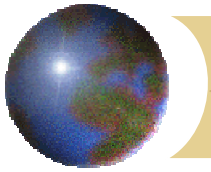


CO₂ Vent Projects: “Connect-the-Dots”

- ✚ Value Premise: Incremental Crude Oil / Emission Reductions

- ✚ Buyer's Qualification
 - How big is the target?
 - Financial, Operational and Technical Capacity

- ✚ Supplier's Qualification
 - Reliability
 - Quality of CO₂
 - Cost of CO₂



What Makes an Ideal EOR CO₂ Buyer?

⊕ Target Size

- Individual OOIP
- Aggregate OOIP

⊕ Operational and Technical Skills

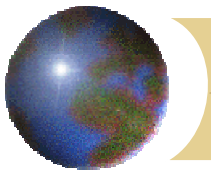
- Secondary Flood Experience

⊕ Financial Resources

- Equity, Debt

⊕ Sound Reserve Characteristics

- A Good Water Flood



*What Makes an **Ideal EOR CO₂** Supplier?*

✚ Reliability of Supply

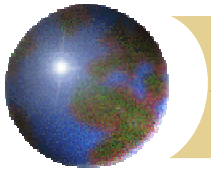
- Reserves
- Consistent Deliverability

✚ CO₂ Quality

- Consistent Specifications

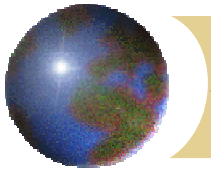
✚ Cost Effective CO₂

- Vent Alternative Value
- Redundant Equipment, Utilities, Operations, Services



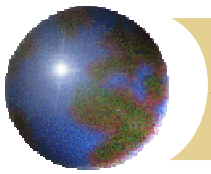
Relationship of the Parties

- ⊕ The Fundamentals - CO₂ and EOR Link
- ⊕ Purchaser - Risk and Limited Exposure
- ⊕ Supplier - Risk and Limited Exposure
- ⊕ Transporter - “Left Holding the Pipe”



Typical Terms and Conditions

- ⊕ Term and Termination
- ⊕ Quantity
- ⊕ Quality
- ⊕ Price
- ⊕ Take or Pay (risk sharing or transfer)
- ⊕ Measurement



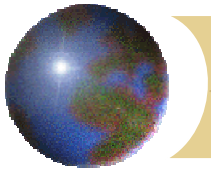
Connecting the Dots: The CO₂ Contract

✚ Typical to EOR:

- ✚ Quality of CO₂
- ✚ Quantity of CO₂
- ✚ Pricing Mechanisms
- ✚ Term & Termination
- ✚ Measurement
- ✚ Custody & Title to CO₂

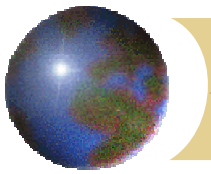
✚ Unique to Vent CO₂:

- ✚ Economic Termination
 - For the Buyer
 - For the Seller
- ✚ Supplier's Operational Performance
- ✚ Title to ERCs



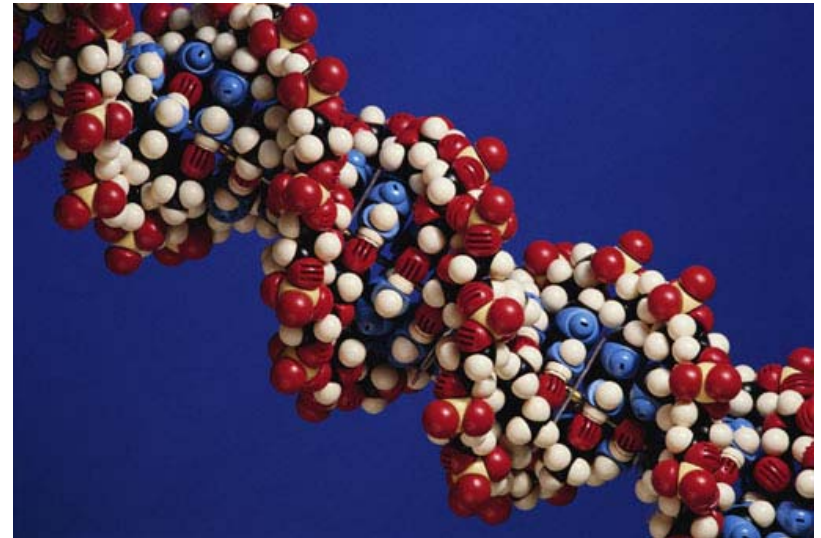
Term and Termination

- ⊕ Start of Deliveries
- ⊕ 5 to 20 Year Terms
- ⊕ Special Termination Privileges
- ⊕ Spot Sales

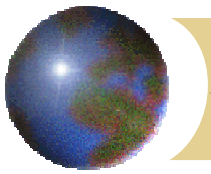


Quality

- ⊕ Purity
- ⊕ Oxygen
- ⊕ Water
- ⊕ Hydrocarbons
- ⊕ Hydrogen Sulfide

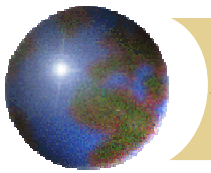


This is not a CO₂ Molecule



Price and Pricing Concepts

- ⊕ Cents per MCF Ranges
- ⊕ Adjusted with Crude Oil Values
- ⊕ Adjusted with Inflation Indexes
- ⊕ Floor and Ceiling Relationships
- ⊕ Ramp Pricing
- ⊕ CO₂ for Crude



Measurement

- ⊕ Delivery Point
- ⊕ Custody/Title Meters and Allocation Meters
- ⊕ Verification / Monitoring for ghg ERC