

27 January 2023

## **Update on HCD Multi-Flow in Gulf of Mexico Trial**

As reported in our 1 July 2022 announcement, and updated in our September 2022 Quarterly Activities Report, Hydrocarbon Dynamics Limited (“HCD”) announced that a mid-cap producer in the Gulf of Mexico took delivery of 8 x 55-gallon drums of HCD Multi-Flow to test the chemical’s ability to mitigate paraffin deposits in a subsea pipeline causing high pressures and restricting crude oil flow. Crude oil was pumped through the subsea pipeline for only 1 hour per day followed by 23 hours of downtime. This intermittent operation is an atypical application for HCD technology and the current treatment regimens had proven ineffective.

HCD Multi-Flow did not reduce the overall pipeline pressure but did allow the producer to maintain the crude oil flowrate at or above the stated minimum. Although this did not become a continuous application, the ability to maintain the crude oil flowrate, without addition of aromatic solvent, was seen as very encouraging. The producer subsequently started injecting HCD Multi-Flow on a continuous flowing offshore well on 12 January 2023. The purpose of this trial is to reduce the paraffin buildup in the production tubing between wax cuttings on this 500 bopd well. The trial is scheduled to run for 90 days.

The producer has also taken receipt of one, 350 gallon IBC tote tank of HCD Multi-Flow to be applied at a second offshore platform for production tubing paraffin remediation and inhibition. This well is so waxy that it must be paraffin cut every four hours to maintain production, notwithstanding the incumbent chemical treatment. This will provide a good challenge for our technology.

We anticipate that success will result in a continuous application and provide opportunity to expand our position with this producer as well as others in the Gulf of Mexico.

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