

KAIROS

ENERGY SERVICES

Increasing the Longevity of Unconventional Production

Michael Lantz, co-founder and CEO

www.kairosenergyservices.com

Confidential

Kairos Energy Services Overview

- The Business
- Founded in 2020, KES, LLC is a pre-seed company that strives to be the leader in downhole remediation and production enhancement
- The Problem
- 50,000+ existing U.S. unconventional wells with limited options to improve production and profitability
- The Solution
- Our technology is a patent pending rigless chemical process that removes damage and increases hydrocarbon production
 - First trial and revenue in Q4 2020 which is showing a 40% improvement in oil production and payback in less than 3 months
- Structure
- KES focused on technology development and market capture
 - KES partnered with Finoric, LLC for manufacturing and logistics

Leadership



Michael Lantz
co-founder & CEO



Tom Burghart
co-founder & COO



Ambrish Kamdar
co-founder & CEO at Finoric



Ralph Nelms, P.E.
Technical Advisor

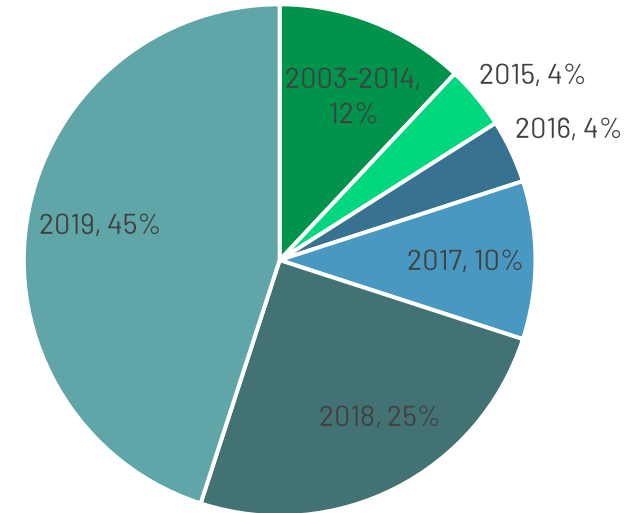
Strong leadership and technical experience including chemistry optimization, reservoir / production engineering, logistics, and operations

Optimization of mature unconventional wells could significantly improve E&P cashflow

- US Shale = Red Queen “It takes all the running you can do, to keep in the same place”¹
- Average terminal decline rates across unconventional assets 15%^{2,3}
- 2014-18: 50,000+ horizontal unconventional wells drilled in the US
- Lack of production enhancement techniques in the unconventional market
- Covid-19 has accelerated trend to improve O&G ROCE & ESG

There is a large opportunity to enhance production and cash flow from existing wells

60% of tight oil US production from wells with 2018-19 vintage²



Share of US oil production from wells grouped by year of first production

Current state of downhole production enhancement options

Low cost “Hail Mary” bullhead clean-outs

High-cost mechanical intervention clean-outs

High-cost, intensive EOR huff-n-puff: \$0.5 to 1.0 MM per well

Rigless Production Enhancement Technology

Remediates damage and increases fracture conductivity



Proprietary candidate selection process

Candidates may include:

- Downhole damage & low frac conductivity
- Frac hit remediation
- Improving fracture protects
- Lost production from shut-ins



Remediate multiple damage mechanisms

- Lab customizes chemistry using field fluids
- Identify chemistry solutions that are formation specific
- Develop & utilize green chemistry



Treatment design

- Staged treatment approach with the volume based on original frac job
- Pair chemistry with specialty biodegradable diverter to maximize coverage along the lateral



Treatment execution

- No need to pull the pump
- Through our partners, we provide fit for purpose pumping equipment



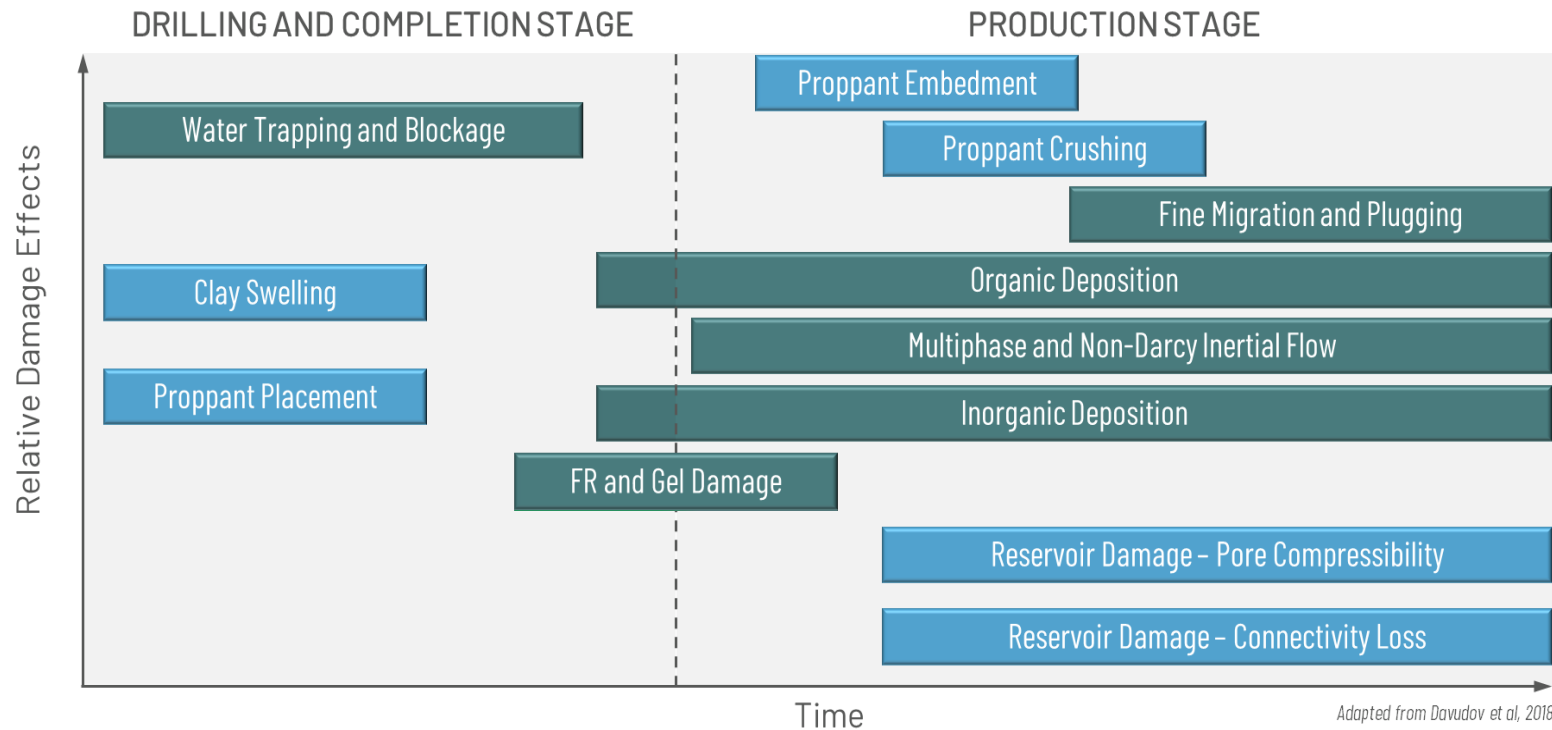
Performance and profitability

- Payback in less than 6 months
- MOIC >3x
- Post-treatment monitoring and value demonstration

The innovation is in getting the right chemistry where it needs to go, economically

Multiple products to address various damage mechanisms

Through our proprietary damage identification process we identify and optimize chemistry to remediate these common damage mechanisms

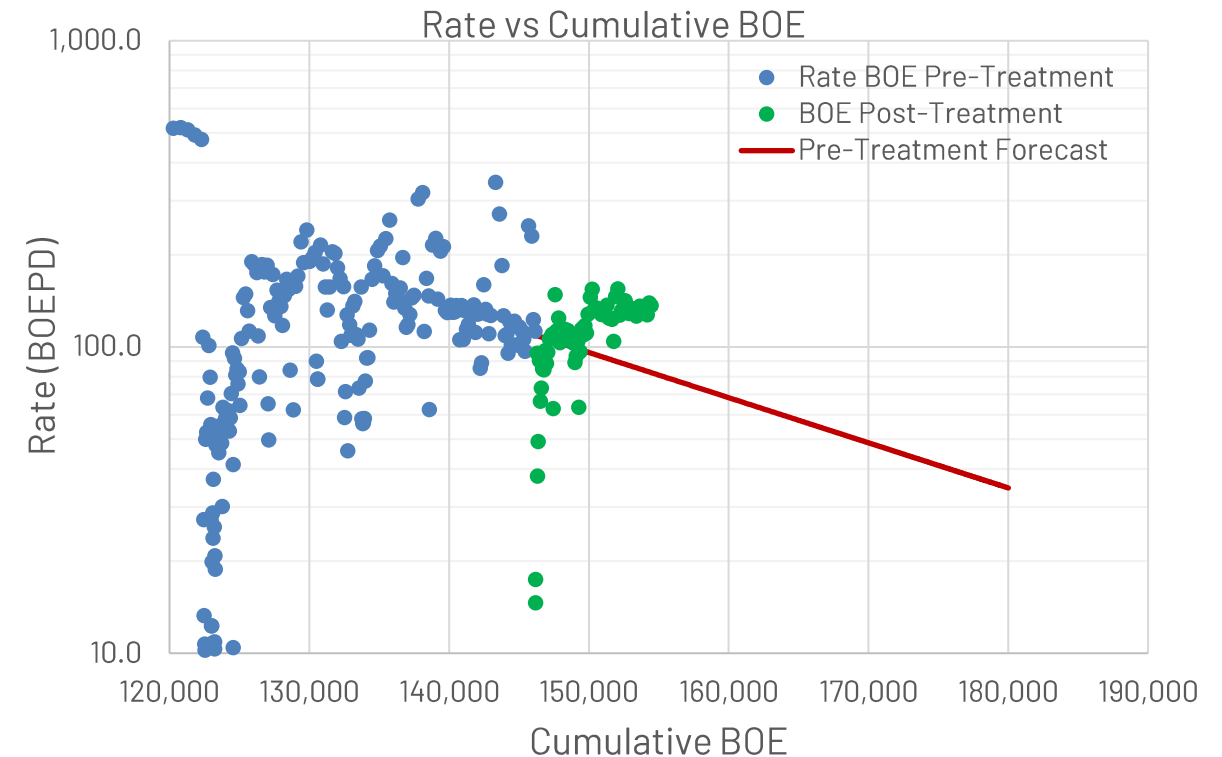
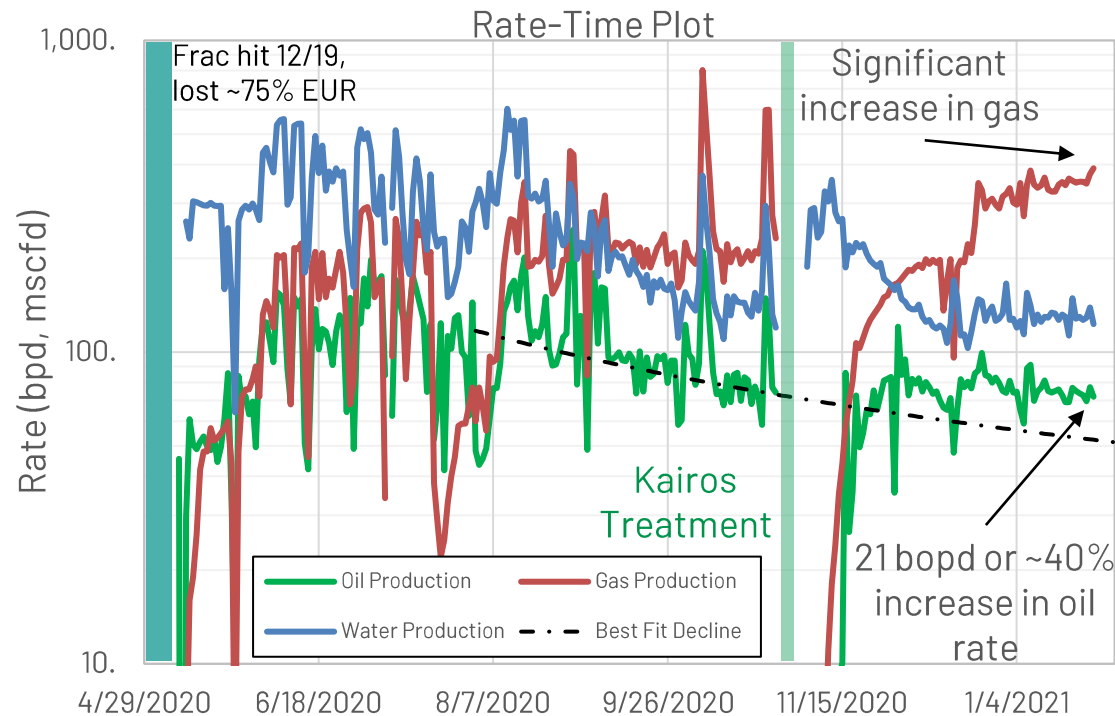


- Numerous studies have shown fracture conductivity is routinely damaged 50-90%^{1,2}
- Even small improvements in fracture conductivity will result in large production improvement

Kairos has products that address these highlighted damage mechanisms

Eagle Ford: Kairos' first trial is showing a 40% increase in oil rate and added reserves

- ✓ Injected first treatment with no HSE events and hit our injection pressure targets validating diverter efficiency
- ✓ Oil rate is up 40% over the decline and increase in EUR
- ✓ Payback in less than 3 months



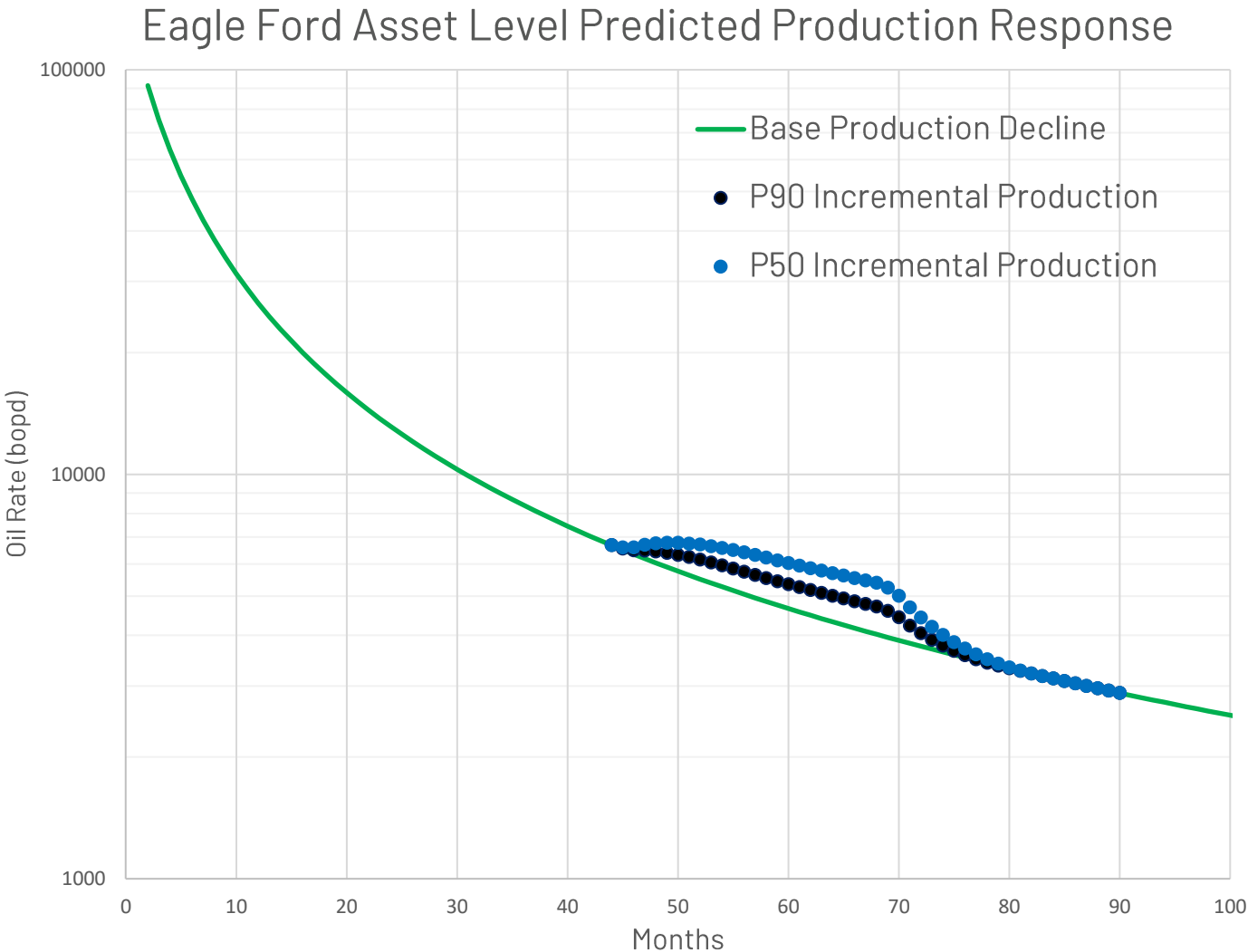
Kairos' approach adds an additional \$10-28 MM in PV10 to your asset

A look at the impact at the asset level

	Results	
	P90	P50
Incremental Oil (bbl)	503,000	1,004,300
Max Incr. Rate (bopd)	690	1,377
NPV10	\$10.3 MM	\$27.6 MM
IRR	314%	628%

Assumptions

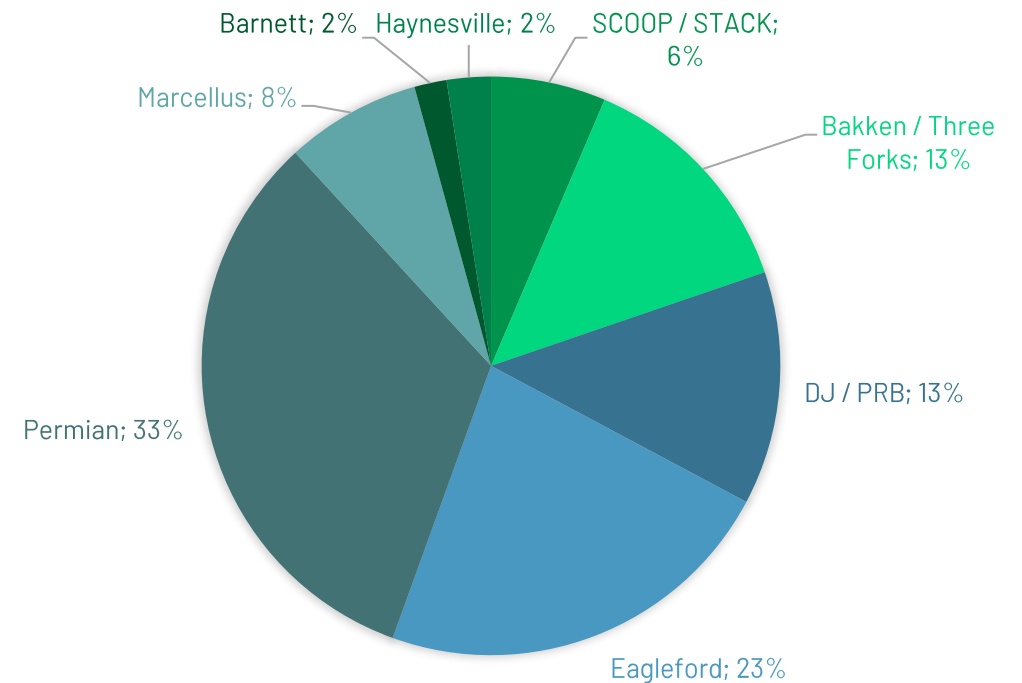
- 284 Eagle Ford wells 2017-18
- 1/3 are candidates = 94 wells
- 4 well treatments / month
- Total program cost = \$8.0 MM
- Oil price = \$40/bbl



We estimate this to be a >\$0.75 billion market

- Targeting wells that are ~2-6 years old
- 88% are in “oily” plays
- Of 50,000+ wells, on average 33% are candidates
- Market size \$0.75 to \$1.0 B

of US Unconventional Horizontal Wells with 1st Production 2014-2018¹



50,043 unconventional horizontal wells completed between 2014-18

Growth

Acquire customers, strategic partners, and seed funding

\$0.5 MM seed investment to accelerate technology development and execute 25 treatments

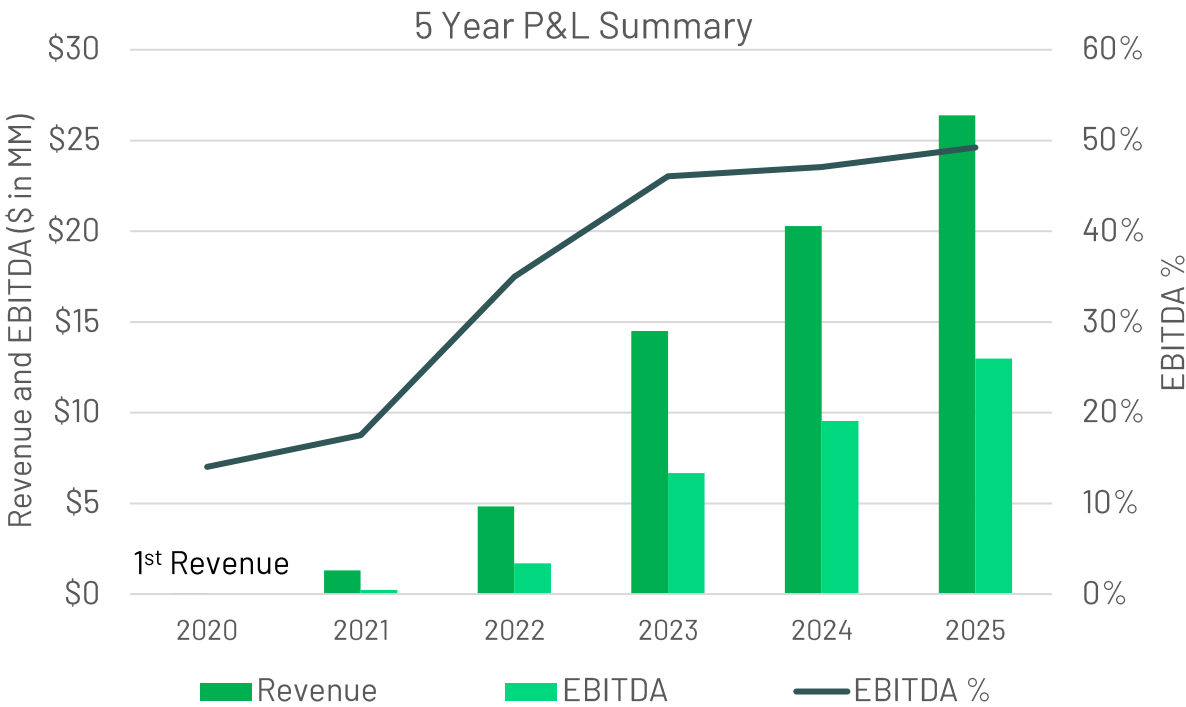
Investment to fund 12 months of operation

Item
Sr Chemist Add
Contract lab & Eng. Work
IT / Software
BD & Management
Chem add trailer
Legal & Insurance

2021 KPIS

- 25 treatments
- 3 basins
- Refine treatment economics and technical model
- EBITDA > 10%

Strong revenue growth and margin potential from production enhancement, rapid ROI technologies



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For questions or inquiries please contact Michael Lantz

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