

13 September 2021

Cooper Basin Trial Update

Hydrocarbon Dynamics Limited's ("HCD") has received preliminary feedback from the field trial with a large Australian oil & gas producer in the Cooper Basin. The paid trial consists of three separate treatments to remediate and inhibit the debilitating effects of paraffin deposition in oil tanks, wells, and flowlines using HCD Multi-Flow.

Results through to August 26th, including the coldest winter months, indicate that since the introduction of HCD Multi-Flow the operator has reported exceptional improvements in well performance, cleaner flow lines and no additional build-up of sludge in the tanks.

HCD Multi-Flow has been treating three 'trouble' wells since the first week of June. In prior years, these wells consistently suffered from shut-ins with subsequent lost production due to high pressure trips from flowline paraffin plugging during the coldest times of the year. Since the continuous injection of HCD Multi-Flow the wells have not experienced a single shut-in due to high pressure from wax deposition. Similar wells that are not part of the pilot test and that are treated with the incumbent chemical company's paraffin treatment chemistries continue to experience frequent shut-ins and lost production due to paraffin plugging.

Additionally, a little over half of the total produced crude oil is being treated with HCD Multi-Flow into the inlet of two production crude tanks. These tanks discharge into the export crude line. The operations team downstream of this treatment have indicated that the pipeline pigs have significantly less wax build-up compared to pre HCD Multi-Flow treatment. A picture shared with HCD management showed the pig to be virtually clean.

The operator has reported that there has been a reduced rate of build-up of sludge in the two production tanks which had significant sludge levels prior to the start of HCD's treatment programme. HCD believe that the application of HCD Multi-Flow has slowed down further sludge build-up and has recommended to the operator that they slowly increase injection of HCD Multi-flow to clean up existing sludge before returning to maintenance dosage.

The trial will utilise approximately A\$75,000 of HCD Multi-Flow product and is expected to conclude in October. Success will likely lead to expansion of the treatment scope for ongoing operations as well as open up other opportunities in the region.

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