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Continued Success in Western Canada Pilot Leads to Repeat Order

Further to the announcement on 29 July 2020, Hydrocarbon Dynamics Limited (“HCD”) announces that it has received a repeat order from one of its new distributors in Western Canada associated with a trial in Alberta. The pilot is with a midcap Canadian oil and gas producer that wanted to remediate and inhibit paraffin deposition issues plaguing wells and flowlines by using HCD Multi-Flow[®].

The trial was expanded in late July after positive results on a total of 15 wells.

The distributor has reported the following results for the project:

- Production increased an average of ~13% across all wells
- Operating cost reduction projected to be >\$0.50/ BOE
- Significant reduction in quantity of chemical used (250ppm vs. ~1,250ppm)
- Hot oiling has not been needed since Multi-Flow[®] applied
- Extended the time between solvent soaks
- Reduced frequency of pigging - ‘pigs have never looked cleaner’
- Ceased need for demulsifier

The distributor has placed an order for a further ~A\$80,000 of product, largely to continue treatment at the project discussed above. Continued success will improve the likelihood of both ongoing sales for this application as well as securing trials and sales to this producer in a larger producing field.

Additional product was ordered by the distributor in anticipation of being awarded several new trials in Canada. Should the distributor be awarded any of these new trials, HCD will inform the market.

The early success in the current trial is a direct result of the new strategy and distributorship business model adopted by HCD and implemented by our new Chemical Division CEO, Bill Tarantino.

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