

# *The* Energy Venture Investment *Summit*



THURSDAY, FEBRUARY 17  
1:30 PM (MT)

# AUREUS



**NABORS**

**HAYNES BOONE**



MOSSADAMS



City of  
Golden





YOUR ENVIRONMENTAL SOLUTION

February 17th, 2022

*The Energy Venture Investment Summit*



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The Presentation contains statements and information that, to the extent that they are not historical fact, may constitute "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information may include financial and other projections, as well as statements regarding future plans, objectives or economic performance, or the assumptions underlying any of the foregoing. This Presentation uses words such as "could", "would", "will", "intend", "project", "expect", "plan", "target", "estimate", "assume", "believe" and other similar expressions to identify forward-looking information. Examples of such statements include, but are not limited to, statements with respect to: the business objectives and strategies of Aureus; the expected performance of Aureus's business and financial results; the terms and use of proceeds of the proposed offering; Aureus' 2021F, 2022F and 2023F Revenue and EBITA, including the breakdown thereof; Aureus' expected field margins; U.S. market potential and growth projections; forecast water usage and pricing; Aureus' future service offerings; anticipated global ESG trends; expectations regarding Aureus' ability to raise capital; the prospective terms and conditions of the prospective equity investors, including the terms of the equity raise; and expected results and performance characteristics of Aureus' equipment.

Forward-looking information contained in this Presentation is based on the reasonable assumptions, estimates, analysis and opinions of management of Aureus made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The material factors and assumptions used to develop the forward-looking statements contained in this Presentation include, but are not limited to, the ability of Aureus to execute on its business plan, Aureus' outlook regarding future demand for oil and natural gas and Aureus' ability to secure financing.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Aureus to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information, including risks relating to the future business plans of Aureus the impact of general economic conditions, industry conditions governmental regulation, volatility of commodity prices, environmental risks, competition from other industry participants and fluctuation in foreign exchange or interest rates. Readers are cautioned that the foregoing list is not exhaustive. Accordingly, readers should not place undue reliance on any such forward-looking information. Further, any forward-looking statement speaks only as of the date on which such statement is made. New factors emerge from time-to-time, and it is not possible for Aureus' management to predict all of such factors and to assess in advance the impact of each such factor on Aureus' business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

This Presentation also contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Aureus' prospective results of operations including, without limitation, Aureus' 2021F, 2022F and 2023F Revenue and EBITA, including the breakdown thereof; Aureus' expected field margins, which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on FOFI. Aureus' actual results, performance or achievement could differ materially from those expressed in, or implied by, these FOFI, or if any of them do so, what benefits Aureus will derive therefrom. Aureus has included the FOFI in order to provide readers with a more complete perspective on Aureus' future operations and such information may not be appropriate for other purposes.

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# WATER DISPOSAL HITTING HEADLINES



REUTERS

“Top Texas shale producers hit by quake-driven well disposal closures – Rystad *(Jan 6, 2022)*



“Texas Clampdown On Disposal Wells Hits Oil Producers *(Jan 7, 2022)*

JD&SUPRA®

“New Mexico’s Oil & Gas Industry Faces Opposition With Potential Ban On Freshwater Use *(Feb 4, 2021)*



“Railroad Commission suspends deep well water disposal near Midland after earthquakes *(Jan 3, 2022)*

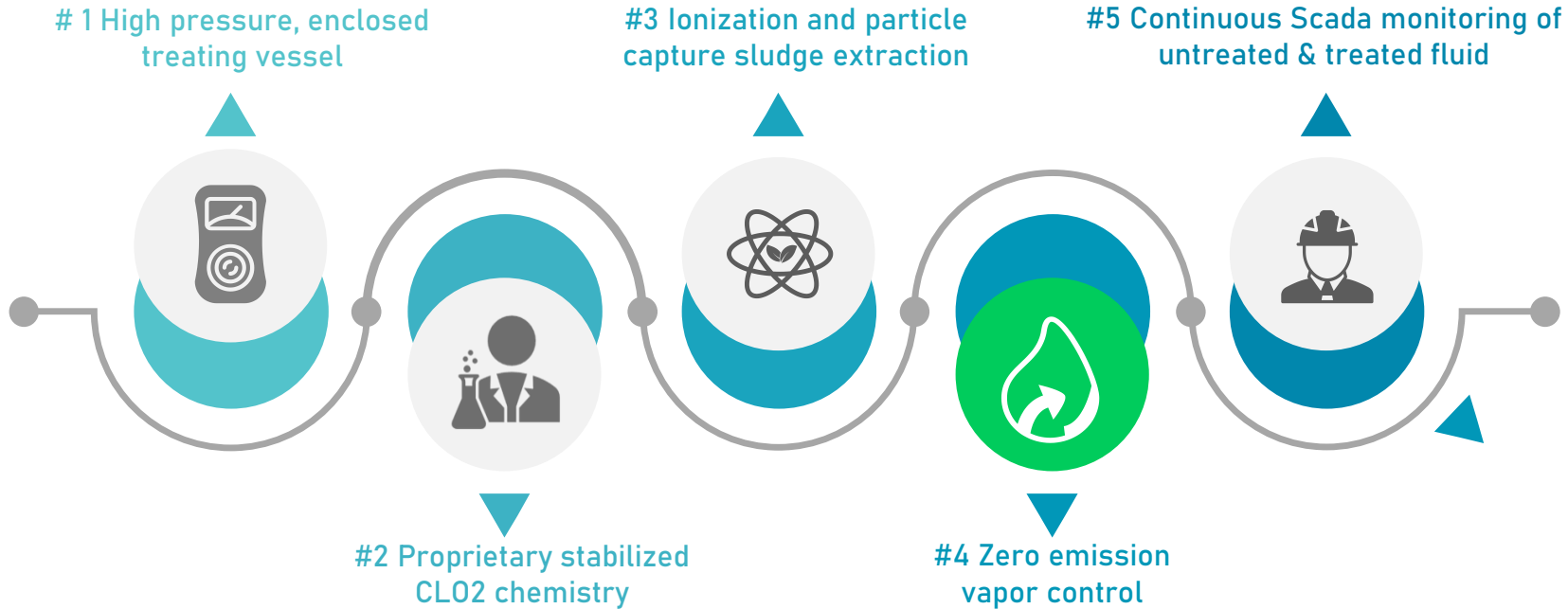


OUR TECHNOLOGY IS CHANGING  
HOW OUR CUSTOMERS VIEW  
PRODUCED WATER

Aureus' proprietary technology can **reduce water handling costs by up to 50%**, while delivering the most **environmentally-sustainable** water recycling solutions

# PATENTED & PROPRIETARY TECHNOLOGY

Proprietary Zero Atmospheric Technology – 10+ years of proven operations in Canada



# HOW AUREUS IS CHANGING THE GAME



## CURRENT INDUSTRY PRACTICE

- E&P's have to source fresh water for frac
  - Cost US\$0.40-1.00/bbl
- Every barrel of water is single use; water from frac flow back and production to disposal
  - Cost varies between US\$0.40-0.60/bbl
- Current recycle practice: dilute produced water with fresh water and treat
  - Typical oil field service model US\$0.20-0.25/bbl revenue potential – “only touched the barrel once”



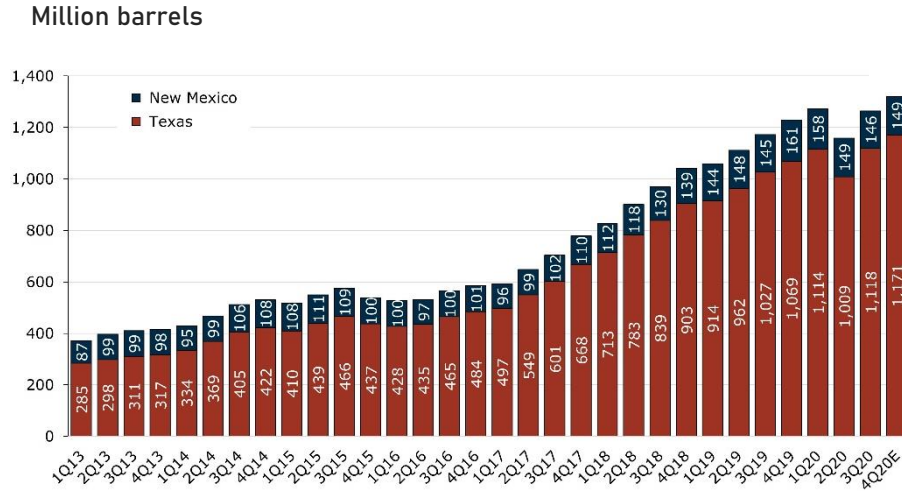
## AUREUS PATENTED TECHNOLOGY

- ✓ Aureus can treat and **recycle** water production and flow-back “on the fly”
- ✓ Aureus technology can **recycle** every barrel of water without the need to add fresh water
- ✓ Infrastructure built **Recycle Hubs** will allow Aureus to touch each barrel of water multiple times
- ✓ By **recycling** water for re-use, Aureus has proven customers can save 25-50% on their water handling costs



# MARKET OPPORTUNITY IS NOW

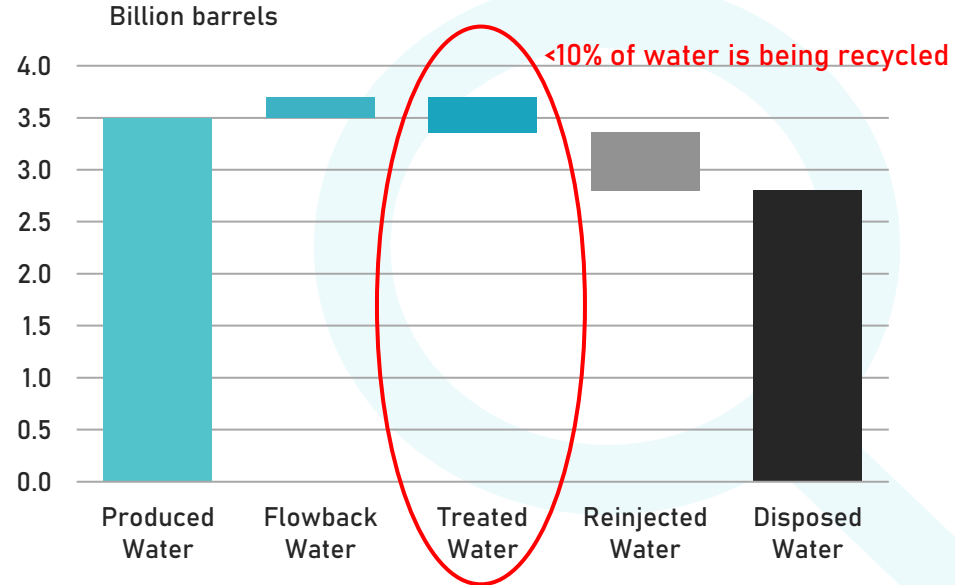
## Permian Basin Water Disposal Hits All Time High



\*excludes underground injection for enhanced recovery purposes

- Frac water volumes per well have more than doubled in the last 5 years
- Federal regulations stricter than ever on water disposal

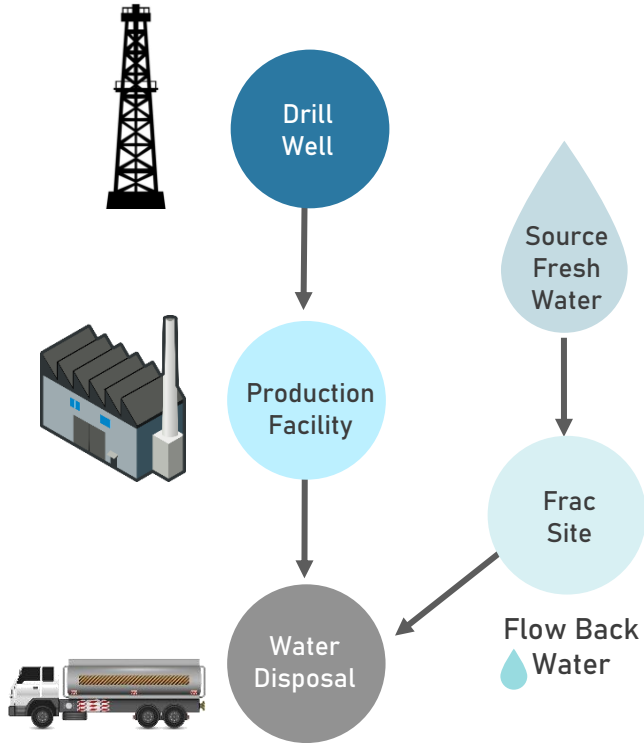
## 2021 Permian: Water Management Market



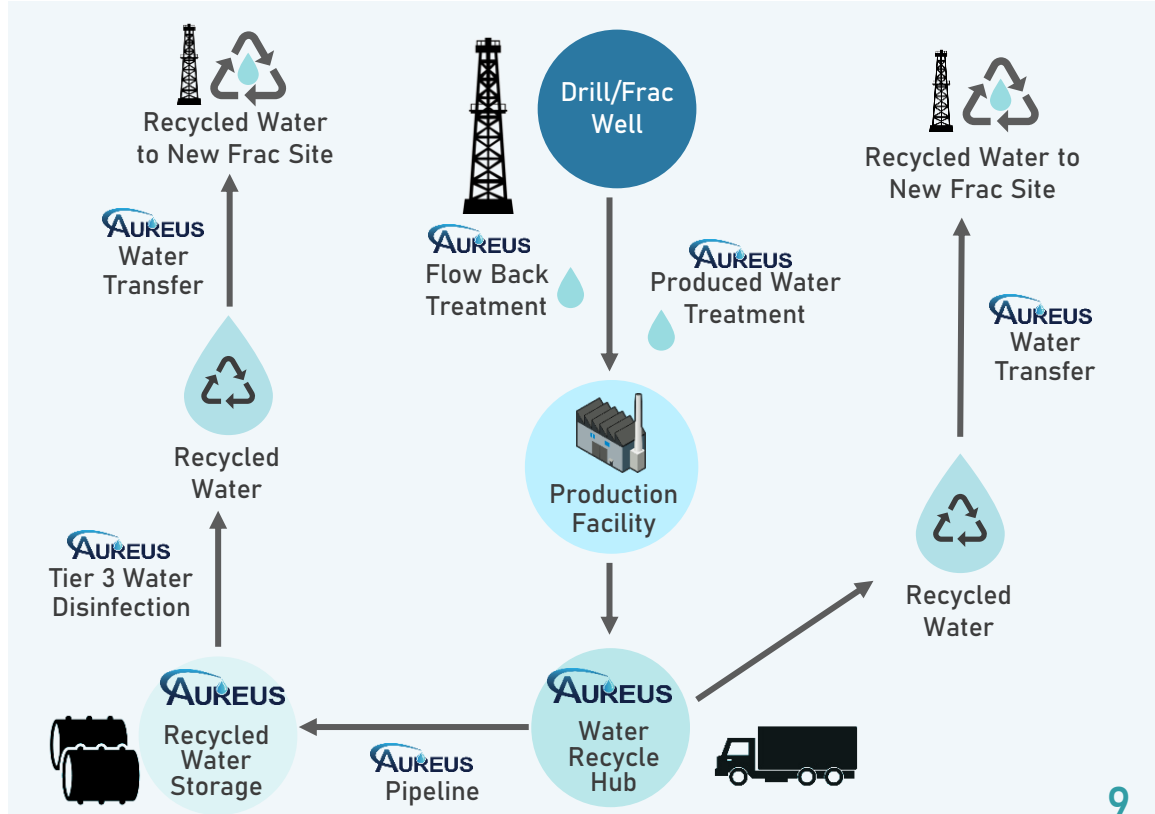
- Produced water volumes will continue to rise
- 4,500 well fracs requires over 2 billion barrels of water in 2021

# OPTIMIZING WATER RECYCLING

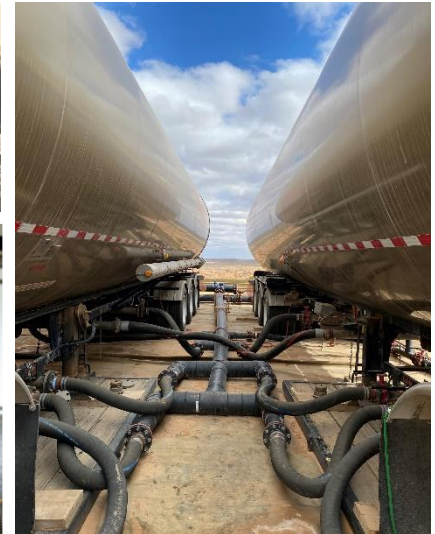
## CURRENT INDUSTRY PRACTICE



## AUREUS TECHNOLOGY CAPABILITY



# BUILDING INFRASTRUCTURE IN THE PERMIAN



*Aureus has current water recycling capacity of ~500,000 bbls/d growing to a targeted more than 1.2 million bbls/d by year end 2022*

# WE LIVE BY OUR MISSION, VISION & VALUES

## MISSION

We are an ESG-focused water management company using sustainable and disruptive technologies, providing innovative solutions and delivering superior execution by our talented team of professionals.

## VISION

To be the best in all we do and be the gold standard by which all others are measured.

## VALUES

- Safety: Staying safe is our first priority
- Ethics: Doing the right thing
- Commitment: Being here to stay
- Excellence: Exceeding expectations
- Innovation: Improving our business continually
- Community: Serving our communities



# LEADERSHIP

## JASON TOCHENIUK



PRESIDENT & CEO

Since co-founding Aureus in 2011, Mr. Tocheniuk successfully executed a management buyout in 2014, closed Aureus' first private placement in 2018, expanded operations into the US and most recently completed the acquisition of a technology-based fluid treatment company, Amperage Energy. Mr. Tocheniuk has 20 years of experience in the oil and gas sector ranging from consulting for large producers to working in the service industry.

## RON HOZJAN



VP FINANCE & CFO

Mr. Hozjan, CPA joined Aureus in Jan. 2020 bringing >30 years of O&G experience, >20 as a senior financial officer, primarily with public companies. He has successfully grown several energy companies from start-up to mid-cap size. His strengths are capital markets, finance and accounting, M&A, internal controls and all facets of public company reporting. His strong communication skills are an asset both externally and within the internal operations group.

## JEFF TAYLOR



VP OPERATIONS-CANADA

Mr. Taylor joined Aureus in 2015 and came with a decade of experience working in leadership and supervisory roles on the completions side of the service industry. He is a leader who engages with staff on all levels and encourages communication across all divisions within the company. His efforts focus on building a great corporate culture, and a commitment to safety and execution. He has a strong ability to communicate with clients and translate their problems into solutions.

## JASON CURRENT



VP OPERATIONS - U.S.

Mr. Current joined Aureus in July, 2021 with a BS in Business Management and Construction Management Cert. from Utah Valley University. He has >10 years of water management experience & 25 years of business experience. He has been a successful entrepreneur growing businesses with strong emphasis on implementation of processes & cost controls. He has led successful water treatment, sourcing & transfer teams plus worked in design, planning and building of underground pipelines, recycle facilities & storage infrastructure.

## TIM GABEL



VP WATER TREATMENT

Mr. Gabel joined Aureus in March, 2021 with >30 years of experience in oilfield services in Texas. He has a BS in Engineering and started his career in 1990 with Halliburton, spending 14 years there concluding in the Multi-Chem division. He became an entrepreneur, co-founding 3-CHEM in 2010 and most recently spent the last 6 years with Swiftwater, a TETRA Co. in Midland, TX. He is an innovator, with strengths developing technical marketing strategies, reducing costs & driving sales.

# ABOUT AUREUS



10-year history as a **pioneer and industry leader** in ESG-focused solutions for low-cost water management, treatment and recycling



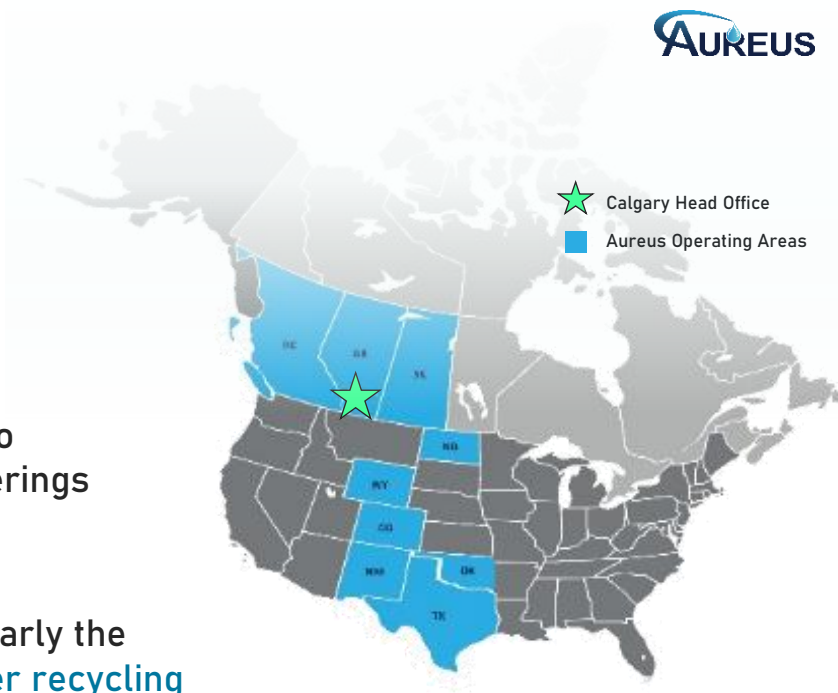
Extensive **patented technologies** and commitment to **continuous innovation** support superior service offerings and a competitive advantage



Delivering solutions **across North America**, particularly the **Permian Basin**, with the most **state-of-the-art water recycling** facility in that basin



Excellent management team brings deep **expertise in water management**, O&G, and capital markets, with a solid **track record of building successful companies**



## CHANGING HOW CUSTOMERS VIEW THEIR PRODUCED WATER

# STRATEGICALLY ALIGNED WITH RAPIDLY DEVELOPING GLOBAL ESG TRENDS



## Global ESG Trends

### Environment, Sustainability, Governance: ESG Investment

Over \$11 Trillion dollars has been invested in ESG modelled public and private companies, making it one of the biggest asset classes that capital is flowing into.

### Resource Sustainability

Water is quickly becoming one of the most critical and important global commodities.

### Basin Infrastructure Development

US oil production & growth over the last several years has enhanced demand for water transfer, treatment and storage needs in key basins (Permian, Marcellus).

LNG development in Canada is a potential opportunity to increase Aureus integrated service offerings.

## Aureus Adapts to Global ESG Trends

Aureus has been built on the foundation of the ESG principles. Positively impacting the environment by reducing emissions and preserving fresh water, and a commitment to best practices corporate governance.

Aureus's proprietary mechanical treating process preserves fresh water and allows customers to re-use produced water that will support the sustainability of the worlds most precious resource.

Aureus is ready to buildout key infrastructure assets to integrate treatment, recycling, and re-use of produced water. Complementary Heating and transfer services deployed upon customer requirement.

## FULL CYCLE WATER MANAGEMENT CAPABILITIES



### Treatment & Water Recycling



Produced and frac water treatment and reuse, recycling and on-the-fly disinfection



### Frac Water Heating



Industry leading Bi-Fuel compact fluid heating skids utilizing NG as primary fuel source for large scale emission reductions utilizing SCADA<sup>1</sup>



### Sour Fluid Treatment



Socially responsible H<sub>2</sub>S removal (zero odour and zero emissions); high rate / high ZA<sup>2</sup> treatment and AUXIDE™ treatment



### Produced Water Storage

Several options including AquaStacker, Whale Tanks and C-Ring storage tanks



### Water Transfer



State of the art VTSCADA<sup>1</sup> offering an innovative solution for fully autonomous water transfer operations



### Hot Oiling

One of the largest hot oiling and high-pressure pumping fleets in Alberta

Note: Detailed information is available on Aureus' website: <https://aureusenergy.com>.

1. Supervisory control and data acquisition ("SCADA"). 2. Zero Atmosphere ("ZA").



# ENVIRONMENTAL IMPACT & SAFETY COMMITMENT

Aureus is committed to conducting business safely and to continually improve its policies, procedures and practices. Company policies are designed to meet and / or exceed all government regulations and oil and gas recommended practices.

## Certifications, Programs & Subscriptions



Extensive HSE  
Program



Avetta Global Supply Chain  
Risk Management



Subscription to  
ISNetwork



Subscription to  
ComplyWorks



National Institute for  
Occupational Safety and Health

## Frac Water Heating: Substantially Reducing Emissions Since Inception

Aureus has significantly reduced emissions by  
burning clean natural gas

**-27%**

CO<sub>2</sub>  
Carbon Dioxide Emissions

**-90%**

NO<sub>x</sub>  
Nitrogen Oxide Emissions

**-25%**

CO  
Carbon Monoxide Emissions

**-27%**

PM  
Particle Matter Emissions

**55,000**

Metric Tonnes of CO<sub>2</sub>  
Reduced emissions vs legacy carbon intensive fuels



# CONTACT US



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