



Founded and driven by the principles of positive environmental impact, sustainability, transparency, and diversity: TEO has positioned itself as a unique and environmentally clean energy tech pioneer and positive impact player aiming to transform the oil industry's impact on the global environment

ZERO Flaring. ZERO Venting.

What we do, makes a positive difference to the environment

Turning a harmful waste into a resource and a source of income...

while **other** E&Ps flare gas due to a "short-cutting" attitude, even when non venting and non-flaring economic options exist. Venting is actually more harmful than flaring, as CH₄ has 25 times more greenhouse effect than CO₂

TEO is as energy conscious as possible by:



Having gas lines which transport the gas directly to the purchaser



Capturing All the gas which is then used within the powering process of the well equipment, becoming as self sufficient as possible by reusing whatever resource byproducts



YOU CAN

ERADICATE FLARING  IN OIL FIELDS TOO

Forging our own path and leading by example to promote highest environmental standards: Zero flaring and Zero venting

- The US is the second largest contributor of greenhouse gas emissions. Any measure taken represents a great positive impact.
- Flaring is totally unproductive, and can be avoided far more easily than much of the other CO₂ and CH₄ emissions.
- The opportunity value of using the gas to generate electricity can be many multiples of the gas value itself.

Source: World Bank

CO₂ is not the only harmful emission

During operations E&Ps produce more natural gas than they can manage so unfortunately Flaring and Venting are a common practice in the oil industry.

Natural gas flaring is the controlled combustion of volatile hydrocarbons and venting is the direct release of natural gas into the atmosphere. While flaring is more common than venting, both of these activities routinely occur during oil and natural gas development as part of drilling, production, gathering, processing, and transportation operations.

Natural gas is a gaseous mixture of hydrocarbon compounds, the primary one being methane (CH₄). Methane causes 25 times as much damage to the Earth's atmosphere than carbon dioxide (CO₂).

If you take a 20-year time horizon, the ratio is closer to 80+ (i.e. Methane is 80 times more damaging than CO₂).

The rapid development of unconventional wells has brought outrageous proportions of Natural Gas, specially during drilling. While each producing region flares and vents gas for various reasons, the common argument and the most prevalent reason for ongoing flaring and venting is the lack of a direct market access for gas.

Unconscious economics dictate that:

- The more valuable oil be produced and the associated gas burned or vent to facilitate that production;
- Until transmission, storage, and delivery infrastructure improve in these newer or

expanding producing regions, flaring and venting will continue to represent environmental issues and lost market opportunities.

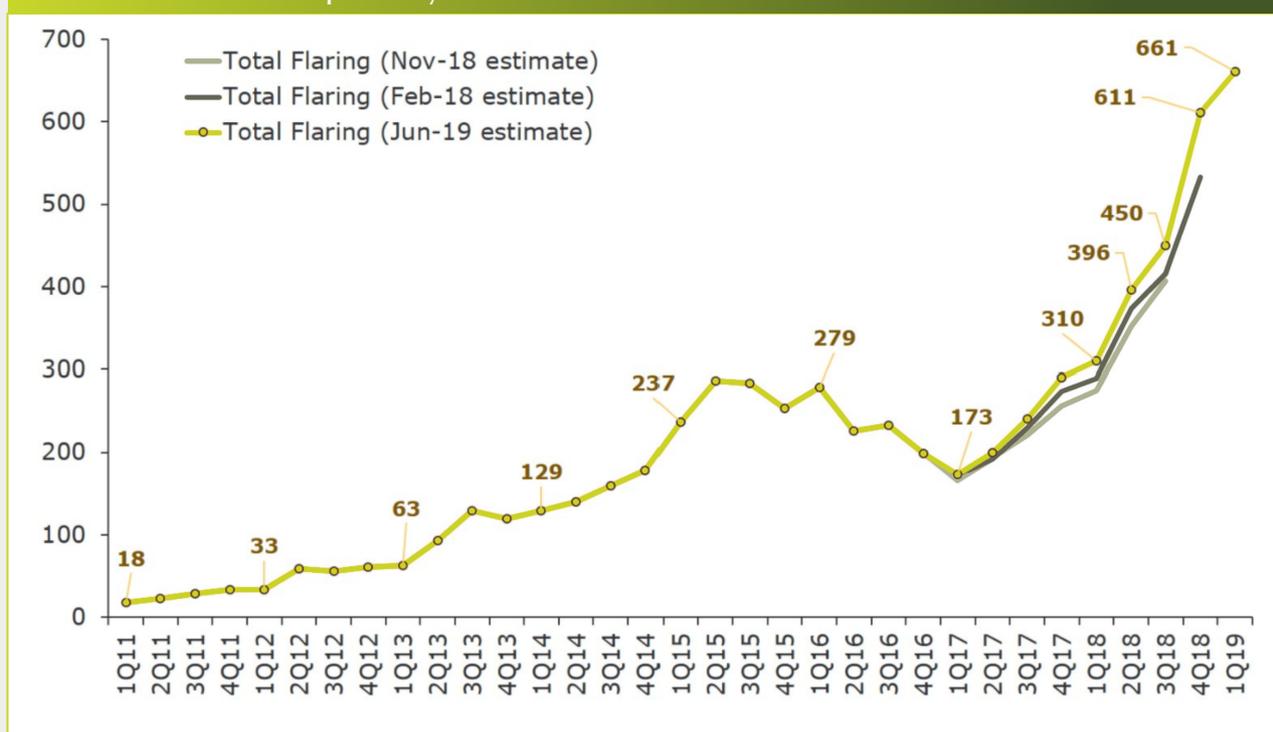
And excuses go on...

While there are commercial technologies available for capturing and monetizing gas instead of flaring it, companies have not universally embraced these options for reasons that include:

- (1) the value of the gas and/or gas liquids captured do not offset the capital and operating costs of the technologies;
- (2) as above mentioned company management believes that the problem will be resolved through infrastructure expansion and the investment in capture and utilization technology will quickly become obsolete; and
- (3) legal, regulated flaring is the least risky option and does not require learning how to apply new technologies or modifying existing contracts and operating practices.

Natural gas flaring and venting in the Permian Basin by quarter

Million cubic feet per day



Source: Rystad Energy research and analysis, Rystad Energy ShaleWellCube

Meanwhile....TEO: AT THE GREEN FOREFRONT

TEO's main goal is to demonstrate that Eco-Sustainable Oil and Gas Production is not only possible but will become a required standard.

Whilst the Company's annual production and reserves are relatively small in comparison with the larger better-known US operators within the Permian Basin, this does not diminish the commitments the Company made and achieved in operating with zero venting and zero flaring. Specially when TEO is at a tipping point, ready to escalate, transforming itself into a larger player as it is about to purchase a 3,700 boepd property.

Technology & Methodology used for ZERO FLARING and ZERO VENTING

TEO develops a suite of technologies and proprietary methodology to lower its carbon footprint. The Company aims to have the lowest carbon footprint per BOE produced of any producer in North America, and our results to date demonstrate our success and commitment in this area.

- Of particular relevance to this specific endeavor is the total elimination of venting and flaring across our various oilfields within the Permian Basin, in West Texas. This is achieved by using a combination of Gas Gathering Pipelines, Electrical Compressors, and Vapor Recovery Systems (VRU);
- VRUs send natural gas recovered to the sales pipeline which increases the facility's total volume of gas sold and reduce air pollution emissions since they recover vent gas that would be emitted to atmosphere or burned in a flare;
- Using VRUs to capture vent gas is reducing current and future risks and liability associated with greenhouse gas Greenhouse Gas Emissions (GHG).
These operations are intrinsically scalable, so although the Company BOE equivalent production is relatively low at 250,000 per annum, the Company can demonstrate not only its own success but can lead the way for others in the industry.

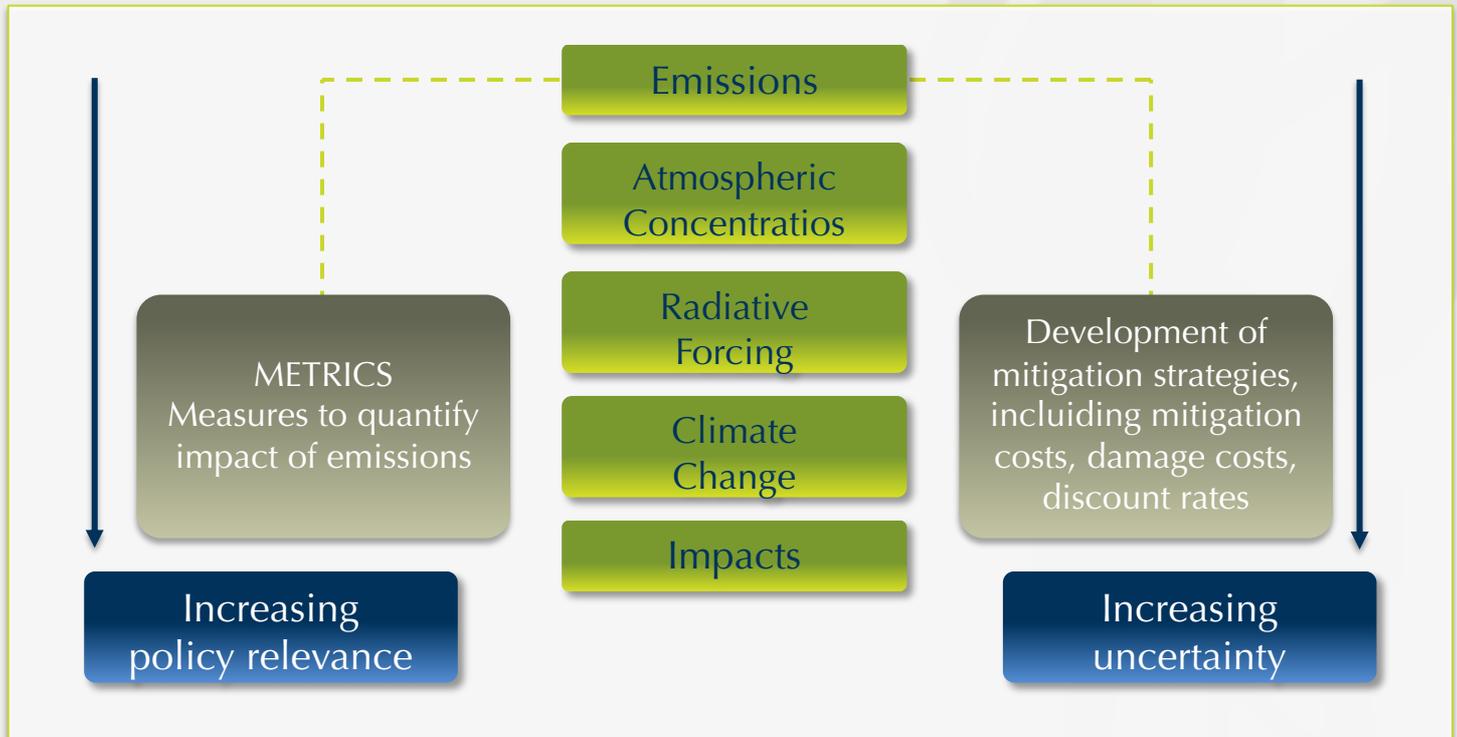
VENTING VS. FLARING: Addressing VENTING as a serious matter

While Flaring gets more attention, venting is a much more serious/ worse issue than flaring as venting can be 10 times more harmful than flaring. To put this in perspective, venting from the worldwide oil & gas industry generates the same order of magnitude of CO₂ emissions than the net emissions from a large developed country!

North America's Oil & Gas industry is responsible for 17.14% of the estimated venting worldwide while only 8% of Worldwide's flaring comes from the same region.

While it is unlikely that the flaring and limited venting of Natural Gas during production and handling can ever be entirely eliminated, both industry and regulators agree that there is value in developing and applying technologies and practices to economically recover and limit both practices. There is a complete portfolio of options for companies seeking to monetize flared and vented gas volumes of practically any magnitude and at any location.

On this basis, TEO's example to the industry is to integrate measures or criteria relevant to venting alongside those relevant to flaring. Actually, TEO would argue that not venting CH₄ is an even more important environmental measure, given the much higher greenhouse impact associated with CH₄ (venting) versus CO₂ (flaring).



Refer to Source a): The cause-effect chain from emissions to climate change and impacts showing how metrics can be defined to estimate responses to emissions (left) and for development of multi-component mitigation (right). The relevance of the various effects increases downwards but at the same time the uncertainty also increases. The dotted line on the strategies for reducing emissions. (Adapted from Fuglesvedt et al, 2003, and Plattner et al, 2009.)

Sources:

- IPCC 5th Assessment Report. Chapter 8. *Anthropogenic and Natural Radiative Forcing*.
- EIA *Natural Gas Flaring and Venting Report, 2019*
- TEO *Flaring and Venting policy*
- World Bank
- Rystad Energy research and analysis, *Rystad Energy ShaleWellCube*

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TEO is devoted to deliver a tailor-made mix of clean technologies for each particular well. It takes ongoing research, testing, commitment and passion to exceed expectations

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