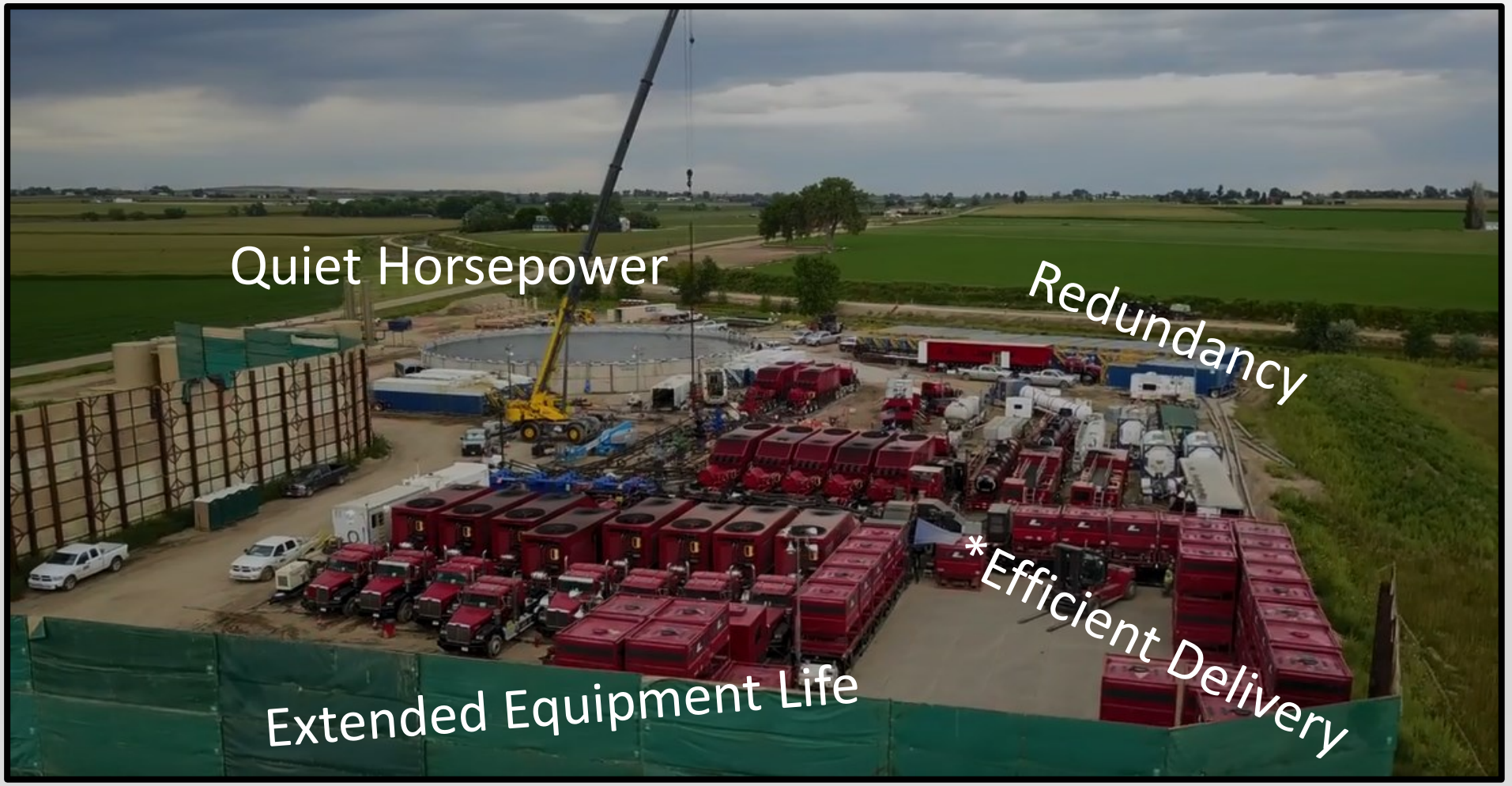
Agenda

- What is PropX?
- Last Mile Sand Logistics, Silica Exposure Prevention & Sourcing Trends 2016-2020
- What does the future look like on the supply chain front to support increased frac efficiency
- Wet Sand – Value proposition
- How PropX utilizes wet sand technology today
- Considerations & Questions

Energy Progress

Modern & Efficient Frac Operations

- Environmental, Social and Governance Progress – Mostly Driven by Competition



Proppant Express Solutions - PropX

- Started operations in October 2016
- ~8,500 Containers on the US market designed specifically for the hydraulic fracturing market
- 150 Billion lbs. and counting thru PropX systems
  - ~2 billion lbs of wet sand in the last 12 months
- One day record throughput – 13.4MM lbs. in 24 Hours
- Equipment working in West Texas, South Texas, Colorado, Wyoming, Louisiana, North Dakota, Oklahoma, Pennsylvania, West Virginia and Argentina
- We provide equipment to Operators, Frac Providers, Logistics Providers and Sand Miners

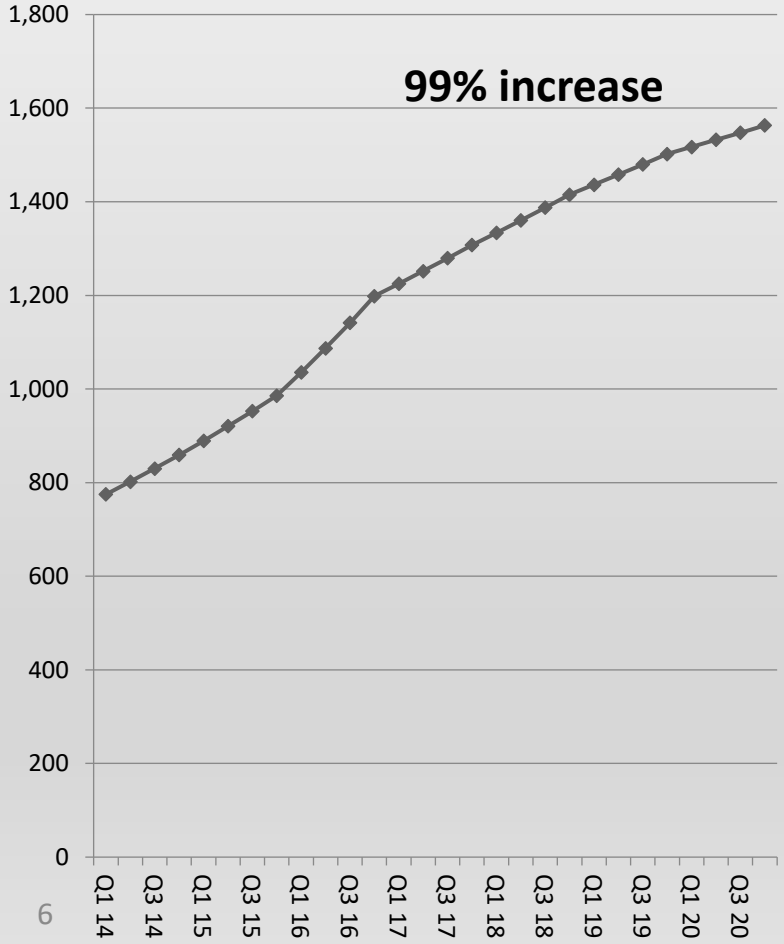
Frac Sand TRENDS → Employee Protection from Silica Dust Exposure

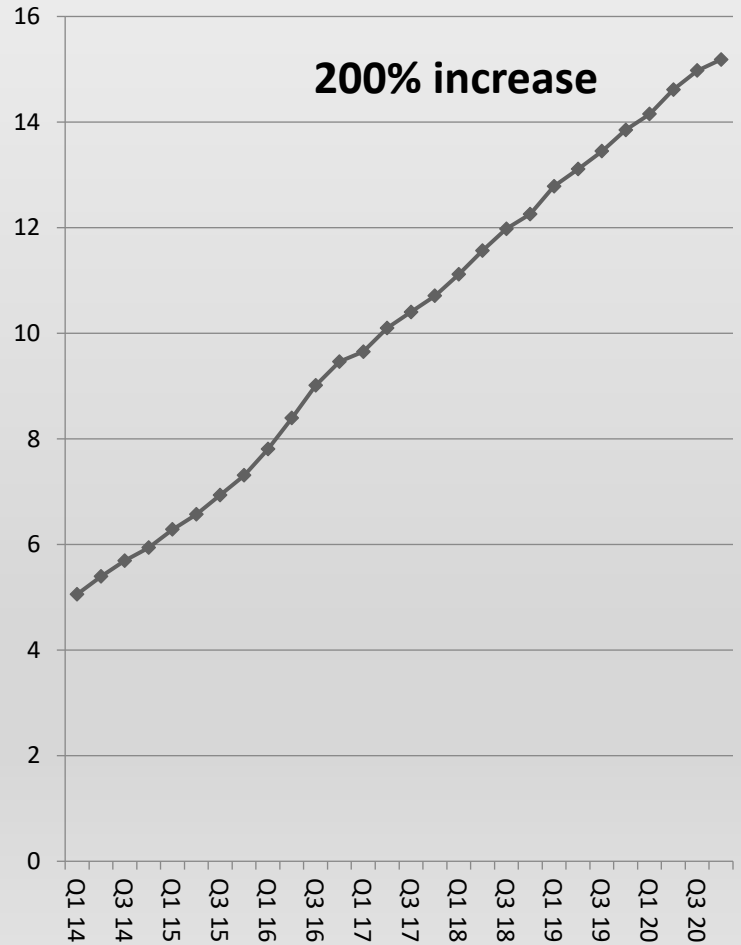
Along the way:

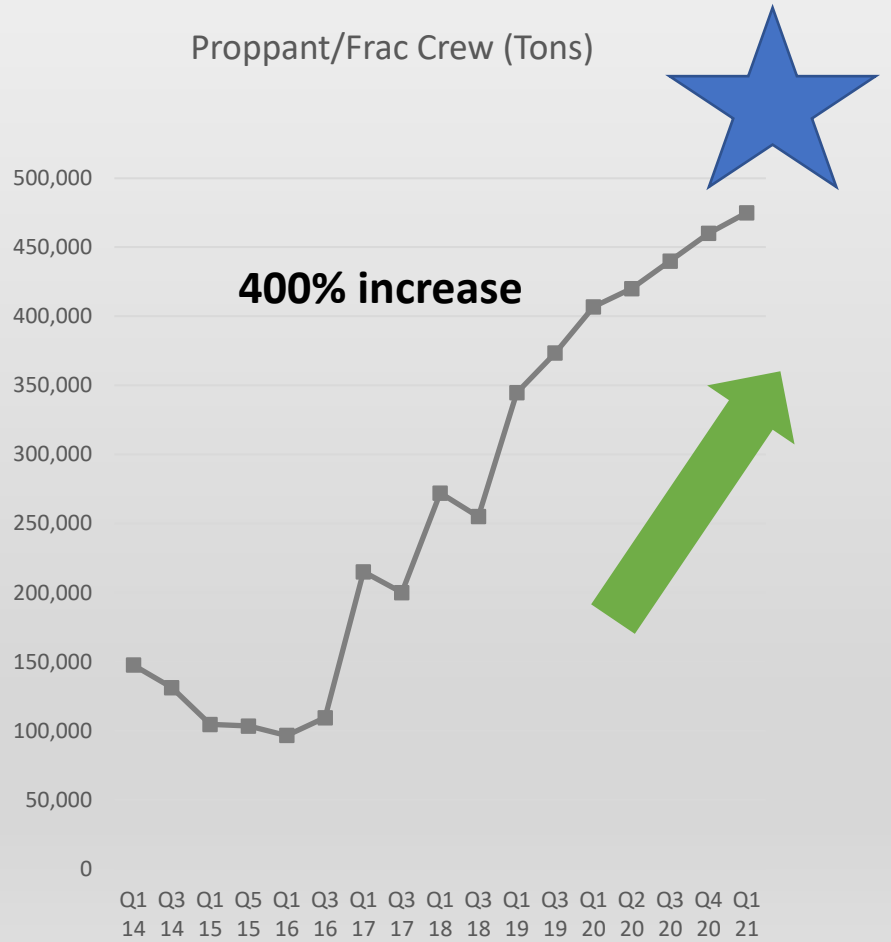
- Ceramic Proppants
- Resin Coated Proppants
- Filtration
- Ventilation
- Modular Delivery
- Controlled Climate Cabins
- Misting
- Silo/Box – Gravity feed discharge
- WET SAND

Frac Sand TRENDS → Wellsite Proppant Demand

- Frac surface efficiency continues to increase.
- More sand pumped per day, per month, per year – per crew

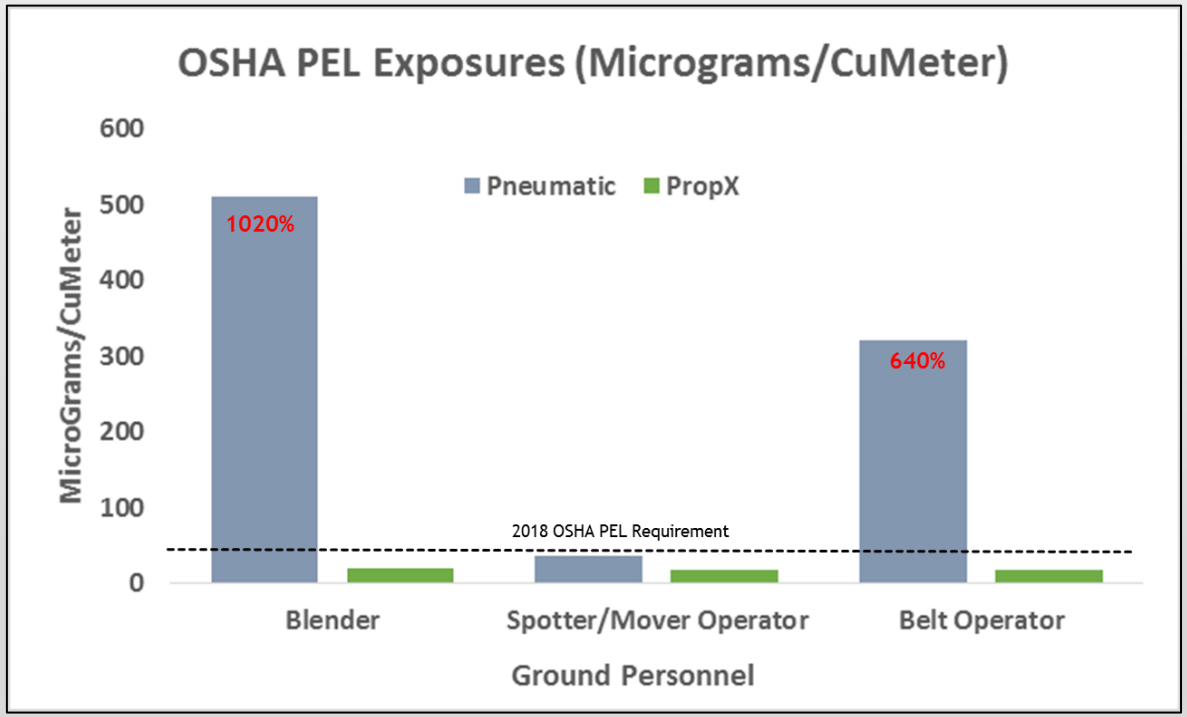






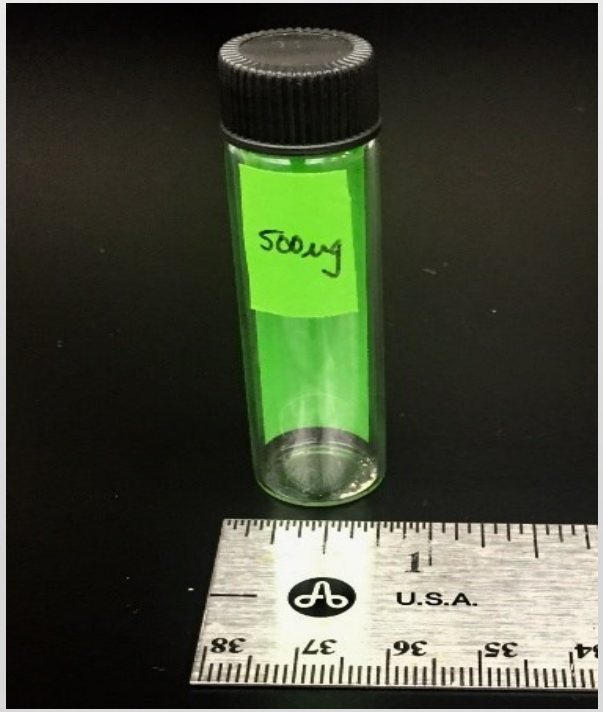
New Silica Exposure Requirements – June 2021

June 2018 standard for hydraulic fracturing is 50 ug/cu m (actionable at >25ug/cu m)

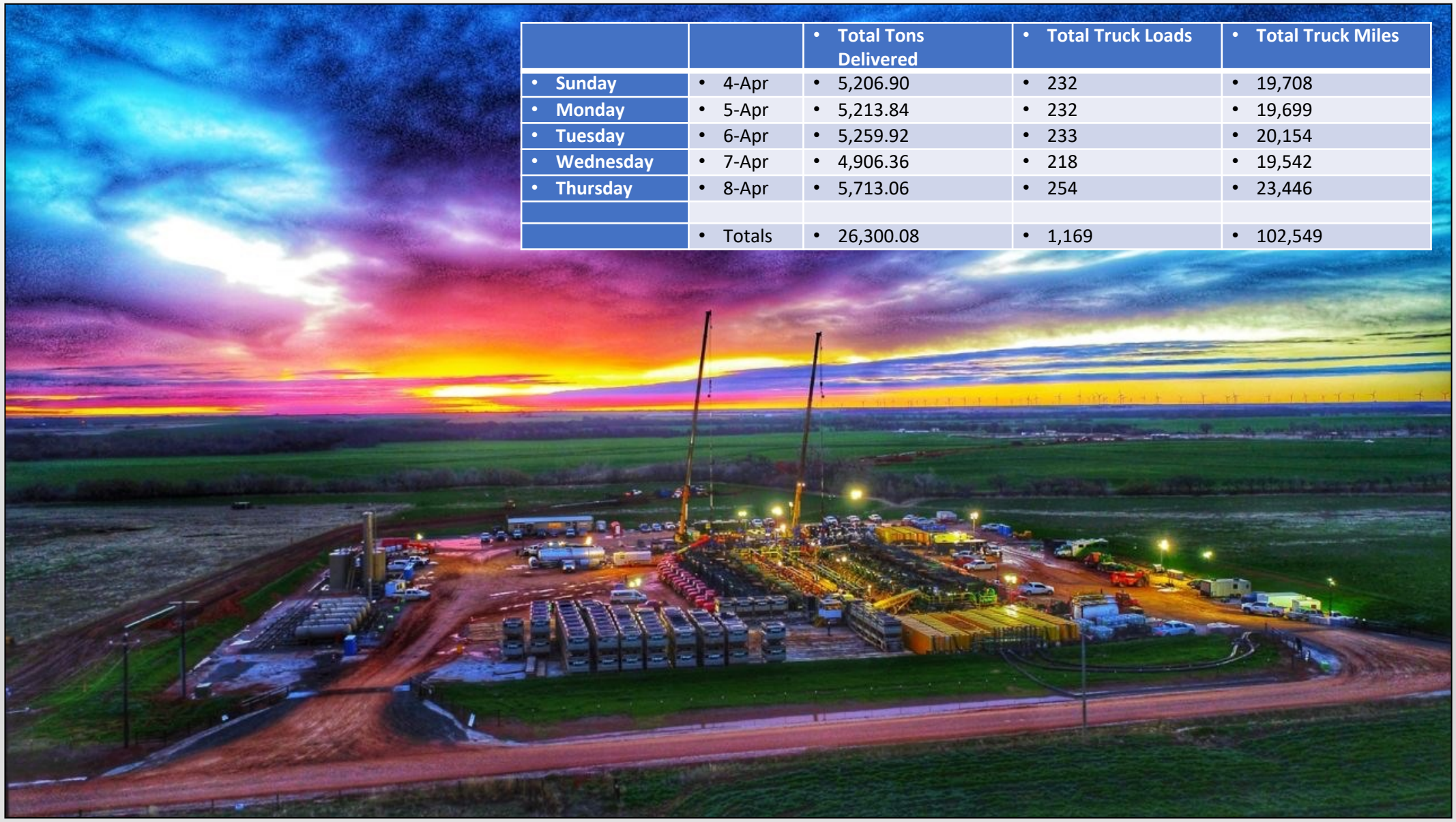


Additional steps taken since initial testing in 2016

- Remote Control PLC Panel
- Telescoping discharge
- Blender specific shrouding
- Consolidated discharge
- Misting systems
- Systems automation
- Control Cabins
- WET SAND



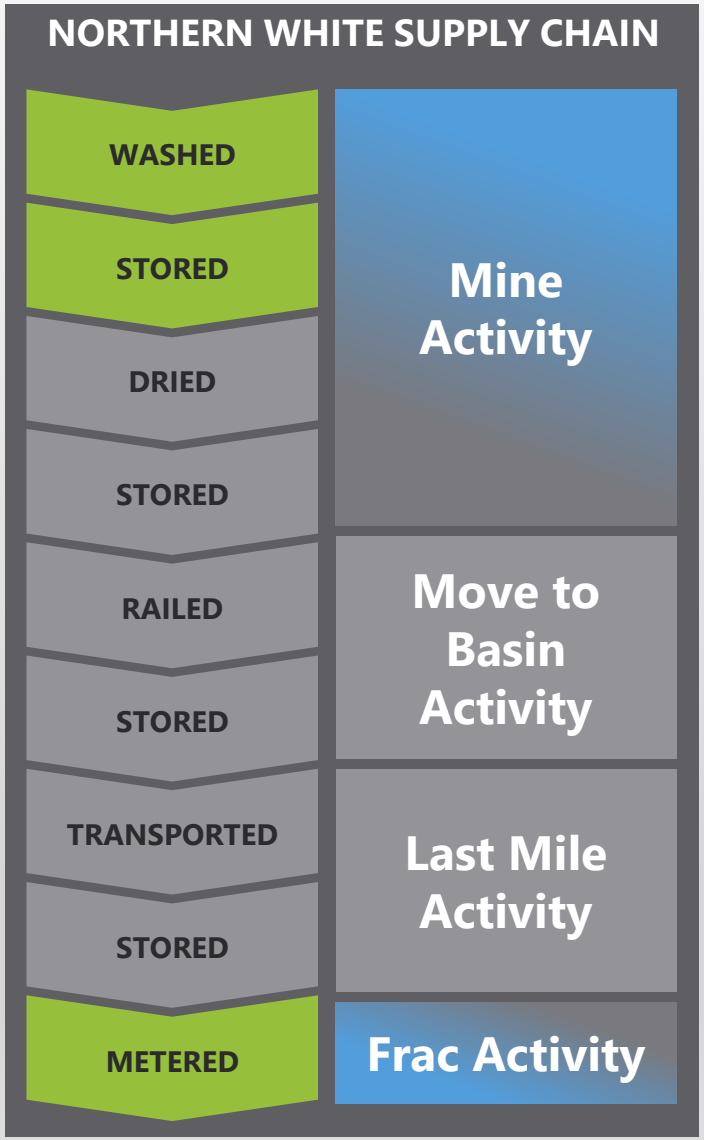
Modern Fracturing Sand Throughput Amplifies the New Regulations

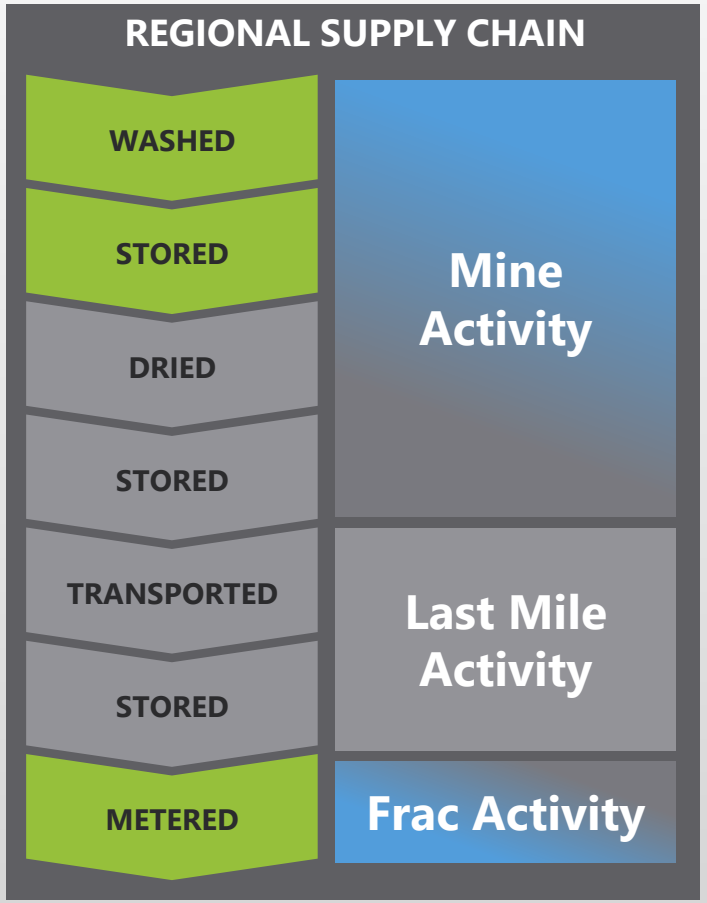


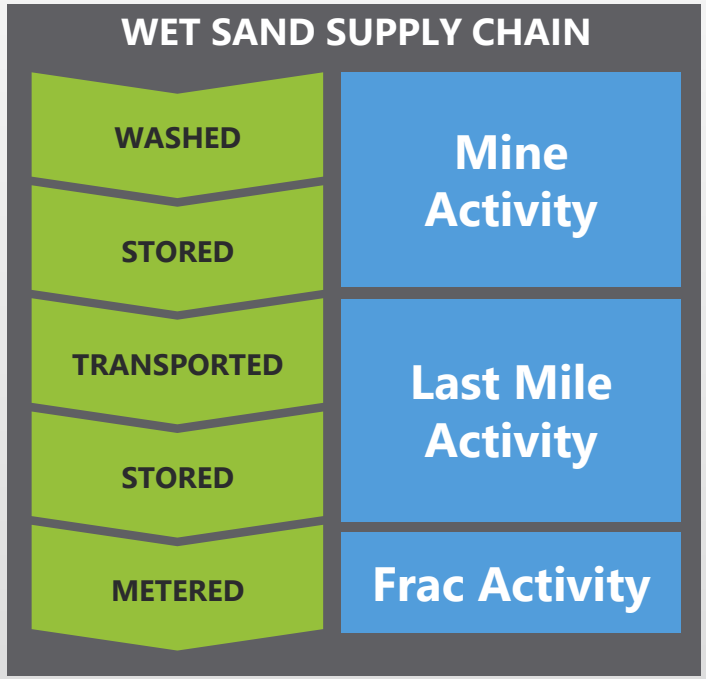
		Total Tons Delivered	Total Truck Loads	Total Truck Miles
Sunday	4-Apr	5,206.90	232	19,708
Monday	5-Apr	5,213.84	232	19,699
Tuesday	6-Apr	5,259.92	233	20,154
Wednesday	7-Apr	4,906.36	218	19,542
Thursday	8-Apr	5,713.06	254	23,446
	Totals	26,300.08	1,169	102,549

PropX's Wet Sand Development Project

Compressing the Supply Chain Enables Wet Sand







Wet Sand – Silica Exposure Testing

- Reduced fugitive silica dust in the air
  - Could be a definitive solution to the employee silica exposure problem!
  - Safer for wellsite & mine site employees
  - Cleaner air

Day	Sample Type	Position/Area	Sample ID	Analytical Results - Respirable Crystalline Silica (µg/m3)	OSHA PEL (µg/m3)	OSHA Action Limit (µg/m3)	Total Time (Mins)
1	Personal	Hopper Operator	26	**Below Detectable Limit**	50	25	210
1	Personal	Blender Operator	51	**Below Detectable Limit**	50	25	450
2	Personal	Hopper Operator	55	**Below Detectable Limit**	50	25	435
2	Personal	Blender Operator	52	**Below Detectable Limit**	50	25	480
3	Personal	Hopper Operator	53	**Below Detectable Limit**	50	25	480
3	Personal	Blender Operator	4	**Below Detectable Limit**	50	25	480

Wet Sand – Carbon Reduction Impact

- Lower operational costs
  - ~300,000 – 400,000 BTU needed to dry 1 ton of product.
  - Reduced headcount
  - Reduced maintenance costs
- Simplified Process
  - Increased plant uptime
  - Elimination of operational bottlenecks
  - Flexible capacity

DRYING COST (Permian Basin - 43 million tons per year in 2018)	
Output (Tons per Hour)	5,000
Total Hours/Year	8,736
Yearly Output (Tons of dried sand)	43,680,000
Utility Cost per MCF of Natural Gas	$2.50
BTU needed to dry 1 ton of sand	350,000
BTU per gallon of gasoline	114,000
Gasoline Equivalent to Dry 1 Ton of Sand (Gallons)	3.1
Price per Gallon of gasoline	$2.5
BTU per hour	1,750,000,000
	15,288,000,000,00
BTU per year	0
Total Gallons Equivalent Consumed per hour	15,351
Total Gallons Equivalent Consumed per year	134,105,263
Total cost (gasoline)	$335,263,158
Total Cost (Natural Gas)	$38,220,000
Miles per car per year (US average)	13,500
Average Miles per Gallon	25
Gallons per car per year	540
Cars taken off the road equivalent	248,343

Benefits of Pumping Wet Sand - Summary

- **Reduced Capex:** Eliminate investment in drying system infrastructure
- **Reduced Opex:** Fuel, personnel and maintenance cost to operate and maintain drying and storage system
- **Eliminate dust:** Definitive solution to OHSA respirable dust regulations from mine to well site
- **Reduce ESG footprint:** Reduce CO_2 emissions and fuel consumption
- **Increased mine capacity:** Mine wet side typical output 25% above dryer capability
- **Mobile mine reduce complexity:** No drying system, reduced permitting and footprint

2016 to 2021

Thank you for your time!