Carbon Storage Pilot Project

March 2025

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Overview

- Questerre pilot project a unique opportunity to demonstrate Quebec's carbon storage potential
  - A real-world solution to achieve the province's emissions reductions targets
- Assessing available financing for project pending Government approval of pilot application
- Participating in Quebec's energy sector for over 25 years with extensive subsurface expertise
  - Pursuing carbon storage projects as part of low-emissions hubs in Canada and US
  - Questerre holds exclusive rights to explore for storage reservoirs over one million acres in Quebec – subject to legal confirmation
- Future phases could utilize carbon storage for a low-emissions hub including low-emissions hydrogen

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Carbon Management

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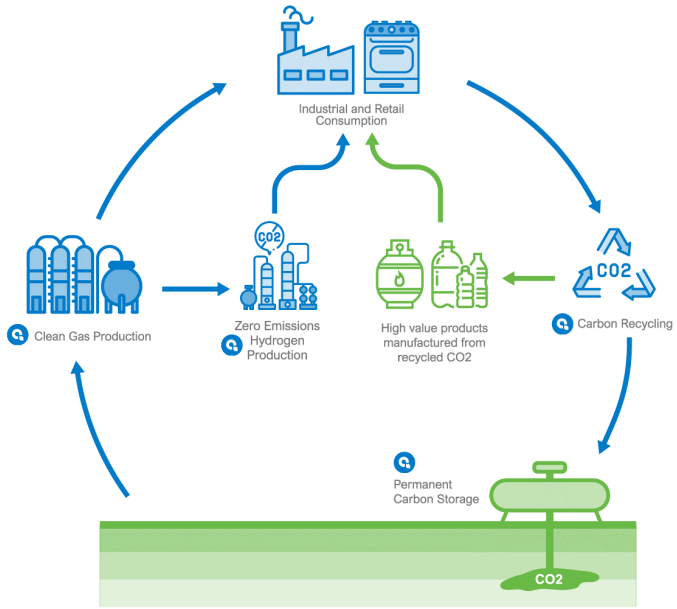
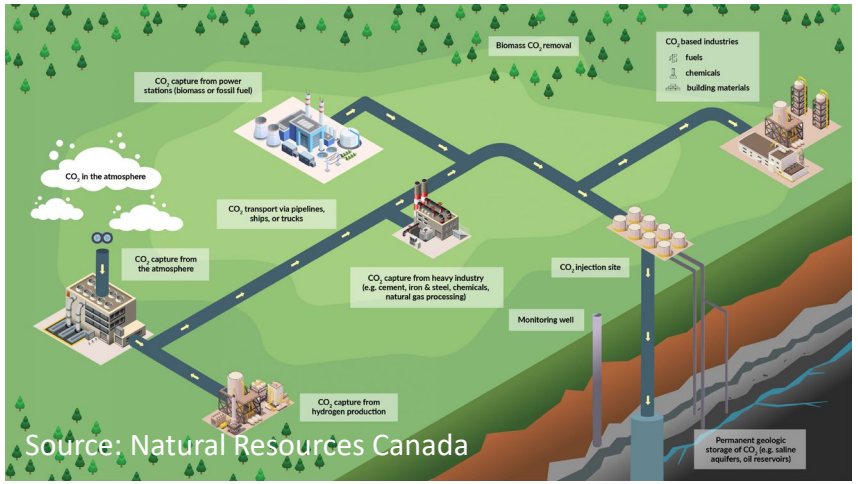
Closing the carbon loop

- Circular economy is key to energy transition and meeting emissions targets by 2050
  - Sustainable development of resources and converting waste products, like GHG emissions into high value products are top priorities
- Questerre engineering integrates key elements of this economy including carbon storage and recycling solutions, low emissions hydrogen and natural gas production
- Technology developed in Quebec for the circular economy can be exported internationally





Source: Natural Resources Canada

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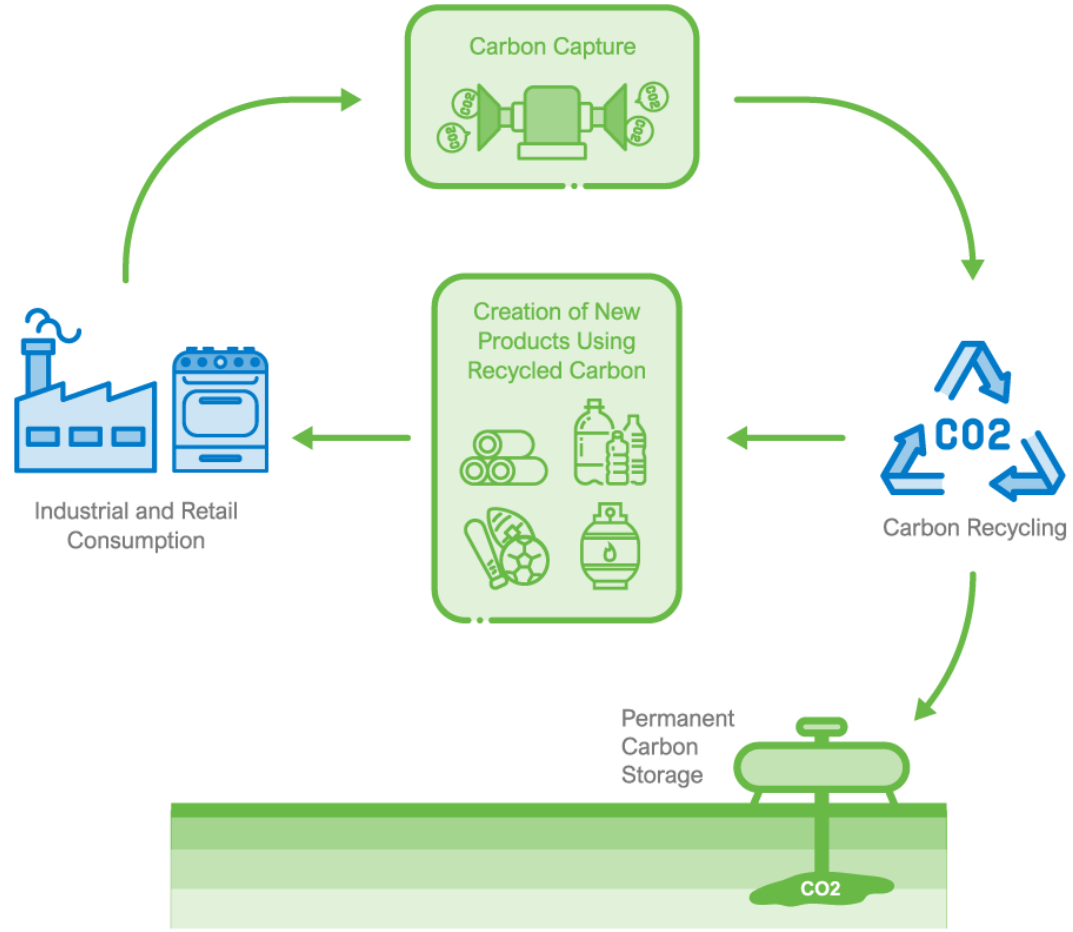
Carbon technology essential to emissions reduction

- Carbon storage and recycling are the foundation for the circular economy
  - Convert waste product, CO_2, into high value products – eliminate, recycle or store all emissions
- Multiple carbon recycling technologies under evaluation – closer to commercial development than most people realize
  - Products include ethylene, concrete, plastics, carbon fibre



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The Pilot Project

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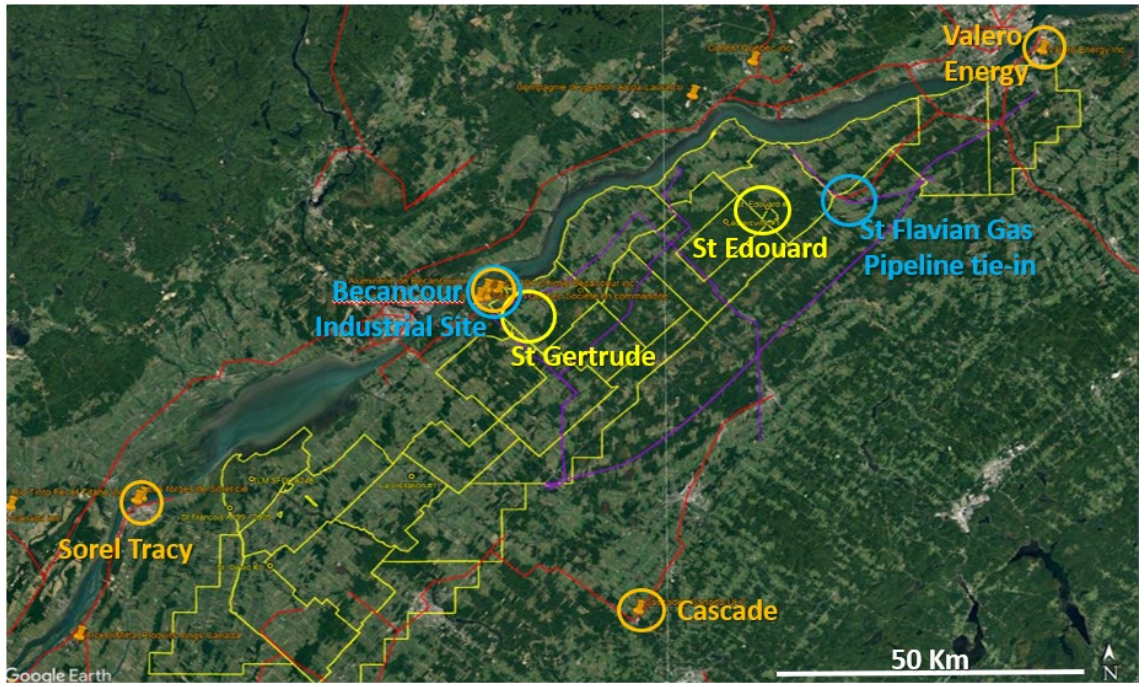
A new opportunity in Quebec

- Quebec more prospective for carbon storage reservoirs than conventional natural gas reservoirs
- Government of Quebec seeking pilot projects for carbon storage under Bill 21
  - Questerre application completing final review
- Pilot location near Becancour is proximal to three of the top ten emitters of carbon dioxide in Quebec
  - Potential to accept CO_2 and deliver low-emissions gas in return through direct pipeline connections with consumers
- First mover advantage – Questerre applied to test carbon storage potential in 2021



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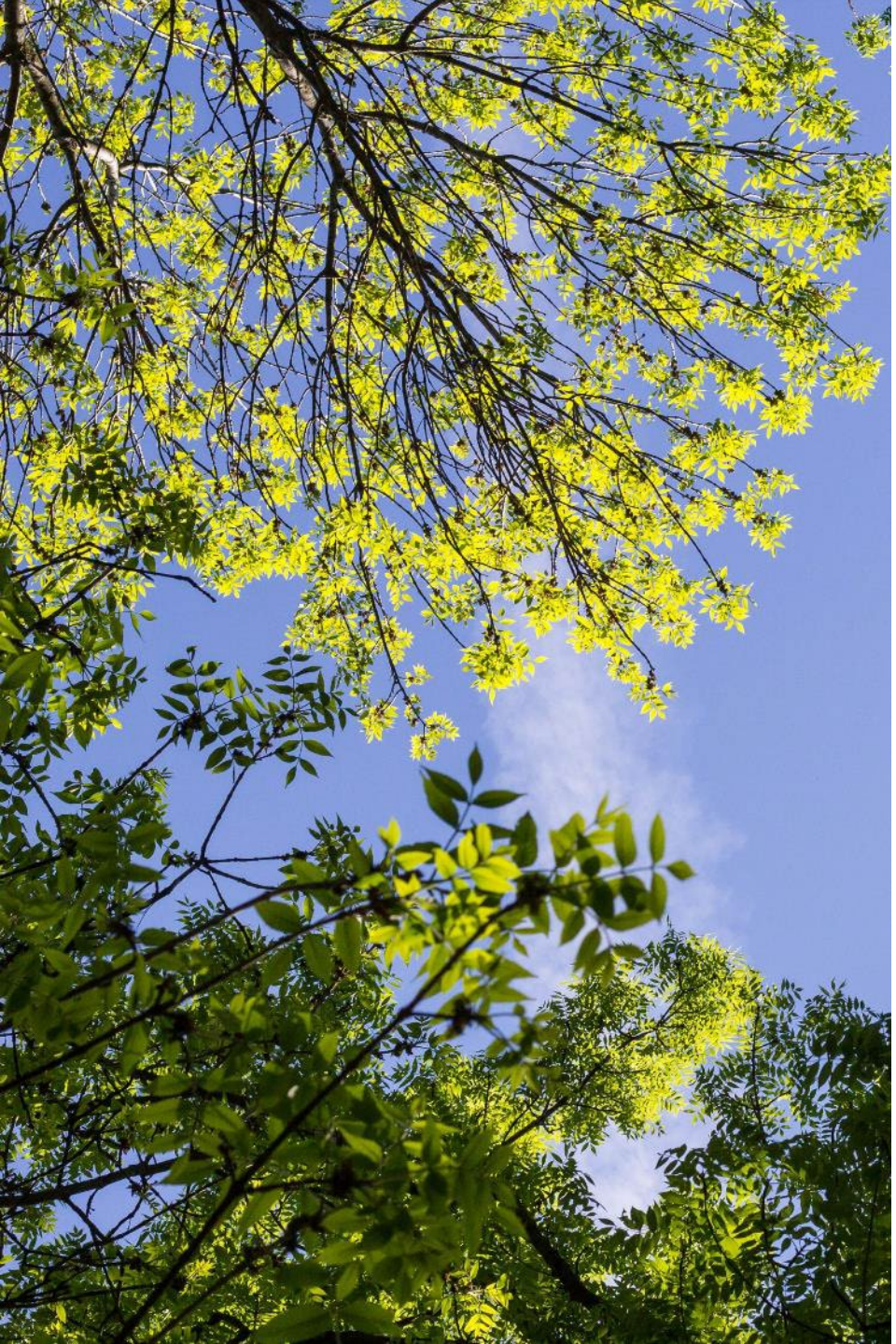

Pilot Project Overview

- Government application for $40 million pilot submitted in early 2024
- Based on proprietary geologic and geophysical data
- Project includes injection wells and monitoring wells
  - Monitoring, measurement and verification to include assessment of storage capacity, containment, injectivity, pressure management etc.
- Designed to move directly into commercial operations on success

Engineering, Permitting, Land Acquisition	1,200,000
Well Drilling and Completion Costs	21,000,000
Carbon Injection	7,800,000
Monitoring and Reporting	1,800,000
Pipelines and Other (pre-build Phase II)	3,800,000
Closure	2,000,000
Contingency	2,400,000
Total	$40,000,000

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Phase I

- Testing injection rates of up to 60 tonnes of CO_2 per day for one year to validate existing modelling
- Up to four wells for injection and monitoring as well as facilities
  - Monitoring wells to measure containment including pressures in an above the sealing formation
  - Microseismic monitoring for dispersion of CO2 plume
- Extensive data gathering including core from injection wells
- Ambient air and noise monitoring to ensure minimal disruption

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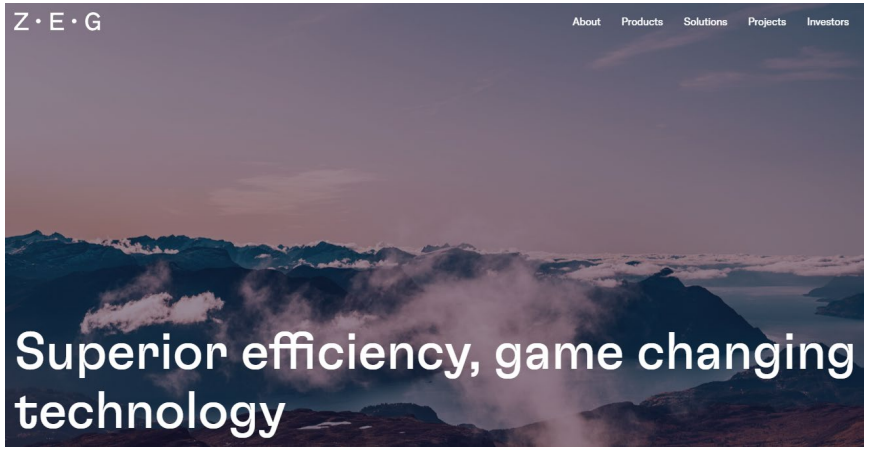
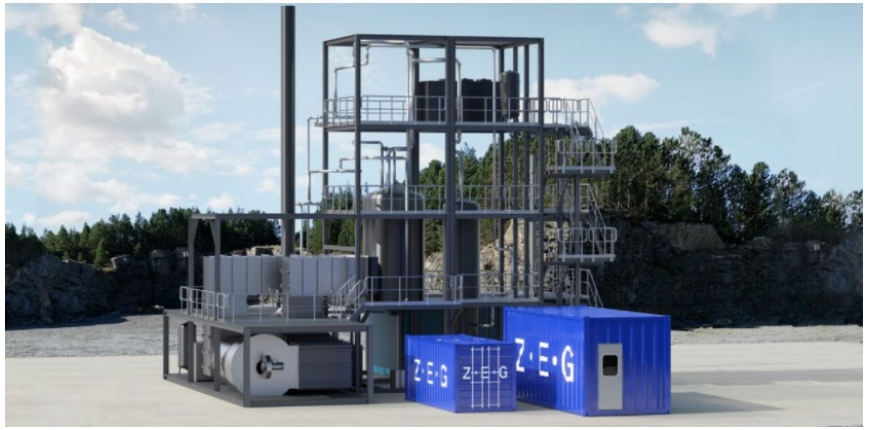
Phase II – Future Opportunity

- Demonstrate small-scale commercial pilot facility for low-emissions hydrogen production incorporating carbon capture in process
  - Traditionally ~30% of costs are for carbon capture
- Utilize natural gas from Energir to produce pure carbon dioxide and low-emissions hydrogen
- Supply hydrogen as clean fuel to Becancour industrial park or add to natural gas to reduce emissions footprint
  - Carbon dioxide produced stored on site





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Next Steps

- Secure approval and proposed regulatory framework from Ministry
- Permitting specific location and stakeholder engagement process
- Secure funding for pilot

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Conclusion

- Carbon injectivity and storage well-established processes in Western Canada
  - Quest project has captured and stored ~one million tonnes per annum since 2015
  - Industry has been injecting carbon dioxide for enhanced recovery for decades
- Could become an integral part of emissions reduction strategy for Quebec
- Lays the groundwork for circular economy including low-emissions energy for existing and new industries in Quebec

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