

# Small-Scale & Flare Gas Processing for Stranded Assets

***Rônier, Daniella and Sédigui Sites***

**FRONT END ENGINEERING & DESIGN**

**MODULAR GAS PROCESSING PLANT**

Presented by



For The Ministry of Petroleum and Energy, Republic of  
Chad



**Date:** March 7, 2022

**Attention:** H.E. Djerassem le Bemadjiel, Minister of Petroleum and Energy, Republic of Chad

**Reference:** SMALL SCALE STRANDED FLARE GAS FEED- Rônier CPF, Daniella CPF, and BaoBab FPF Sites

Dear H.E. Minister Bemadjiel,

Thank you for this opportunity to provide you with a FEED study proposal for your stranded flare gas assets.

This proposal is for a FEED study, based on your stranded flare gas assets in need of processing in four locations - Sedigui, Daniella and Ronier. It was communicated that Mangara and Sédigui Sites site is no longer a viable candidate site for a flare down project, and that is why there is no mention of it in this proposal. The FEED study will evaluate the conversion of the waste source, flare into valuable products – pipeline quality natural gas, LPG, condensates and CNG.

Please contact me with any questions or clarifications you may have.

We look forward to working with you on this project.

Kindest regards,

*Ann Norman*

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## DEFINITIONS

The FEED – Front End Engineering and Design Agreement is made this 1 Day of March, 2026 by and between **Saqara Energy, hereinafter, the “Engineer” with notice address (Paradise, Utah 84328 USA) and hereinafter, the “Client” Chad representative names with Notice address of (Republic of Chad address)**. The Engineer and Client shall hereinafter be referred to together as the “Parties” and each, individually, as a “Party”. The Parties, intending to be bound hereby, agree and contract as follows:

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**PURPOSE**

The purpose of this document submitted on behalf of Saqara Energy, Inc. to Republic of Chad – Oil and Gas ministry for its inquiry on its stranded flare gas. In response to this request, Saqara Energy is excited to offer this proposal for a FEED study on the flare gas capture and monetization of this waste source into commodity products – LPG, Condensates and CNG.

These services will be the first step in the engineering design and analysis process for the flare gas capture and processing systems, retiring project risk, and enabling the next steps in completing the project. The FEED study is to define the technical and project-specific requirements for the system to provide a clear scope and design basis for entering the execution phases of the project.

The secondary goal is to develop a project cost estimate basis that can be used for budget authorization and as a control baseline for the execution phase of work. The FEED package typically retires sufficient project risk, addressing the concerns of funding agencies and allowing the project to achieve financial close. Additionally, the FEED will ensure the design meets the standards and requirements of the Republic of Chad for this project.



Figure 1: A presentative facility rendering of similar project

## INTRODUCTION

Saqara Energy has been asked by representatives of the Republic of Chad to propose technical solutions for its flare gas capture and monetization at **three (3)** different locations or sites within the country depicted in the figure 2 below. Mangara and Sédigui Sites were not included, as it was communicated that not a candidate for this study, However Rônier CPF, Daniella CPF, and BaoBab FPF are the prime candidates, but Daniella will be considered as the reference site.

The Olax field is located within the Doba Basin petroleum system and forms part of the broader associated gas production network connected to the Baobab, Ronier, and Daniela processing facilities. Current reservoir evaluations indicate the presence of gas-condensate resources and associated gas streams that are presently underutilized or flared due to the absence of dedicated gas processing infrastructure. As part of ongoing efforts to reduce gas flaring and maximize resource recovery, this Front-End Engineering Design (FEED) study will evaluate technical solutions to capture, process, and monetize the stranded gas resources from the Olax area.

The objective of the proposed FEED study is to develop an integrated gas utilization concept capable of converting the available associated gas into three valuable commercial product streams: stabilized condensate, liquefied petroleum gas (LPG), and compressed natural gas (CNG). By implementing a modular gas processing system, the project aims to recover heavier hydrocarbon components from the gas stream while producing a clean, marketable methane-rich gas suitable for compression and distribution.

The proposed processing concept will consist of several key stages. First, produced gas from the Olax field will undergo primary separation to remove free liquids and stabilize hydrocarbon condensates. The recovered condensate stream will be conditioned and stored as a stabilized liquid hydrocarbon product suitable for transportation and sale. The remaining gas stream will then be processed through a hydrocarbon recovery system designed to extract propane, butane, and heavier components to produce a commercial-grade LPG stream.

Following liquid recovery, the remaining methane-rich dry gas will be conditioned, compressed, and delivered as compressed natural gas (CNG). This dry gas product can be utilized for local power generation, industrial fuel applications, or regional gas distribution, thereby transforming a previously flared or stranded resource into a valuable energy commodity.

Through the implementation of this integrated processing scheme, the Olax gas development concept aims to significantly reduce routine flaring, improve hydrocarbon recovery, and create new revenue streams from previously stranded gas resources. The FEED study will establish the technical basis for facility design, including process configuration, equipment sizing, infrastructure requirements, and preliminary capital and operating cost estimates necessary to support future project development and investment decisions.

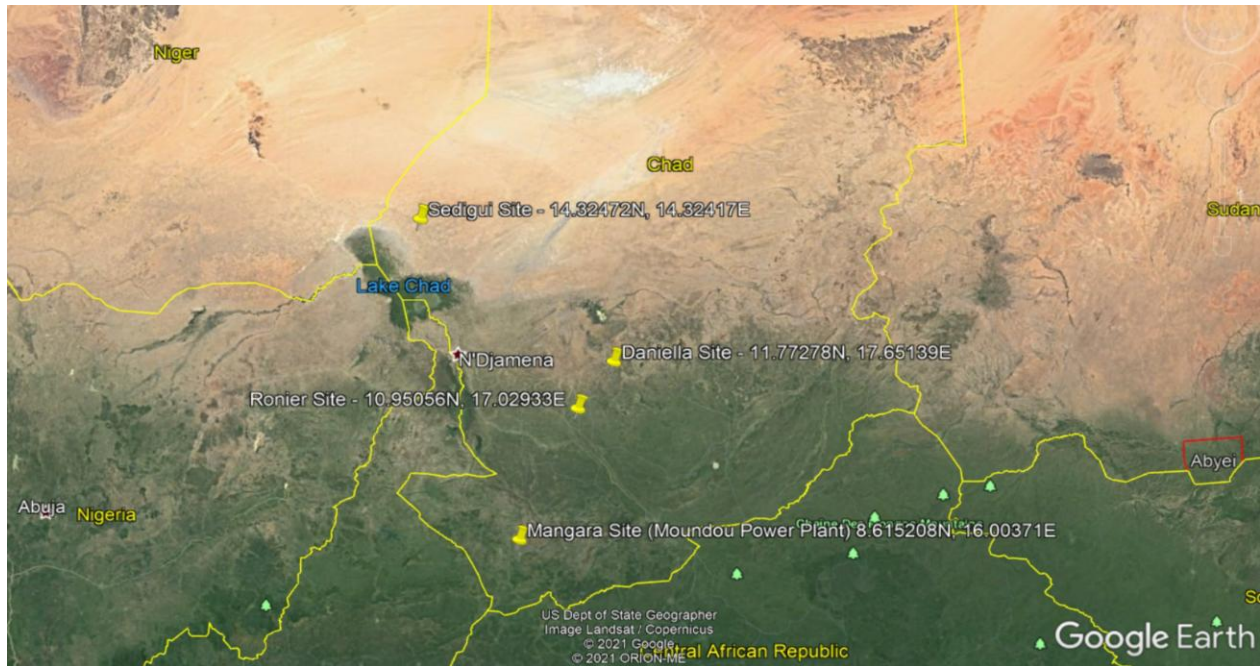


Figure 2: The Daniella Site displayed on the map

The **Daniella site**, located approximately 130 km due east of N'Djamena with estimate flowrate of the flare **7,000 MCFD** of associated gas with gross heating content of **1,492 Btu per ft<sup>3</sup>**, making this site also very suitable for LPG and condensate extraction.

### REFERENCE FIELD SELECTION

Due to the limited compositional and production data currently available for the Olax field, analog data from nearby producing facilities will be utilized to establish the preliminary design basis for this study. Among the surrounding developments, the Daniela field represents the closest producing site to Olax and operates within the same geological and petroleum system of the Doba Basin.

For this reason, the Daniela field will be considered the primary reference field for the FEED study. Gas composition, production characteristics, and operational parameters from the Daniela CPF will be used as the baseline for defining the expected gas properties and processing requirements for the Olax development. Data from the Baobab and Ronier facilities will also be reviewed as supporting analogs to validate the regional gas characteristics and ensure a robust design basis.

Using this analog-based approach allows the study to establish a realistic process design framework while additional field-specific data from Olax becomes available. This methodology is commonly applied in early-stage engineering studies where direct compositional and production data are limited.

**AVAILABLE DATA AND REFERENCE INFORMATION**

The preparation of this Front-End Engineering Design (FEED) study is based on a review of the currently available reservoir, production, and gas composition data associated with the Olax field and surrounding developments within the Doba Basin. While direct compositional and production data for the Olax field remain limited, several technical documents and operational datasets from nearby facilities provide a useful foundation for establishing the preliminary design basis required for this study.

The Olax field has been identified as a gas-condensate and associated gas resource located within the AEE3 development area of the Doba Basin. Available reservoir data indicate that the principal gas-bearing interval, identified as Formation P, exhibits characteristics typical of a gas-condensate system operating under normal reservoir pressure and temperature conditions. Drill Stem Test (DST) results from the Olax-1 well demonstrate measurable gas production with associated condensate, confirming the presence of a hydrocarbon-rich gas phase within the formation. Reservoir petrophysical analysis indicates average porosity values on the order of approximately sixteen percent and permeability values averaging roughly fifty millidarcies, suggesting moderate reservoir quality and the potential for stable production of associated gas volumes.

**Table 1 – Summary of Available Reservoir Data (Olax Field)**

Parameter	Value	Source / Notes
<b>Field</b>	Olax	Doba Basin – AEE3 Area
<b>Reservoir Formation</b>	Formation P	Gas-condensate reservoir
<b>Secondary Reservoir</b>	Fractured Basement	Volatile oil behavior
<b>Reservoir Depth</b>	~2048 m	Reservoir report
<b>Reservoir Pressure</b>	~3246 psi	Formation pressure
<b>Reservoir Temperature</b>	~119.9 °C	Formation temperature
<b>Average Porosity</b>	~16.3 %	Petrophysical analysis
<b>Average Permeability</b>	~55 mD	Petrophysical analysis
<b>Reservoir Thickness</b>	~12.1 m	Sand intervals 0.5–5.4 m
<b>Gas in Place (1P)</b>	~0.55 × 10 <sup>8</sup> m <sup>3</sup> (19.4 BCF)	Preliminary estimate
<b>Gas in Place (2P)</b>	~0.79 × 10 <sup>8</sup> m <sup>3</sup> (27.9 BCF)	Preliminary estimate
<b>Gas Composition</b>	Not yet analyzed	Analog fields used

Although the reservoir data confirm the presence of gas and condensate in the Olax formation, detailed gas composition analysis specific to the Olax field has not yet been performed. As a result, the FEED study must rely on analog data from nearby producing facilities operating within the same geological petroleum system. These analog fields are considered representative of the expected gas characteristics within the

Olax reservoir due to their geographic proximity and shared stratigraphic framework within the Doba Basin.

**Table 2 – Drill Stem Test (DST) Results – Olax-1 Well**

Tested Interval	Oil Rate	Gas Rate	Gas–Oil Ratio
2061–2074 m	89.3 bbl/day	90,143 m <sup>3</sup> /day	~5,600 SCF/STB
2086–2376 m	197.5 bbl/day	31,601 m <sup>3</sup> /day	Not reported

Among the surrounding facilities, the Daniela Central Processing Facility (CPF) represents the closest producing installation to the Olax field and therefore provides the most relevant operational reference for the purposes of this study. Gas composition and operational data from the Daniela CPF will be used as the primary reference for establishing the anticipated gas properties and processing requirements for the Olax development concept. Additional compositional data from the Baobab Floating Production Facility (FPF) and the Ronier Central Processing Facility will be incorporated as supporting analog datasets to ensure a comprehensive understanding of the regional gas composition and hydrocarbon distribution within the basin.

**Table 3 – Regional Analog Gas Composition (Representative Fields)**

Component	Baobab FPF (%)	Ronier CPF (%)	Daniela CPF (%)
Methane (C1)	~86.7	~86.3	~85–87
Ethane (C2)	~6.2	~6.0	~6
Propane (C3)	~3.9	~3.4	~3–4
Butanes (C4)	~0.9	~0.7	~0.7–1
Pentanes+	~0.2	~0.3	~0.2
CO <sub>2</sub>	~0.7	~0.6	~0.6–0.7
Nitrogen	~1.3	~1.9	~1–2

The available gas analyses from these facilities indicate that the associated gas streams produced in this region are methane-dominant but contain significant concentrations of heavier hydrocarbons including ethane, propane, and butane. These heavier hydrocarbon components represent valuable natural gas liquids (NGLs) that can be recovered through appropriate gas processing and separation technologies. The presence of these heavier fractions suggests that the Olax gas stream is likely to possess similar characteristics and therefore presents an opportunity for the recovery of condensate and liquefied petroleum gas (LPG) in addition to the production of dry methane gas.

In addition to reservoir and gas composition data, operational information regarding gas handling and flaring within the surrounding facilities has also been reviewed. Available reports indicate that measurable volumes of associated gas are currently flared within the regional production infrastructure due to the limited availability of dedicated gas utilization facilities. These flaring volumes highlight the presence of underutilized gas resources within the development area and further support the need for a structured gas monetization strategy.

**Table 4 – Regional Gas Flaring Volumes (Reference Facilities)**

Facility	Annual Gas Flared (m <sup>3</sup> )
<b>Baobab FPF</b>	11,089,103
<b>Ronier CPF</b>	18,159,337
<b>Daniela CPF</b>	53,606,504
<b>Total</b>	<b>~82,854,944 m<sup>3</sup>/year</b>

Based on the currently available information, the FEED study will adopt an analog-based engineering approach whereby the compositional and operational characteristics of the Daniela, Baobab, and Ronier facilities are used to establish a realistic design basis for the Olax gas processing concept. This methodology allows the engineering study to proceed despite the limited availability of direct Olax compositional data and provides a technically sound framework for evaluating potential gas utilization solutions.

Source	MMSCFD
<b>AEE3 associated gas</b>	~1.3
<b>Regional flare gas</b>	~8
<b>Total potential</b>	<b>~9 MMSCFD</b>

As additional field data become available during the course of project development, including potential gas sampling or further well testing within the Olax reservoir, these data can be incorporated into the design basis to further refine the process design and facility configuration. Until such data are obtained, the use of regional analog fields represents the most appropriate and technically defensible method for defining the expected gas characteristics and guiding the development of the proposed gas processing concept for the Olax field.

**REGIONAL GAS GATHERING AND INFRASTRUCTURE CONTEXT**

The Olax field forms part of the broader AEE3 development area within the Doba Basin petroleum province. The AEE3 block contains several producing oil fields, including Birrea, Raphia S3, Casava, Parkia, and Olax, which together contribute to the regional oil production system. As is common in mature oil developments, these fields also produce associated natural gas alongside crude oil. Historically, much of

this associated gas has been used internally for operational purposes such as power generation and boiler fuel, with limited infrastructure available for broader gas monetization.

According to the available field development documentation, the associated gas produced from the Birrea, Raphia S3, Casava, and Olax fields is planned to be transported to the Daniela Central Processing Facility (CPF). At the Daniela CPF, this gas is currently intended to support on-site operations, primarily for electricity generation and heating of process boilers required for crude oil production. In contrast, gas produced from the Parkia field is routed to the Ronier CPF for similar operational use. This infrastructure arrangement effectively positions the Daniela CPF as the primary gas handling hub for the southern portion of the AEE3 development area.

The existing development plan therefore establishes Daniela CPF as the logical reference facility for evaluating future gas processing opportunities associated with the Olax field. The proximity of Olax and several neighboring producing fields to Daniela indicates that the regional gas streams are already conceptually integrated within a shared gathering and utilization network. As a result, any future gas processing or monetization solution developed for Olax must consider the broader context of the AEE3 gas gathering system and the operational role of the Daniela CPF.

From an engineering perspective, this regional configuration provides a practical foundation for evaluating integrated gas processing solutions. Rather than treating Olax as a completely isolated gas resource, the FEED study will consider the potential for coordinated handling of associated gas streams within the AEE3 area. This approach enables the evaluation of centralized gas processing concepts that could capture currently underutilized gas volumes and convert them into valuable hydrocarbon products. Such a concept aligns with the broader objective of reducing routine gas flaring while improving the overall recovery and economic value of associated gas resources within the AEE3 development area.

Within this context, the proposed FEED study will examine how the Olax gas stream can be incorporated into an integrated gas utilization scheme centered around the Daniela processing hub. Particular attention will be given to the recovery of condensate and liquefied petroleum gas (LPG) from the wet associated gas streams, followed by the conditioning and compression of the remaining methane-rich gas for distribution in the form of compressed natural gas (CNG). By leveraging the existing field infrastructure and the regional gas gathering framework, this approach aims to transform currently underutilized associated gas resources into commercially valuable energy products while supporting more efficient and environmentally responsible field operations.

**SCOPE OF WORK**

The purpose of the proposed Front-End Engineering Design (FEED) study is to evaluate and develop a technically and economically viable concept for the capture, processing, and utilization of associated and currently underutilized natural gas within the Olax field and surrounding AEE3 development area. The study will focus on the recovery and conversion of stranded gas resources into commercially valuable hydrocarbon products, specifically stabilized condensate, liquefied petroleum gas (LPG), and methane-rich dry gas to be delivered as compressed natural gas (CNG).

The FEED study will begin with a comprehensive review of all available technical documentation related to the Olax field and the surrounding regional facilities. This will include expected production data including available gas production forecasts, flaring records, and gas composition analyses from nearby facilities such as the Daniela, Ronier, and Baobab processing installations. Because direct compositional data for the Olax gas stream is currently limited, analog data from these nearby fields will be used to establish a preliminary gas characterization and process design basis. The study will validate and consolidate these datasets in order to define the expected gas composition, flow rate range, pressure conditions, and operating envelope for the proposed processing facility.

Following the data review phase, the study will develop the process design basis that will serve as the foundation for the engineering work. This will include defining the anticipated gas throughput cases, establishing the expected hydrocarbon distribution within the gas stream, and determining the target recovery levels for condensate and LPG components. Multiple gas supply scenarios will be evaluated to account for potential variations in associated gas production from the Olax field and neighboring AEE3 fields, as well as the potential capture of currently flared gas volumes within the region.

Based on the established design basis, the FEED study will develop a conceptual gas processing scheme designed to convert the incoming wet associated gas into three primary product streams. The process concept will include primary separation and stabilization of condensate liquids, recovery of propane and butane components to produce commercial-grade LPG, and conditioning of the remaining methane-rich gas to produce a dry gas stream suitable for compression and distribution as compressed natural gas. The process configuration will consider compact and modular facility designs in order to accommodate the relatively modest gas volumes expected from the Olax field while allowing flexibility for future capacity expansion if additional regional gas resources become available.

The engineering phase of the FEED study will include the development of preliminary process flow diagrams (PFDs) and heat and material balances for the proposed gas processing facility. These process models will define the flow rates, temperatures, pressures, and compositions throughout the system and will form the basis for preliminary equipment sizing. Key process equipment such as separators, compressors, heat exchangers, stabilization units, LPG recovery systems, and CNG compression packages will be identified and sized to meet the defined operating cases.

In addition to the process design work, the FEED study will evaluate the required field infrastructure needed to support the gas processing concept. This will include an assessment of potential gas gathering connections between the Olax field and the Daniela CPF area, as well as the layout of the proposed processing facility. Preliminary plot plans and facility layouts will be developed to illustrate the arrangement of major equipment, storage systems, utilities, and access requirements. Utility systems such as power supply, fuel gas, cooling, and control systems will also be conceptually defined.

The study will also include a high-level assessment of condensate handling, LPG storage and loading, and CNG compression and distribution options. These elements will be evaluated to ensure that the final product streams can be safely stored, transported, or utilized within the regional energy infrastructure. Consideration will be given to operational reliability, safety, environmental performance, and the reduction of routine gas flaring within the AEE3 development area.

As part of the FEED deliverables, preliminary capital expenditure (CAPEX) and operating expenditure (OPEX) estimates will be prepared for the proposed gas processing facility and associated infrastructure. These cost estimates will provide an early indication of project economics and will support future investment decisions. The study will also identify potential project risks, data gaps, and additional technical work that may be required during subsequent detailed engineering phases.

The final FEED report will present the recommended gas processing concept, supporting engineering calculations, facility configuration, and preliminary cost estimates required to advance the Olax gas monetization project toward full project development. The results of the study will provide the technical foundation necessary for the next stages of project evaluation, including detailed engineering, project financing, and eventual construction of the gas processing facilities.

### **MODULAR GAS PROCESSING PLANTS MAJOR FACILITIES**

**Boost Compressor Station:** The boost compressor will be designed based on available suction pressure and necessary discharge pressure for optimal recovery of liquids.

**Dehydration Station:** The dehydration station will remove the necessary moisture from the gas based on required dew point to prevent freeze-up in the refrigeration system.

**Refrigeration Station:** The closed loop mechanical refrigeration system for heavy hydrocarbon liquification and separation from the dry gas.

**Fractionation Station:** The fractionation system composed of two columns, and all supporting equipment that generates LPG and condensate from the mixed liquid stream generated in the refrigeration station.

**Storage Tanks:** Product Storage tanks for both condensate and LPG will be evaluated and sized.

**CNG Compressor Station/CNG Trailer:** The station will evaluate the necessary offloading requirements with the number of designated trailer filling stations. In addition to the number of CNG filling stations, transportation of the CNG will also be considered and evaluated based on the pressure rating and destination distance of the compressed gas.

**Air Compressor and Instrument Air Station:** The instrument air will be designed based on the site capacity requirements with its on-board air dehydration system.

**Power Generation:** Power generation will be sized and selected based on electrical load list, sparring and redundancy requirements, as well as the fuel type. **Balance of Plant:** The balance of plant takes into account the following subsystems like air compressor for instrument air and purge gas, metering skids for inlet to the plant, as well as the CNG gas off-take volumes and liquid production volumes. The CNG filling station, outside of the battery limits of the CNG compressor, which includes all the manifolds, and flex

hoses. The balance of plant will also include fire fitting system, and flammable gas detection system outside of the skid battery limits.

**MCC Building:** The motor control room with all drives and controls will also be evaluated for optimal location and configuration for control and footprint optimization. **Spare Parts and Technical Support:** After the major equipment has been identified, the scope of work will also evaluate the technical support and spare parts supply for fixed duration of time based on selected options.

**CAPEX:** The project CAPEX will also be estimated for each site. Exclusions will apply only to the EPC scope of work. The performance of the plant will be evaluated for return on investment.

**OPEX:** Operational model will be created for each site individually, followed by an integral optimization plan for all sites as whole regarding monitoring, service and maintenance, scheduling, and personnel requirements.

### **DELIVERABLES – CONSOLIDATED SITE**

Saqara Energy will provide the Client an electronic copy of the Front-End Engineering Design package listed below, and a hard copy upon request. Saqara will create a monthly progress report and share the reports via email or upload the report to a designated online portal.

#### **GENERAL**

1. Basis of Design
2. Philosophy Documentation
3. Scope of Work Spreadsheet
4. Execution Schedule

#### **PROCESS**

5. Rigorous Process Simulation
6. Heat & Material Balance
7. Process Flow Diagram
8. Process & Instrumentation Diagrams
9. Relief Load Summary and Blowdown Sizing
10. Hydraulic Study

#### **ELECTRICAL**

11. Electrical Single Line Diagrams
12. Electrical Power Requirements
13. Electrical Load List
14. Electrical MTO

#### **MECHANICAL**

15. Major Equipment List
16. Piping MTO
17. Weights and Dimension

#### **SITE**

18. Civil Recommendations
19. Effluent List
20. Plant Utilities and Consumables
21. General Plant Layout

22. Site Rendering

**CAPEX AND OPEX**

23. CAPEX Estimation within ±15%

24. OPEX Model

25. Overall Economic Model Summary

Disclaimer: Written Deliverables states above compose the “FEED Deliverable Packet” for each site, and contains information and documentation within battery limits.

**Environmental Health and Safety (EHS)**

The oil and gas industry is looking to become more sustainable, minimize costs, and cut its carbon footprint. The designs offered by Saqara Energy strive to minimize adverse environmental impact from the modular gas processing plants by adopting designs, materials, and practices that avoid, reduce or control pollution and attempt to optimize consumptions and conserve natural resources, as well as optimize production. This section will highlight recommended environmental strategies, and practices according to international and national standards to achieve a more sustainable implementation.

The environmental section highlights the Environment and Health and Safety (EHS) considerations already taken into consideration in design offered by Saqara Energy. The fabrication/construction along with additional measures proposed separately to the client in the deliverables below.

1. Health, Safety and Environmental Considerations
2. Environmental and Social Monitoring Plan
3. Project Mitigation measures
4. GHG Audit and reporting
5. Local Content plan

The EHS process and deliverables will be the same for each of the 3 sites.

**CODES AND STANDARDS**

The engineering and fabrication activities will conform to typical US codes and standards according to the following list with some minor exceptions:

- SSPC Society for Protective Coatings
- NFPA 30, Combustible Flammable and Liquids Code
- NFPA 70, National Electrical Code
- API RP 500 Electrical Classification
- ASTM A36 Standard Specification for Carbon Structural Steel
- ATEX Zone 2/Class I Division 2, Group D
- ANSI B31.3 Process Piping Code
- ASTM A106B Seamless Pressure Pipe
- ANSI B16.5 Flanges
- API 610 or ASME B73.1 for centrifugal pumps
- API 600, API 602, API 608, and/or ANSI B16.34 Valves
- ANSI B16.9 Wrought Steel Butt-weld Fittings

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- API RP520 and 521 Pressure Relieving Devices
- API Standard 560 Fired Heaters
- ASME Code, Section VIII, Division 1 Pressure Vessels
- ASME Section VII, Division 1 Heat Exchangers
- AWS D1.1/D1.1M Structural Welding Code – Steel
- API 661 Air Coolers with ASME code stamp and NB registration for the headers

## PROCESS DESCRIPTION

The modular process design developed during the FEED study will be designed to operate in parallel to the current installation to allow the production of oil and flaring during down-times, maintenance tasks, as well as the installation. All site preparation and construction can be done in parallel and tie-in points will be completed last to minimize downtime.

The process design will consider the utilization of the same hardware in as many places as possible to minimize training, operations, service, and spare parts requirements.

### COMPRESSION

#### BOOST COMPRESSION

The associated gas originating at the low pressure will be directed to the compression station to be pressurized to the operating pressure of the plant. The compression package will be gas powered engine-drives utilizing the waste gas as for start-up, and converted to the lean as for fuel after the plant has reached steady state. The drive will be direct coupled with reciprocating compressors like Ariel compressors, with necessary stages to accommodate the entire site flow rate and pressure requirements. The compressor packages will be equipped with all necessary scrubbers, coolers, and safety systems for stand-alone operation.

#### CNG COMPRESSION

CNG compression will be installed post refrigeration after the liquids have been removed from the raw associated gas. The CNG compressors, either with electric drive motor or gas drive engines, compress the gas from its plant operating pressure to trailer rating capacity. This three stage compression system will pressurize the gas to a minimum of 3,600 psig to a maximum of 4,800 psig.

### DEHYDRATION

Dehydration is the next major process after compression. For the dehydration process, various technologies will be evaluated, including but not limited to TEG or triethylene glycole, silica gel, and molecular sieve. These systems will be evaluated based on the operational envelope, economic bases, as well as performance of the recovery of liquids. All the specified technologies will be evaluated independently for each site accordingly.

### REFRIGERATION

After the gas is dehydrated, refrigeration is the next step. The refrigeration is a propane closed loop system, electrically driven by a compact oil flooded screw compressor. The refrigeration system will cool the incoming gas to the designed temperature, with a set point determined during the FEED. As the inlet gas stream is cooled at the operating pressure, the heavy hydrocarbons liquify and remove from the gas stream. The liquids are directed to the fractionation station. The dry It is directed to the compression station, after heat integration.



### FRACTIONATION

The liquids generated by the refrigeration system will be directed to de-ethanizing column where the more volatile constituents are removed. The next column will separate the remaining liquids into two products, on-spec LPG and natural gas condensate.

## ESTIMATED YIELDS SUMMARY

### REQUIREMENTS – DANIELLA AND OLAX WITH AEE3 ASSOCIATED GAS PRODUCTION

An estimated **9 MmcfD** gas flowrate with a gross heating value of **1,477 BTU per ft<sup>3</sup>** shall be processed in the Blueflame Fuel Conditioning Plant, BFCP. The plant will take the raw associated gas and generate approximately **6,500 MSFD of dry gas as CNG, 420 bpd of LPG** with 15% mole of propane, as well as **200 bpd of condensate** with Reid RVP of 9-10 psia. The estimated CAPEX for Ex-Works of **\$17.9 MM USD**.

PERFORMANCE ANALYSIS												
	JOB N°	SMR-330405		PPRODUCT	FUEL CONDITIONING		REV.	2				
	UNIT	BLUEFLAME 6500		LOCATION	REPUBLIC OF CHAD		DATE	4.07.2026				
	CLIENT	REPUBLIC OF CHAD		SITE NAME	Olax		DOC N°	BFA-1001				
COMPONENT	Raw Feed Gas			CNG Product			LPG Product			Condensate Product		
	MOL %	MASS %	MASS FLOW (kg/hr.)	MOL %	MASS %	MASS FLOW (kg/hr.)	MOL %	MASS %	MASS FLOW (kg/hr.)	MOL %	MASS %	MASS FLOW (kg/hr.)
carbon dioxide	0.9%	1.6%	110.0	1.0%	2.3%	89.6	0.0%	0.0%	0.0	0.0%	0.0%	0.0
nitrogen	0.8%	0.9%	62.3	1.1%	1.6%	60.7	0.0%	0.0%	0.0	0.0%	0.0%	0.0
water	0.0%	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0%	0.0
methane	66.1%	41.5%	2914.5	83.2%	69.5%	2681.7	0.0%	0.0%	0.0	0.0%	0.0%	0.0
ethane	11.9%	14.0%	985.6	10.3%	16.1%	621.5	0.0%	0.0%	0.0	0.0%	0.0%	0.0
propane	11.2%	19.4%	1359.7	4.0%	9.3%	357.7	15.0%	11.8%	114.6	0.0%	0.0%	0.0
i-butane	1.9%	4.4%	306.8	0.2%	0.5%	20.0	23.6%	24.4%	237.4	0.0%	0.0%	0.1
n-butane	4.3%	9.9%	694.3	0.2%	0.7%	26.6	59.4%	61.4%	598.2	0.4%	0.3%	1.6
i-pentane	1.0%	2.9%	200.4	0.0%	0.1%	2.0	1.7%	2.2%	21.1	32.7%	30.9%	171.9
n-pentane	1.1%	3.1%	220.5	0.0%	0.0%	1.3	0.3%	0.4%	3.6	40.3%	38.0%	211.5
hexane	0.6%	2.0%	143.6	0.0%	0.0%	0.1	0.0%	0.0%	0.0	22.8%	25.7%	143.0
heptane+	0.1%	0.4%	27.8	0.0%	0.0%	0.0	0.0%	0.0%	0.0	3.8%	5.0%	27.8
methanol	0.0%	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0%	0.0	0.0%	0.0%	0.0
<b>Flow Rate:</b>	<b>9,000 Mscfd</b>			<b>6,578 Mscfd</b>			<b>423 bbl/day</b>			<b>215 bbl/day</b>		
	11,473 kg / hr.			6,305 kg / hr.			1,591 kg / hr.			908 kg / hr.		
Caterpillar fuel quality MN:												
Heating Value - HHV dry:	1477 BTU/scf			1132 BTU/scf			-			-		
Thermal energy of gas - LHV:	1356 BTU/scf			1031 BTU/scf			-			-		
Reid Vapor Pressure:	-			-			4.994 bar			0.9776 bar		
True Vapor Pressure:	-			-			5.122 bar			0.9816 bar		
Pressure:	1.703 bar			332 bar			8 bar			2 bar		
Temperature:	50.0 °C			50.0 °C			56.0 °C			48.0 °C		
Wobbe Index:	1572 BTU/scf			1389 BTU/scf			-			-		
All volumetric flows shown at standard conditions. Actual volume may vary depending on temperature and pressure If C7 composition not provided, 40% of C6+ is assumed to be C7 Cyclic alkanes will be treated as their linear counterparts. BXT compounds will be treated as C7 All streams are saturated to the specified inlet temperature Excludes any EPC Scope of Work Non-condensable inerts will be treated as nitrogen												
PRELIMINARY ECONOMIC ANALYSIS												
<b>Blueflame Fuel Conditioning Plant 6500</b>		<b>\$ 9,200,000.00 USD</b>		<b>CNG ASSUMPTIONS &amp; EVALUATION</b>								
- Inlet Boost Compressor				CNG Product Price		\$ 5.00		USD per MCFD				
- Refrigeration and Separation				CNG Product Revenue		\$ 32,888.34		USD Per Day				
- CNG Compressor				<b>CNG Product Revenue</b>		<b>\$ 12,004,244.85</b>		<b>USD Per Year</b>				
<b>Blueflame Fractionation Plant 1000</b>		<b>\$ 3,500,000.00 USD</b>		<b>LPG ASSUMPTION &amp; EVALUATION</b>								
- Liquids Stabilization Column System				LPG Product Price		\$ 2.00		USD per US Gallon				
- LPG and Condensate Column System				LPG Product Revenue		\$ 35,495.08		USD Per Day				
<b>Power Generation, Rich Burn</b>		<b>\$ 1,900,000.00 USD</b>		<b>LPG Product Revenue</b>		<b>\$ 12,955,702.90</b>		<b>USD Per Year</b>				
- Rich Burn Design Consuming Residue Gas				<b>CONDENSATE ASSUMPTION &amp; EVALUATION</b>								
<b>LPG Storage Farm</b>		<b>\$ 1,800,000.00 USD</b>		Condensate		\$ 60.00		USD per Barrel				
- Over One (1) week of Storage Capacity				Condensate Product Revenue		\$ 12,880.94		USD Per Day				
<b>Balance of Plant</b>		<b>\$ 1,500,000.00 USD</b>		<b>Condensate Product Revenue</b>		<b>\$ 4,701,544.46</b>		<b>USD Per Year</b>				
- Inlet and Product Metering Skids				<b>SUMMARY</b>								
- Firefighting System				Estimated Plant Uptime		90%						
- MMC Building				Total Annual Plant Revenue		\$ 29,661,492.21		USD Per Year				
- Instrument Air Compression System				<b>Total Estimated Annual Revenue</b>		<b>\$ 26,695,342.99</b>		<b>USD Per Year</b>				
<b>ESTIMATED COST</b>				<b>\$ 17,900,000.00</b>				<b>USD</b>				

## **ONSITE CONTRACTOR RECOMMENDATIONS**

Saqara Energy has experience working with different experienced EPC companies in Africa that operates based on international standards for the onsite construction activities such as civil, tank fabrication, mechanical, piping, electrical and instrumentation. Together, Saqara Energy and these groups have a good relationship based on previous projects throughout the continent. Saqara Energy can recommend trusted EPC companies that can mobilize quickly and providing turnkey services, and who understand Saqara’s unique technology solutions based on Saqara’s FEED. Typically, the contractor will mobilize its own experts to complete the job in addition to hiring both skilled and manual workforce from Chad and where possible, from the community(s) where the projects are located. Local content will be prioritized as much as possible without compromising the project’s standards.

## **ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENTS (ESIAs)**

When required, Saqara Energy can recommend companies to deliver on a standard Environmental & Social Impact Assessment. Similarly, Saqara Energy will support the ESIA Company with technical data and clarifications.

## BUDGET AND SCHEDULE

Saqara Energy will use reasonable effort to complete the FEED study in **14 weeks** after all available information and payment has been received based on the terms and conditions specified here in.

- The date Saqara Energy receives the downpayment and subsequent milestone payments reference to table 1.
- The date Saqara Energy receives the information referred to in the Obligation by the Client.

Saqara Energy is pleased to announce FEED and all pre-development support to constitute **Five Hundred Thousand US Dollars (\$500,000 USD)** for the consolidated and integrated study.

Milestone Payments	%	Payment Amount	Milestone Dates
Down Payment	40%	\$200,000 USD	Execution of this Agreement
Interim Submission - Gas Plant Battery Limits	40%	\$200,000 USD	10 Weeks after Effective Date
Final Submission – Gas Plant Battery Limits	20%	\$100,000 USD	14 Weeks after Effective Date

*Table 1: Milestones and Payment Terms*

## EXCLUSIONS

- Saqara responsibilities and Deliverables shall be strictly limited to those detailed in this Agreement. Saqara Energy scope of work (the Deliverables) does not include the following items:
  - Detailed Design & Engineering for the Gas Processing Plant.
  - Gas processing plant procurement and fabrication.
  - Permits, licenses, inspections and government approvals including fees of any kind site construction activities, including but not limited to site grading, tank farm (including feedstock and product storage tanks), all concrete foundations including pilings and necessary foundation preparation equipment (e.g. reinforcing bar and anchor bolts), tank berms and landscaping, facility roads and paving, security fencing, utilities (e.g. portable water, cooling water, steam, shore protection, natural gas supply, electrical power supply, telephone, sewer, etc.), electrical grounding system materials, drain system materials (open and closed), Office, shop or laboratory buildings, truck, or rail load/unload facilities, pipeline connections, equipment installation etc.
  - Equipment installation, commissioning, start up, and process consumables, including any gases, welding rods, and lubricants.
  - All other equipment, components and workforce necessary for equipment installation, commissioning and start up, including feedstock.
  - Any deliverable not included in this FEED Agreement

## CONCLUSION

We hope that this quotation meets the needs of the Republic of Chad for the FEED stage of the projects. If you have any questions or concerns, please reach out at your convenience, as we are excited to address them. We look forward to working with your team and contributing to the Republic of Chad’s project success.

## AGREEMENT

**Saqara Energy**
**Ministry of Petroleum & Energy, Republic of Chad**

Representative Name: \_\_\_\_\_ Representative Name: \_\_\_\_\_

Signature \_\_\_\_\_ Signature \_\_\_\_\_

Print Name: \_\_\_\_\_ Print Name: \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_

Please Note:

- (a) Saqara Energy price specified above are exclusive of all applicable taxes and statutory deductions, and not subject to variation.
- (b) The Client shall settle all undisputed invoices within 15 days of invoice submittal.
- (c) The price listed above is valid for ninety (60) days from this Agreement date.
- (d) Request for changes or addition to the above deliverables list would be considered a variation.

**TERMS AND CONDITIONS:**

**1. DEFINED TERMS**

In addition to the defined terms set out throughout the Agreement, each of the following defined terms is incorporated into the Agreement:

**(a)** “Affiliate” means, with respect to any Person, any other Person controlling, controlled by, or under common control with, such Person, where, for purposes of this definition, “control” means the ownership directly or indirectly of fifty (50) percent or more of the voting rights in a Person.

**(b)** “Barrel” means forty-two (42) US gallons.

**(c)** “Client Group” means Client, Client’s subcontractors, Client’s Affiliates, Participants, Joint Interest Owners, and Client’s Invitees, and the owners, officers, directors, employees, agents, consultants, and servants of all of the foregoing.

**(d)** “Client Information” means all information provided by any member of Client Group or any Third Party representative of Client to Engineer in connection with the Services, or otherwise in connection with this Agreement.

**(e)** “Confidential Information” means all information and data obtained by Client Group under this Agreement from Engineer Group, which information is the property of or obtained on behalf of any member of Engineer Group or is owned by a Third Party which any member of Engineer Group has agreed to hold confidential.

**(f)** “Insolvency Event” means the occurrence of any of the following: with respect to the person or entity in question, such person or entity (i) admits in writing its inability to pay generally its debts as they mature, (ii) makes a general assignment for the benefit of creditors, (iii) is adjudicated bankrupt or insolvent, (iv) files a voluntary petition in bankruptcy, (v) takes

advantage, as against its creditors, of any bankruptcy law or statute of the United States or any state or subdivision thereof now or hereafter in effect, (vi) has a petition or proceeding filed against it under any provision of any bankruptcy or insolvency law or statute of the United States or any state or subdivision thereof, (vii) has a receiver, liquidator, trustee, custodian, conservator, sequestrator or other such person appointed by any court to take charge of its affairs or assets or business, (viii) takes any action in furtherance of any of the foregoing; (ix) ceases to be in good standing in any jurisdiction in which it does business; or (x) liquidates, dissolves or winds up its business operations.

**(g)** “Intellectual Property” means (i) all patents, patent applications and invention disclosures worldwide, together with all reissues, continuations, continuations-in-part, divisionals, supplementary protection certificates, extensions and re-examinations thereof and utility models; (ii) all registered and unregistered trademarks, service marks, trade names, logos, trade dress and slogans, worldwide, and registrations and applications for registration thereof and any and all goodwill associated therewith; (iii) all copyrights in copyrightable works, and all other rights of authorship recognized by statute or otherwise, and all applications, registrations and renewals in connection therewith; (iv) all mask works and semiconductor

chip rights, and all applications, registrations and renewals in connection therewith; (v) all trade secrets and Confidential Information, including confidential inventions, inventions, technical information,

processes, drawings, technology, research studies, computer programs, marketing studies, and customer lists; (vi) all other intellectual property rights relating to any or all of the foregoing.

**(h)** “Joint Interest Owner” means any co-interest owners, joint venturers, partners or co-lessees of Client for the property related to the Operations or any other Person (other than any member of Engineer Group) that shares an interest with Client in the right(s) within the country where Operations are to be conducted.

**(i)** “Participants” mean any co-owners, joint venturers, or partners of Client or any other Person participating in Client’s economic risk in connection with the operations.

**(j)** “Person” means an individual, partnership, joint venture, corporation, Limited Liability Company, trust, unincorporated organization, government entity, or any other entity.

**(k)** “Engineer Group” means Engineer, Engineer’s contractors and subcontractors, Engineer’s Affiliates, and Engineer’s Invitees, and the shareholders, officers, directors, employees, agents, consultants, and servants of all of the foregoing.

**(l)** “Engineer’s Invitee(s)” means any Person that would otherwise be a Third Party except that such Person’s presence in the workplace is by invitation of any member of Engineer Group.

**(m)** “Taxes” means any and all taxes imposed by any taxing authority including, without limitation, withholding taxes, income tax, all corporate taxes, imports, duties, VAT, levies, stamp duties, charges and other assessments and payments in the nature of taxes, wherever payable.

**(n)** “Third Party” means any Person other than any member of Engineer Group or Client Group.

**(o)** “VAT” means Value Added Tax or similar tax on goods or services, including, without limitation, sales, use, excise, and similar taxes.

## 2. FORCE MAJEURE

**(a) Excuse from Performance.** Engineer shall be excused from complying with the terms of this Agreement if and for so long as such compliance is hindered or prevented by an event of Force Majeure. “Force Majeure” means any event or circumstance (excluding the inability to pay compensation due under this Agreement) beyond the reasonable control of a Party which prevents or impedes the due performance of this Agreement, and which by the exercise of reasonable diligence, such Party is unable to prevent, including, without limitation, act of war, act of terrorism, riot, rebellion or civil unrest, act of God, flood, earthquake, lightning or other natural physical disaster, explosion, fire, or expropriation, nationalization, requisition or other interference by any government authority, the enactment or amendment after the effective date of any Applicable Law, and national or regional strikes or similar labor disputes (official or not).

**(b) Notice.** If Engineer is prevented from or delayed in performing any of its obligations under this Agreement by Force Majeure, Engineer shall promptly give notice to that effect to Client, stating the particulars of such Force Majeure and of the obligations thereby affected, and shall thereupon be excused from the performance or punctual performance, as the case may be, of such obligations for so long as the circumstances of Force Majeure continue. Engineer shall use commercially reasonable efforts to minimize the effect of a Force Majeure upon the performance of this Agreement and shall promptly resume performance as soon as commercially reasonable after removal of the Force Majeure.

### 3. TERMINATION

**(a) Client Termination With Cause.** Client may terminate this Agreement if Engineer fails to cure an Engineer Default within thirty (30) days of Engineer’s receipt of notice from Client identifying such

Engineer Default. Any such termination shall be effective on the thirty first (31st) day after Engineer’s receipt of the Engineer Default notice and only if Engineer fails to cure the Engineer Default. An “Engineer Default” shall have occurred if: (i) Engineer undergoes an Insolvency Event; or (ii) Engineer’s commits gross negligence or willful misconduct that results in a material breach of this Agreement and has a material adverse effect on the Services.

**(b) Client Termination Without Cause.** Client may terminate this Agreement for any reason, or no reason at all, by delivering written notice to Engineer. Any such termination shall be effective on the fifteenth (15th) day after Engineer’s receipt of the termination notice.

**(c) Engineer Termination With Cause.** Engineer may terminate this Agreement if Client fails to cure a Client Default within thirty (30) days of Client’s receipt of notice from Engineer identifying such Client Default. Any such termination shall be effective on the thirty first (31st) day after Client’s receipt of the Client Default notice and only if Client fails to cure the Client Default. A “Client Default” shall have occurred if: (i) Client undergoes an Insolvency Event; (ii) Client fails to make any payment hereunder in full and on time; (iii) Client violates any of the compliance covenants contained herein; (iv) Client violates any of the representations, warranties, or covenants contained in Section 4 of Schedule 2; or (v) a suspension of this Agreement caused by any reason other than an Engineer Default continues for sixty (60) days.

**(d) Termination For Force Majeure.** Either Party may terminate this Agreement in the event of a Force Majeure that continues for a period of thirty (30) days.

**(e) Effect of Termination After Deliverable.** In the event of a termination of this Agreement for any reason that occurs after Deliverables have been transferred to Client, then Client shall pay Engineer all amounts due hereunder for Services rendered to the date of termination.

**(f) Effect of Termination Before Deliverable.** In the event of a termination of this Agreement that occurs before Deliverables have transferred to Client, then:

(i) If the termination is made by Client other than as permitted by Section 8(a) of Schedule 2, or if the termination is made by Engineer pursuant to Section 8(c) of Schedule 2, Engineer shall retain title to the Deliverables, and Client shall pay Engineer all amounts due hereunder for Services rendered to the date of termination, plus Engineer’s actual, direct and non-recoupable costs reasonably necessitated by the termination).

### 4. WARRANTY

**(a) No Service Warranty.** Client acknowledges that the Services, including without limitation, all information, interpretation, advice, or provision of data by Engineer, shall be in an advisory capacity only

**(b)** and that Engineer does not warrant any aspect of such Services. As such, ENGINEER EXPRESSLY DISCLAIMS ALL WARRANTIES OF ANY KIND AND CHARACTER AS TO THE SERVICES, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, QUALITY, SUITABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OR USE, WHETHER EXPRESS, IMPLIED, DIRECT, INDIRECT OR OTHERWISE.

**5. INDEMNITY**

**Engineer’s Indemnity.** Engineer shall release, indemnify, defend and hold Client harmless from and against all losses, claims, damages, liabilities, demands, suits, expenses (including reasonable attorneys’ fees), and causes of action of every kind and character (“Losses”) based on, related to or arising out of Engineer’s gross negligence or willful misconduct in its performance of this Agreement. Notwithstanding the foregoing, it is a condition precedent to Client’s right to release, indemnity and defense from Engineer that Client has: (i) timely provided Engineer with complete and accurate information necessary to carry out its responsibilities; (ii) timely paid Engineer in full all amounts due hereunder; and (iii) not breached any covenant, representation or warranty in this Agreement.

**(a) Client’s Indemnity.** Client shall release, indemnify, defend and hold Engineer Group harmless from and against all Losses suffered by any person or entity, based on, relating to, or arising out of: (i) Client Group’s gross negligence or willful misconduct, (ii) any member of Client Group’s violation of any Applicable Law; (iii) Client’s violation of any of the covenants, representations or warranties contained in this Agreement; (iv) any function or responsibility described in this Agreement as Client’s sole responsibility, (v) any obligation, duty or responsibility not specifically allocated to Engineer in this Agreement, or (vi) any failure by any member of Client Group to pay Taxes or other charges when due.

**(b) Consequential Damages.** Notwithstanding the foregoing, neither Party shall be liable to the other Party for indirect, incidental or consequential losses or damages (including, without limitation, punitive and exemplary damages, loss of earnings, loss of production, loss of value or decrease in earnings from any goods or property, including, without limitation,

loss of reserves, loss of use, loss of financial advantage, business interruption or downtime).

**6. COMPLIANCE**

**(a) General Compliance with Applicable Law.** The Parties agree to comply with all Applicable Law. “Applicable Law” as used herein, shall mean, any applicable law, regulation, order of any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality of the United States, including without limitation, the United States Foreign Corrupt Practices Act, and all health, safety and environmental requirements applicable to this Agreement.

**(b) Improper Influence.** With respect to any activities to be undertaken in connection with this Agreement, each Party represents, warrants and covenants that neither it nor its respective Group has made or will make an offer or promise to pay, loan or give a payment, a loan or a gift of money or anything of value; or has authorized or will authorize any such offer, promise, payment, loan or gift, in any event

directly or indirectly to or for the use or benefit of any official, or any other person while knowing that all or a portion of such money or thing of value will be offered, given, paid, loaned or promised, directly or indirectly, to or for the use or benefit of any official, for any of the following purposes: (i) influencing any act or decision of such official, in his, her or its official capacity; (ii) inducing such official to do or omit to do any act in violation of the lawful duty of such official; (iii) inducing such official to use his, her or its influence with any governmental entity, public international organization, or political party to affect or influence any act or decision of such entity, organization or party; or (iv) securing any improper advantage, in any case, in order to assist Client or Engineer in

connection with any of their respective activities related to this Agreement.

**(c) Compliance Policies and Procedures.** The Parties shall endeavor to ensure through the establishment, implementation, monitoring and active enforcement of pertinent policies and procedures, including, without limitation, the keeping of accurate books and records, that there is continuous and full compliance with all of the compliance provisions herein. The Parties shall fully cooperate with each other, including, without limitation, sharing information, making necessary disclosures, and addressing concerns raised by the other Party or by government officials, to endeavor to ensure that there is continuous and full compliance with all of the compliance provisions herein.

**Compliance with Export Controls and Trade Embargoes.** Each Party shall comply and shall endeavor to ensure that each member of their respective Groups also comply at all times with all applicable trade embargo and export control laws, rules and regulations, and shall not export or re-export any goods, software or technology (including, without limitation, technical data), directly or indirectly, without first obtaining all written consents, permits, or authorizations and completing such formalities as may be required by any Applicable Law. Each Party shall assist the other Party in applying for such consents, permits or authorizations and completing such formalities if so requested. Each Party shall provide to the other Party upon request copies or other written evidence of such consents, permits or authorizations and such other information regarding export control classifications as may reasonably be requested. Each Party warrants that it has in place appropriate screening procedures to ensure compliance with such laws, rules and regulations and shall apply those procedures in connection with its performance hereunder. Each Party agrees to keep records of its export and re-

export related activities for a minimum of five (5) years or such period as is required from time to time by Applicable Law, whichever is the greater. Each Party shall make such records available to the other Party upon reasonable request for inspection and copying.

**(d) Client Records; Engineer’s Right to Audit.** Client shall safely keep, in accordance with generally accepted accounting practices, true and detailed records and accounts pertaining to this Agreement and transactions related hereto for at least five (5) years after completion of this Agreement. During its performance hereunder and for a period of five (5) years thereafter, Engineer or any authorized representative of Engineer shall have the right to inspect, examine and copy such detailed records and accounts of the Client. Engineer’s rights of inspection, examination, copying and audit shall be limited to the purpose of verifying that Client is satisfying, or has satisfied, its compliance obligations hereunder. Engineer shall not be provided access to proprietary Client information or trade secrets, Client confidential data, other customers’ information, information subject to an obligation of confidentiality by Client, or other records not necessary to verify compliance matters.

## 7. THE DELIVERABLES

**(a) US Standards.** Engineer shall use commercially reasonable efforts to comply with typical US Standards in its engineering and design of the Equipment. For purposes of the foregoing, “US Standards” means meeting ASME B31.3 for piping design; using A106 grade piping with applicable ANSI-standard flanges and fittings; meeting ASME Section 8 for pressure vessels; heaters per API 560; exchangers ASME code stamped and per TEMA Class R; air coolers ASME code stamped and per API 661; pumps per API 685 (seal less) or ASME B73.1 (centrifugal),

and area classification and electrical per NFPA 70.

**(b) Client Reviews.** Client shall be allowed, at reasonable times during normal working hours and only after giving reasonable notice, to review progress on the Deliverables. Client’s inspections shall be at the sole expense of Client, shall be reasonable, and shall be conducted so as not to disrupt Engineer’s business operations.

**(c) Change Orders.** Client may direct the Engineer to make changes to the Deliverables if such changes reasonably fall within the general scope of the specifications set out in this Agreement. Any such change order shall be delivered in writing to the Engineer. The Engineer shall thereafter notify Client of Engineer’s opinion of how the requested change order may affect the submit a proposal to Client specifying the effects of the change order, including in as much detail as commercially reasonable, the amount of any increase or decrease in the cost of or time to complete the Deliverables. Client shall review Engineer’s proposal and may accept, reject or modify the proposal for Engineer’s reconsideration. If and when Engineer and Client reach agreement on all matters pertaining to the requested change order, the final proposal shall be signed by both Parties and attached hereto as an amendment to Schedule 2. Thereafter, Engineer shall proceed as specified in the mutually agreed upon proposal. Engineer shall immediately submit to Client an invoice for any increase in costs associated with the changes and Client shall pay the invoice by wire transfer within fifteen (15) days. Any decrease in costs shall be credited against Client’s future payment obligations hereunder.

**(d) Acceptance of Deliverables.** Engineer shall notify Client in writing when the Deliverables are ready for a final review. Client shall have five (5) days after receipt of Deliverables to perform

such final review. The final review shall include visual review of the Deliverables to verify that all items have been prepared by Engineer and meet the conditions set out in this Agreement. Client shall have five (5) days from the date of the final review to complete and return to Engineer a Deliverables Acceptance Certificate (a form of which is provided in Exhibit A attached hereto). By delivering a completed Deliverables Acceptance Certificate, Client shall be finally accepting the Deliverables. If, however, Client fails to perform the final review on time or fails to submit a completed Deliverables Acceptance Certificate on time, Client will be deemed to have finally accepted the Deliverables and will have waived any right Client may have to object to any aspect of the Deliverables. In such event, Engineer shall be authorized to unilaterally complete the Deliverables Acceptance Certificate. Upon completion of the Deliverables Acceptance Certificate, by Engineer and Client, or unilaterally by Engineer if so authorized, Client will have finally accepted the Deliverables and Engineer will have earned, and Client will be required to pay, the final payment identified in this Agreement.

**(e) Re-work.** In the event that the Deliverables do not materially meet the requirements of this Agreement, Engineer shall use commercially reasonable efforts to perform corrective measures in a timely manner. Engineer shall notify Client in writing once such corrective measures have been completed, and

Client shall then perform another final review which shall be subject to the terms of Section 2(d) of this Schedule 2.

**8. CLIENT COVENANTS, REPRESENTATIONS, AND WARRANTIES**

**(a)** Client Group shall hold Confidential Information strictly confidential and shall not

disclose Confidential Information to any Person, including, without limitation, an Affiliate of Client, without the prior written consent of Engineer. Subject to the exceptions specified herein each member of Client Group shall take all reasonable measures to protect the confidentiality of such Confidential Information. Except as is necessary to enable Client to perform its obligations under this Contract, no member of Client Group shall, without the prior written agreement of Engineer, use, reproduce, copy, disclose to, place at the disposal of or use on behalf of Client, any member of Client Group, or any Third Party or enable any Third Party to use, peruse or copy any of the Confidential Information, including, without limitation, drawings, data, or computer software.

If Client or Client Group discloses any of the Confidential Information to any Third Party, Client shall be responsible for ensuring that such Third Party maintains such Confidential Information, complies with the confidentiality requirements herein, and returns or destroys the Confidential Information upon completion of the Third Party's use necessary for Client's performance hereunder. Client shall prevent Confidential Information from inappropriately leaving the Work Site and Client's premises. Client shall provide Engineer with lists of the names of any Third Parties to whom the Confidential Information is disclosed with the date of disclosure, date of return or destruction, and each and every location of the Confidential Information and each copy thereof.

**(b)** Each member of Client Group shall take all reasonable measures to protect the confidentiality of Confidential Information; provided, however, that the provisions of this Section shall not apply to Confidential Information which: is or becomes available to the public domain through no act or omission of any member of Client Group; was in the possession of any member of Client Group prior

to this Agreement and which was not subject to any obligation of confidentiality; was received from a Third Party whose possession of such Confidential Information is lawful and who is under no obligation not to disclose; or is required to be disclosed to comply with Applicable Law, or by the rules of any stock exchanges on which the shares of any member of Client Group are listed. Provided however, any member of Client Group may use or disclose otherwise Confidential Information five (5) years after the completion of the all work hereunder; except if Applicable Law requires any such Confidential Information be kept confidential for longer duration, in which event such longer period of confidentiality shall apply.

**(c)** Client, on behalf of Client Group, acknowledges and agrees that, in the event of any breach or threatened breach of the confidentiality provisions of this Contract by any member of Client Group, Engineer Group would be irreparably and immediately harmed and could not be made whole by monetary damages recoverable under this Agreement. Accordingly, in addition to any other remedy to which Engineer Group may be entitled at law or in equity, and notwithstanding any other provision in this Agreement, any member of Engineer Group shall be entitled to an injunction or injunctions (without the posting of any bond and without proof of actual damages) to prevent breaches or threatened breach of, or to compel specific performance of, the provisions of this Section, and that neither any member of Client Group nor its representatives shall oppose the granting of such relief in any court of competent

jurisdiction provided the request for injunction by Engineer Group is reasonable. For the purpose of this Section, Client, on behalf of Client Group, hereby irrevocably agrees to submit to the non-exclusive jurisdiction of any

court or tribunal of competent jurisdiction in which a claim for injunction is brought. Such an application for injunctive relief may be made either to an arbitral tribunal or to a court of competent jurisdiction, and making such a request to a court shall not be deemed inconsistent with the right to arbitration or a waiver of that right. In the event such injunctive relief is sought, the losing Party agrees to reimburse the prevailing Party for all costs, including, without limitation, reasonable legal counsel fees, incurred by the prevailing Party.

**(d) Intellectual Property.** Engineer hereby retains all right, title and interest it has to any and all Intellectual Property and no function hereunder shall be considered or deemed a transfer of any kind of Intellectual Property from Engineer to Client or any other Person.

## 9. FINANCIAL MATTERS

**(a) Payments.** All payments hereunder are due in accordance with the payment schedule set out on the first page of this Agreement. Payment is due regardless of whether or not an invoice has been issued. Failure to issue an invoice shall not waive Engineer’s right to receive timely payment and shall not relieve Client’s obligation to make timely payment. Engineer specifically reserves all of its right to payment. Payment shall be deemed effective from the date of confirmation of receipt into Engineer’s bank account. All past due amounts shall bear interest at the rate of one and a half percent (1.5%) per month, or if less, the maximum rate of interest permitted by law, and Client shall be required to pay for Engineer’s cost of collection, including without limitation, Engineer’s reasonable legal fees.

**(b) Costs Due to Suspension.** Client may direct Engineer to cease performance hereunder at any time. Engineer may, in lieu of termination, cease performance in the event of a Client Default (defined below). In either case, during any such suspension period, Client shall pay Engineer: (i) reasonable standby costs for personnel prior to demobilization; and Engineer’s reasonable

standby costs for personnel subsequent to demobilization if Client requests that Engineer remain on standby and fully available to resume performance; and (ii) other reasonable costs incurred by Engineer associated with the suspension, including, without limitation, increased costs of subcontracts, and other third-party charges. If no termination of this Agreement results from any such suspension, before recommencing performance hereunder, Engineer shall have the right to renegotiate its pricing based on the then current economic and market conditions. If the Parties are unable to agree on new pricing and the suspension period continues for more than sixty (60) days, Client will be deemed to have terminated this Agreement without cause pursuant to Section 8(b) of Schedule 2.

**(c) Disputes.** Client shall promptly notify Engineer in writing of any dispute regarding any invoice and Client shall only dispute invoices in good faith with a detailed description documenting the reason(s) for the dispute. Client waives all right to dispute any invoice if Client fails to deliver written notice of its dispute to Engineer within five (5) days of the date of the invoice.

**(d) Payment a Condition to Performance.** Engineer’s obligation to perform under this Agreement shall be conditioned upon Client’s timely payment of all amounts due hereunder. Accordingly, Engineer shall have no obligation to perform under this Agreement and may cease all performance hereunder unless and until Client is current and fully paid up on all its obligations to make payments to Engineer.

**(e) Taxes.** The Service Fee does not include any Taxes. Any Taxes that Engineer is obligated to collect shall be added to the total amount due as a separate charge to be paid by the Client. All other Taxes and government fees and charges of any kind shall be paid independently by the Party that is legally responsible to pay such amounts.

**10. DISPUTE RESOLUTION**

**(a) Rules.** Any dispute, controversy, or claim arising out of, relating to, or in any way connected with this Agreement, including, without limitation, the existence, validity, performance, breach, or termination thereof, shall be settled by final and binding arbitration in accordance with the laws of the State of Texas, USA. The language of the arbitration shall be English. The Parties agree that a court may, at the request of a Party, consolidate two or more arbitral proceedings among the same Parties if there are common questions of law or fact. The Parties agree that a judgment based on an arbitral award may be entered and enforced by any court of competent jurisdiction.

**(b) Selection of Arbitrator(s).** Three-Member Tribunal. Within fifteen (15) days of respondent’s receipt of notice of arbitration, each Party shall select an arbitrator, and within five (5) days of selection of the second arbitrator the two arbitrators shall select the third, who shall act as chair. The arbitrator(s) shall be qualified by education, training, or experience to determine the dispute, controversy, or claim.

**(c) Interim Measures in Aid of Arbitration.** Unless otherwise agreed in writing, the arbitral tribunal may, at the request of a Party, order any Party to take such interim measures of protection as the tribunal may consider necessary in respect of the subject matter of the dispute. Such interim measures may include provisional, protective, or conservatory measures. The arbitral tribunal may require any Party to provide appropriate security in connection with any such measures of protection. Such measures may also include the arbitral tribunal, or a Party with the approval of the arbitral tribunal, requesting from a competent court of jurisdiction assistance in taking and compelling evidence or preserving

and producing documents regarding the subject matter of the dispute.

**(d) Waiver of Sovereign or State Immunity.** The Parties, by agreeing to submit the subject matter of the dispute, controversy, or claim to arbitration, hereby waive any state or sovereign immunity that they may be entitled to raise against the jurisdiction of the arbitral tribunal and against any court action in aid of arbitration or for enforcement or execution of the award.

**(e) Confidentiality.** This arbitration process is intended to resolve a private dispute. The Parties agree to maintain the confidentiality of any information, documents, or things regarding or disclosed in the course of an arbitration, including, without limitation, the award, except as required by law, regulation, or bona fide business purpose, such as disclosure to accountants, shareholders, or third-party purchasers. Unless agreed by the Parties, the arbitral tribunal and any administering arbitral institution shall maintain the confidentiality of all matters relating to the arbitration, including, without limitation, the award.

**(f) Amicable Negotiations.** The Parties agree that they shall attempt to resolve every dispute first through amicable negotiations. When a dispute arises, a Party shall commence the negotiation process by providing written notice of a dispute to the other Parties) (hereafter “Notice of Dispute”). The Notice of Dispute shall identify the Parties to the dispute and contain a short statement of the nature of the dispute and the relief requested.

**(g) Mediation.** If the dispute is not resolved, for any reason or for no reason, by execution of a written memorandum of settlement within fifteen (15) days of receipt by the recipient(s) of the Notice of Dispute, the dispute shall be submitted to mediation. If the Parties do not

agree on a mediator within fifteen (15) days of receipt by the recipient(s) of the Notice of Dispute, the mediator shall be selected by Engineer within forty (40) days of receipt by the recipient(s) of the Notice of Dispute.

**(h) Arbitration.** If the dispute is not resolved, for any reason or for no reason, by execution of a written memorandum of settlement within 61 days of receipt by recipient(s) of the Notice of Dispute, the dispute shall be determined by binding arbitration, in accordance with this Agreement.

**(i) Tolling.** The Parties agree that delivery of a Notice of Dispute shall toll running of any applicable limitations of actions imposed by law or under this Agreement for resolution of a dispute.

## **11. CONFIDENTIALITY & INTELLECTUAL PROPERTY**

**(a)** Client Group shall hold Confidential Information strictly confidential and shall not disclose Confidential Information to any Person, including, without limitation, an Affiliate of Client, without the prior written consent of Engineer. Subject to the exceptions specified herein each member of Client Group shall take all reasonable measures to protect the confidentiality of such Confidential Information. Except as is necessary to enable Client to perform its obligations under this Contract, no member of Client Group shall, without the prior written agreement of Engineer, use, reproduce, copy, disclose to, place at the disposal of or use on behalf of Client, any member of Client Group, or any Third Party or enable any Third Party to use, peruse or copy any of the Confidential Information, including, without limitation, drawings, data, or computer software.

If Client or Client Group discloses any of the Confidential Information to any Third Party, Client shall be responsible for ensuring that such Third Party maintains such Confidential

Information, complies with the confidentiality requirements herein, and returns or destroys the Confidential Information upon completion of the Third Party's use necessary for Client's

performance hereunder. Client shall prevent Confidential Information from inappropriately leaving the Work Site and Client's premises. Client shall provide Engineer with lists of the names of any Third Parties to whom the Confidential Information is disclosed with the date of disclosure, date of return or destruction, and each and every location of the Confidential Information and each copy thereof.

**(b)** Each member of Client Group shall take all reasonable measures to protect the confidentiality of Confidential Information; provided, however, that the provisions of this Section shall not apply to Confidential Information which: is or becomes available to the public domain through no act or omission of any member of Client Group; was in the possession of any member of Client Group prior to this Agreement and which was not subject to any obligation of confidentiality; was received from a Third Party whose possession of such Confidential Information is lawful and who is under no obligation not to disclose; or is required to be disclosed to comply with Applicable Law, or by the rules of any stock exchanges on which the shares of any member of Client Group are listed. Provided however, any member of Client Group may use or disclose otherwise Confidential Information five (5) years after the completion of the all work hereunder; except if Applicable Law requires any such Confidential Information be kept confidential for longer duration, in which event such longer period of confidentiality shall apply.

**(c)** Client, on behalf of Client Group, acknowledges and agrees that, in the event of any breach or threatened breach of the

confidentiality provisions of this Contract by any member of Client Group, Engineer Group would be irreparably and immediately harmed and could not be made whole by monetary damages recoverable under this Agreement. Accordingly, in addition to any other remedy to which Engineer Group may be entitled at law or in equity, and notwithstanding any other provision in this Agreement, any member of Engineer Group shall be entitled to an injunction or injunctions (without the posting of any bond and without proof of actual damages) to prevent breaches or threatened breach of, or to compel specific performance of, the provisions of this Section, and that neither any member of Client Group nor its representatives shall oppose the granting of such relief in any court of competent jurisdiction provided the request for injunction by Engineer Group is reasonable. For the purpose of this Section, Client, on behalf of Client Group, hereby irrevocably agrees to submit to the non-exclusive jurisdiction of any court or tribunal of competent jurisdiction in which a claim for injunction is brought. Such an application for injunctive relief may be made either to an arbitral tribunal or to a court of competent jurisdiction, and making such a request to a court shall not be deemed inconsistent with the right to arbitration or a waiver of that right. In the event such injunctive relief is sought, the losing Party agrees to reimburse the prevailing Party for all costs, including, without limitation, reasonable legal counsel fees, incurred by the prevailing Party.

**(d) Intellectual Property.** Engineer hereby retains all right, title and interest it has to any and all Intellectual Property and no function hereunder shall be considered or deemed a transfer of any kind of Intellectual Property from Engineer to Client or any other Person.

## 12. GENERAL PROVISIONS

General provisions of or to the public if required by Applicable Law or the rules of any stock

exchanges on which Client’s or its Affiliate’s shares are listed; provided that Client or its Affiliate that proposes to make such a public disclosure shall, to the extent reasonably possible, provide Engineer with a draft of such statement in sufficient time prior to the release of such information to enable Engineer to review such draft and advise Client or its Affiliates of any comments Engineer may have respecting same.

**(a) Independent Contractor.** Engineer shall act as an independent contractor and not as an agent of Client. Persons engaged by Engineer hereunder and for all matters incident hereto, shall be employees or independent subcontractors of Engineer. Neither Client nor Engineer shall have direction or control of the employees or contractors of the other Party. Engineer, as an independent contractor, shall have complete control over the manner and performance of its operations, Client being interested only in the results to be obtained from the Work.

**(b) Days.** As used herein, the word “day” shall mean a day on which the banks in the State of Colorado (USA) are customarily open for business. A day commences at 0000 hours and runs until 2400 hours of the same day.

**(c) Notices.** Notices under this Agreement shall be given as stated herein, or, if not stated herein, may be given in commercially reasonable manner calculated to reach promptly the addressee, such as first class mail, certified mail, facsimile transmission, hand delivery or email. Notice shall be given to the addresses specified on the first page of this Agreement. In addition, notice may also be given to any other address customarily used by the receiving Party for business communications.

**(d) Address Changes.** Either Party may change its notice address by providing the other Party

notice of such change. The notice address must be a physical address and may not be a post office box.

**(e) Representatives.** Engineer shall appoint an Engineer representative and Client shall appoint a Client representative to act for the benefit of the appointing Party in all matters relating to the performance hereunder, but excluding the modification of this Agreement.

**(f) Assignment.** Neither Party may assign to any other Person this Agreement, or all or any part of its rights, benefits or obligations under this Agreement, without the other Party’s prior written approval, which approval shall not be unreasonably withheld.

**(g) Subcontracting.** Engineer has the right to subcontract any part of its performance hereunder to any Person provided no subcontract or similar arrangement shall relieve Engineer from its obligations or liabilities under this Agreement and Engineer shall be responsible for the acts, defaults and omissions of Engineer’s subcontractors as fully as if they were the acts, defaults or omissions of Engineer.

**(h) Governing Law.** The substantive law of the State of Colorado, USA, shall govern the interpretation of this Agreement and any dispute, controversy, or claim arising out of, relating to, or in any way connected with this Agreement, including, without limitation, the existence, validity, performance, breach, or termination thereof. The Parties agree that this Agreement is not governed by the United Nations Convention on the International Sale of Goods.

**(i) Public Announcements.** Client or its Affiliates shall not announce or publicly disclose any information concerning this Agreement, or actions contemplated hereunder without Engineer’s prior written approval. However, nothing in this Section shall prevent any member

of Client or its Affiliates from furnishing any information to any government agency or regulatory authority or to the public if required by Applicable Law or the rules of any stock exchanges on which Client’s or its Affiliate’s shares are listed; provided that Client or its Affiliate that proposes to make such a public disclosure shall, to the extent reasonably possible, provide Engineer with a draft of such statement in sufficient time prior to the release of such information to enable Engineer to review such draft and advise Client or its Affiliates of any comments Engineer may have respecting same.

**(i) Amendments.** No modification of or amendment to this Agreement shall be valid or binding unless provided in a writing that specifically references this Agreement and that has been duly executed by authorized representatives of both Parties.

**(j) Waiver.** No waiver of any breach of this Agreement shall be or deemed to be effective or binding unless the waiver is in writing and signed by an authorized representative of the Party purporting to have waived the breach and, unless otherwise provided in this Agreement, such waiver shall be limited to the specific breach waived. A Party’s failure to enforce or delay in enforcing any of the terms and conditions of this Agreement shall not constitute or be deemed to constitute a waiver of such terms or conditions.

**(k) Entire Agreement.** This Agreement (which term includes the Schedules and Exhibits attached hereto) constitutes the entire agreement between the Parties regarding the subject matter hereof and supersedes all prior negotiations, representations or agreements related to this Agreement, either written or oral,

and there are no collateral or other statements, understandings, covenants, contracts,

representations or warranties, written or oral, relating to the subject matter of this Agreement.

**(l) Appendices and Controlling Documents.** This Agreement consists of the body of this Agreement and the attached appendices and Exhibits.

**(m) Headings.** The headings and subheadings in this Agreement are for convenience only, and shall not affect the meaning, construction or interpretation of this Agreement.

**(n) Cross References.** Any reference to a statute, law, rule, regulation, decree or other legislative, administrative or executive act, having the effect of law shall include and shall be deemed to be a reference to such law and to the rules and regulations made pursuant thereto, and any amendments made thereto from time to time, and to any law that may be passed which has the effect of supplementing or replacing the law so referred to or the regulations made pursuant thereto.

**(o) Counterparts and Email Execution.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original of this Agreement and which together shall constitute one and the same instrument; provided that neither Party shall be bound to this Agreement unless and until both Parties have executed a counterpart. A signature page signed by a Party and sent by email to the other Party shall be deemed to be valid as an original and shall be binding as between the Parties.

**(p) Severability.** Each provision of this Agreement shall be considered separable and if any provision(s) is (are) determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement that are valid, enforceable and legal.

**(q) Drafting.** This Agreement has been mutually drafted by both Parties and No consideration shall be given to the fact or presumption that one Party has a greater or lesser hand in drafting this Agreement. Both Parties are sophisticated parties that have had the chance to have this Agreement reviewed by counsel.

**(R) Survival.** In the event of termination or expiration of this Agreement, the provisions pertaining to warranty, indemnity, audit, confidentiality, insurance, disclaimer of consequential damages, limitation of liability, dispute resolution, and governing law shall remain in full force and effect.