



## **HIGH-RETURN INVESTMENT IN OVERLOOKED WORLD-CLASS ASSET**

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JANUARY 2021





# EXECUTIVE SUMMARY

## OPPORTUNITY

To participate in the first institutional round of a producing Oil & Gas Company in Argentina **currently seeking funds to double return on investments in the short-mid term.**

Argentina’s hydrocarbon potential:

- 2<sup>nd</sup> largest non-conventional natural gas play in the world
- 5<sup>th</sup> in proved crude oil reserves in Latin America
- Hydrocarbon development as a state policy

## BUSINESS MODEL

**Raise the minimum capital to generate the maximum value on a newly discovered world-class asset through reserves certification and organic growth.**

## ASSET BASE

3 contracts located in the Neuquina basin in Argentina:

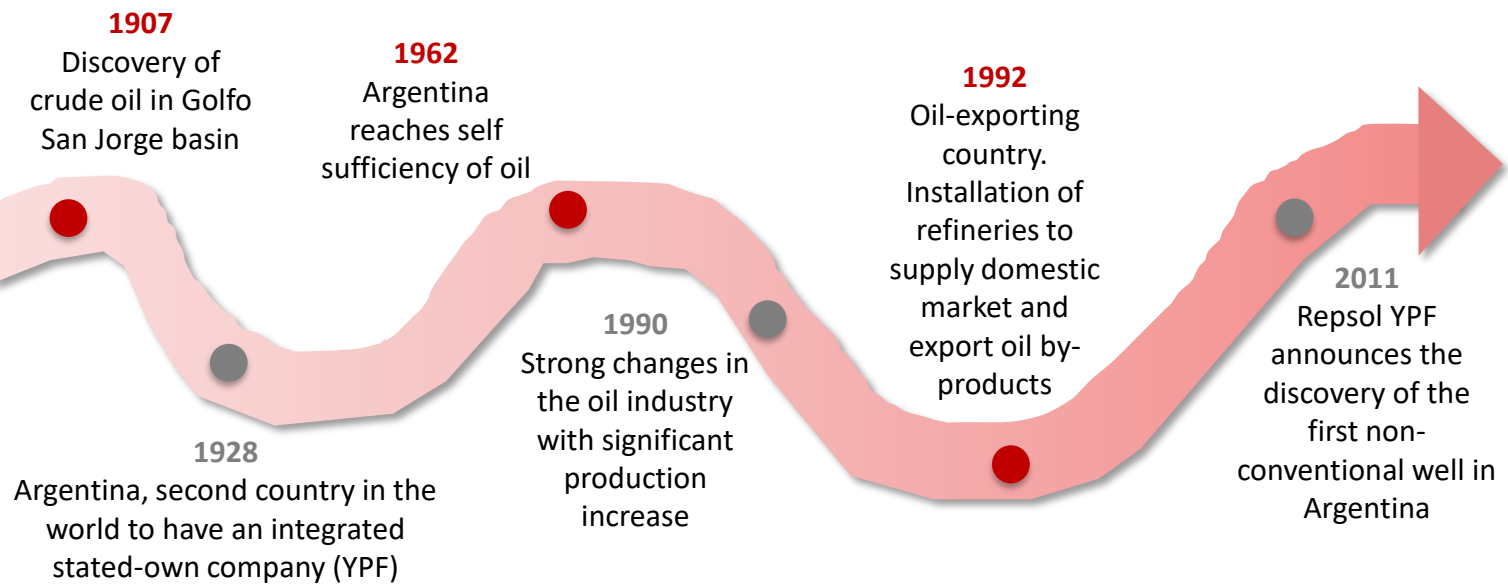
- Lindero de Piedra block has the potential to deliver between US\$ 700-800 MM of free cash flow by drilling +120 development wells, through its organic growth.
- 2 Recently awarded blocks under technical evaluation agreements could bring additional upside to the portfolio.



# ARGENTINA – OIL & GAS SECTOR OVERVIEW



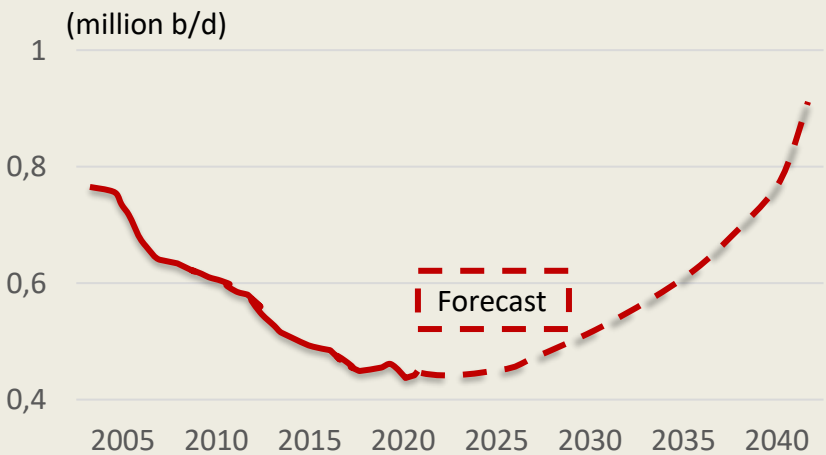
Pioneer of the oil and gas industry in Latin America, Argentina plays important role



## TODAY

- **2<sup>nd</sup>** largest non-conventional natural gas play in the world
- **4<sup>th</sup>** largest shale oil player in the world
- **5<sup>th</sup>** in proved crude oil reserves in Latin America
- Hydrocarbon development as a state policy
- Existing infrastructure to increase exports to 100.000 b/d
- Over 25% of shale gas resources in Neuquén Basin are technically recoverable (TRR) vs 10% in US

### ARGENTINA OIL PRODUCTION EXPECTED TO CLIMB



Source: S&P Global Platts Analytics

Positive long-term outlook for the upstream market in Argentina and exciting opportunities arising despite regulatory uncertainty.

Vaca Muerta is the only NC play with considerable development outside North America.



# ABOUT ARGENTINA



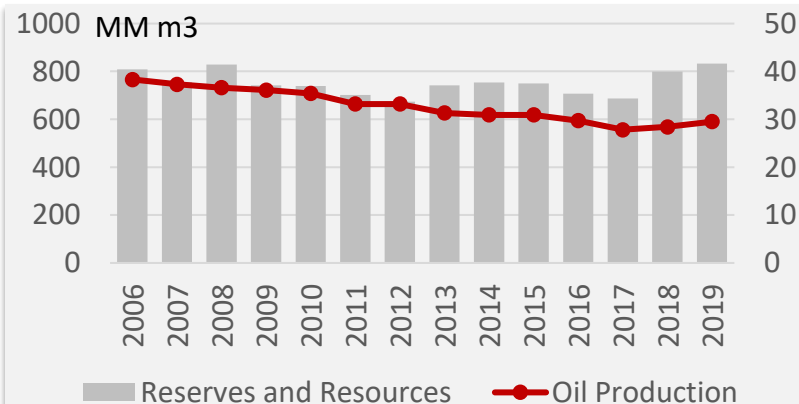
## MACROECONOMIC OUTLOOK

- Debt restructure brought financial relief over the 2020-2030 period. A long-term sustainable debt level presented as a state policy.
- Stronger-than-expected sequential recovery in 3Q20 with the easing of lockdowns. Significant GDP growth expected : The government's 2021 budget bill forecast a 5.5% GDP growth next year and a primary fiscal deficit of 4.5% of GDP.
- Prudent fiscal policy and potential labor and pension legislation reforms in sight of a future negotiation with IMF.

## OIL & GAS SECTOR – SHORT TERM OUTLOOK

- Significant deals in oil and gas space, indicating that favorable below-ground prospects outweigh economic and political risk.
- Competitive environment has improved in the recent years, with many major IOCs investing in exploring and developing unconventional reserves. **Conventional opportunities are overlooked.**
- Mendoza province: **Institutional impulse to the sector** by awarding **technical evaluation agreements** on free areas and by encouraging new production with **reimbursements of up to 40% of investment** (Mendoza Activa Program).

### UPWARD TREND IN PRODUCTION AFTER 16 YEARS



2019 Oil production :81.000 m3/d (+4% vs 2018)  
 No Oil Imports (vs 1.200 m3/d in 2018)  
 Oil Exports:10.400 m3/d (+6% vs 2018)



# ABOUT HATTRICK ENERGY



## OUR GOAL

- Unlock overlooked opportunities in high-potential basins using proven North American technology to maximize return and create value for shareholders
- Manage an Oil & Gas company as a sustainable and organic business
- Focus on cash flow generation and reserves recycle ratio as the key metrics for value addition

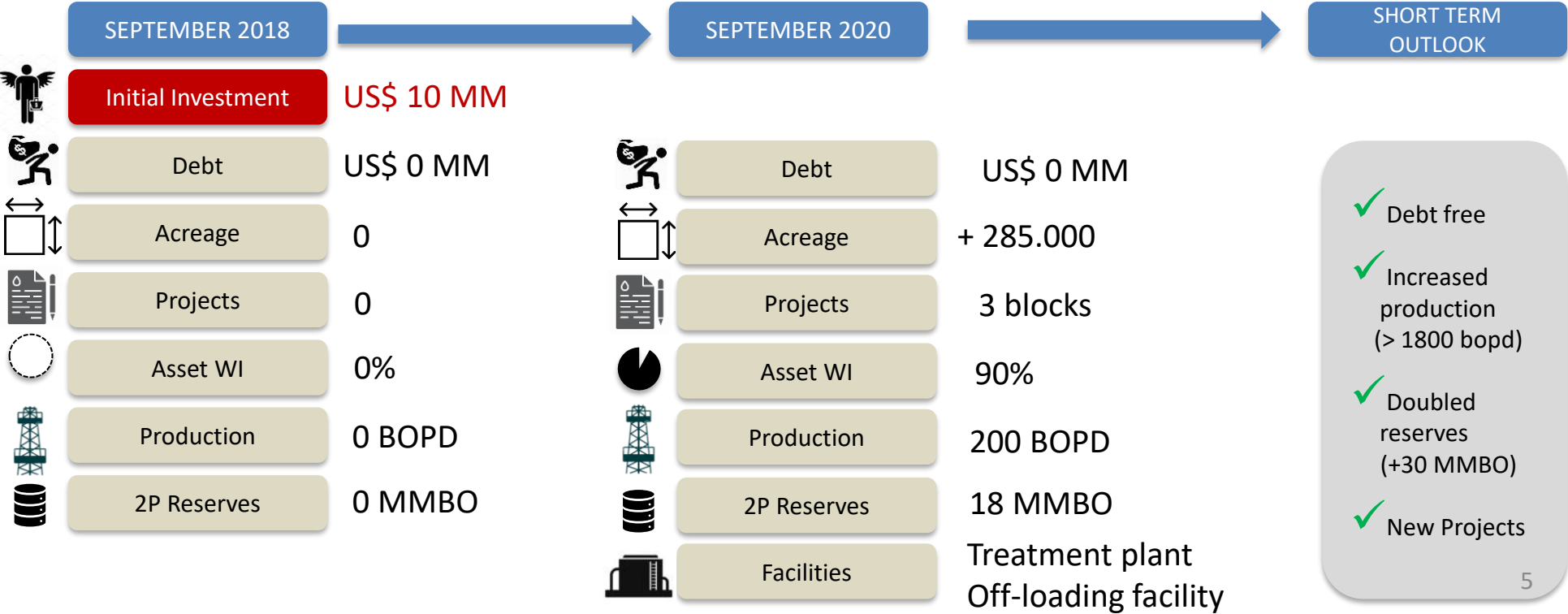
## TEAM

Solid track-record in the oil & gas and financial sector working in world class corporations

## TRACK-RECORD TO DATE



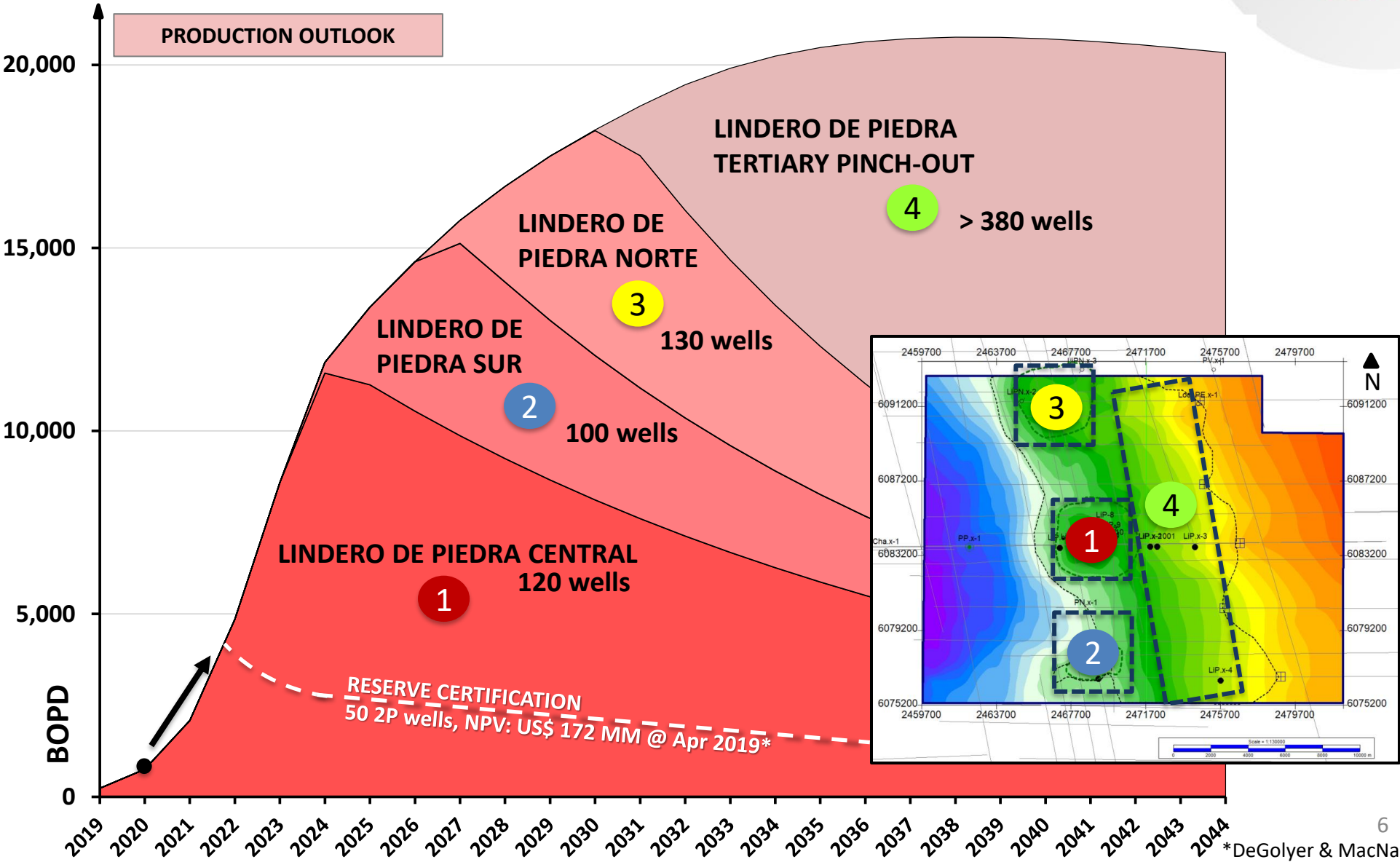
Significant value added in a short period of time





# LINDERO DE PIEDRA BLOCK – KEY ASSET

Derisked world-class asset on early stages of development. Large running room on Reserves (NPV) and Production (Cash Flow).





# VALUE CATALYSTS

- WATERFLOODING**

Good old technology will leverage Hattrick’s growth.

- COST REDUCTIONS**

Services costs in the O&G Industry continue to go down (COVID19 effect).

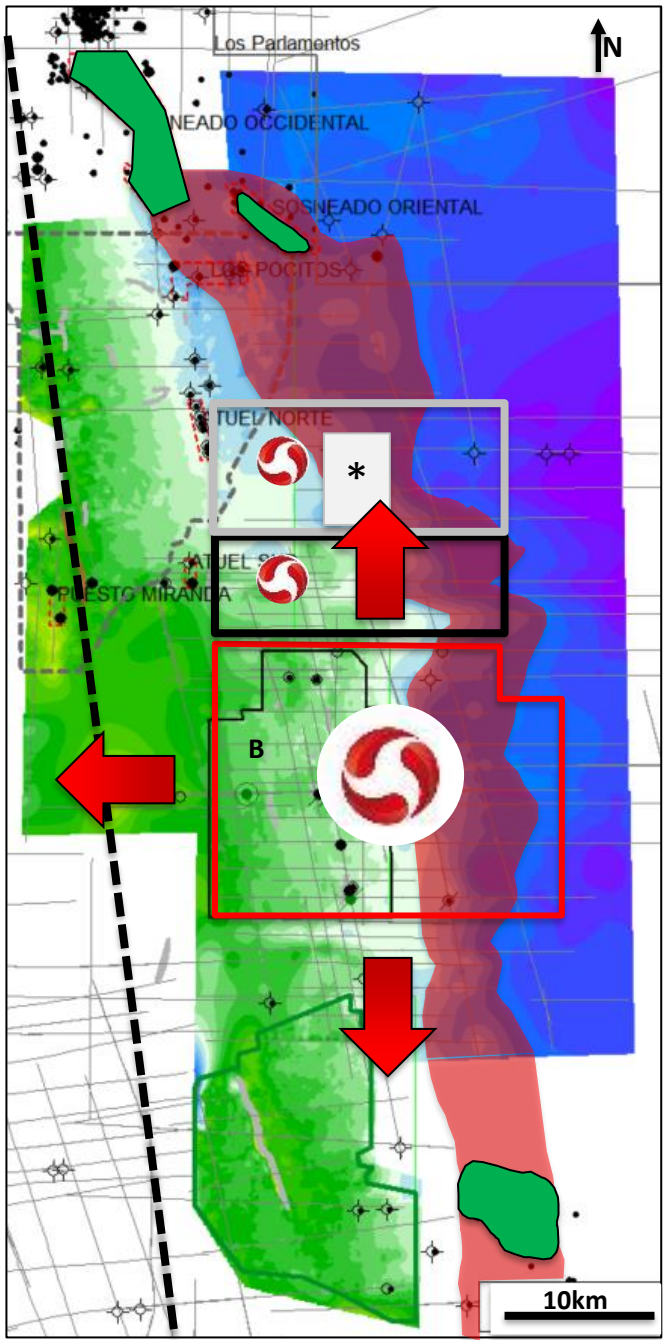
- GROWTH BEYOND CURRENT CONTRACTS**

2 new blocks awarded under technical evaluation agreements. Strategically located, these blocks are also part of the Deformed Platform - an oil trend that offers substantial, high-reward investment opportunities where several industry players are already established.

- COMMERCIALIZATION OPPORTUNITIES**

- Hattrick Energy as an Oil Exporter
- New markets on midstream

## OIL PRODUCING FAIRWAYS



**TEA North**  
(468 Km2 – 115,629  
acres – 180 sections)

**TEA South**  
(317 Km2 – 78,433  
acres – 122 sections)

**LINDERO DE PIEDRA**  
(380 Km2 – 93,900  
acres – 146 sections)





--- OIL PIPELINE TO  
LUJAN DE CUYO  
REFINERY\*\*

\*Block exploited by a third party  
\*\* Indicative sketch





## FINAL REMARKS

-  **Argentina's hydrocarbon potential is substantial**, and the country offers highly qualified technical resources. Vaca Muerta's unconventional assets have attracted most of the available funding, leaving **conventional opportunities unattended**.
-  **Lindero de Piedra is a derisked world-class asset** with 18MM barrels of 2P certified reserves waiting to be developed. +120 wells on the certified field plus additional fields with tested wells to be certified in the block.
-  **Hattrick Energy's business plan offers early institutional investors the opportunity to obtain a high return in the following fundraising rounds**. Funds to be allocated to reserves certification and activities with direct impact on company valuation.
-  **Upcoming value catalysts** such as waterflooding project (secondary production), further Covid-19 related cost reductions, evaluation of areas under TEAs, and new commercialization channels, **will improve significantly Hattrick's economics** (reserves recycle ratio, netback) **and accelerate growth**.



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# Hattrick

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