



Milestone and the Energy-Waste Nexus



EnerCom 2021 Presentation

AUGUST 17, 2021





The Energy-Waste Nexus

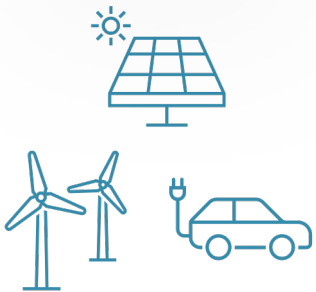
Waste is a significant byproduct and externality of Old *and* New Energy

Old Energy



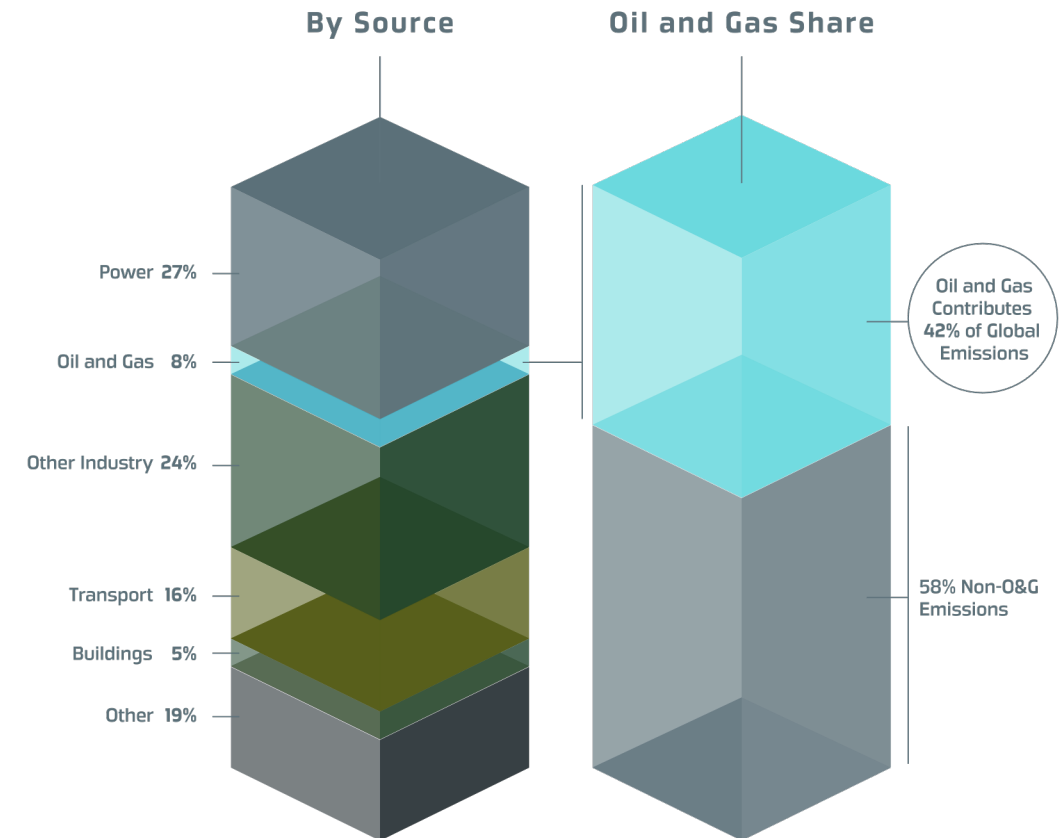
- GHG emissions are the largest Old Energy waste stream, primarily CO₂
- Oil & Gas Scope 1-3 accounts for over 40% of GHG emissions globally
- Infrastructure to manage energy waste in continuous development

New Energy



- Even renewable power generates tons of waste
- Blades, batteries, and panels
- Some industries are impossible to decarbonize and will require CCS

Global Emissions





Milestone's Mission is to Clean Up Energy

Leveraging our core competencies to tackle meaningful CCS opportunities



Scaled, professionally managed network of energy waste management facilities with substantially carbon-negative footprint



Serving the largest domestic markets for energy supply



Employing the most environmentally beneficial methods on the planet



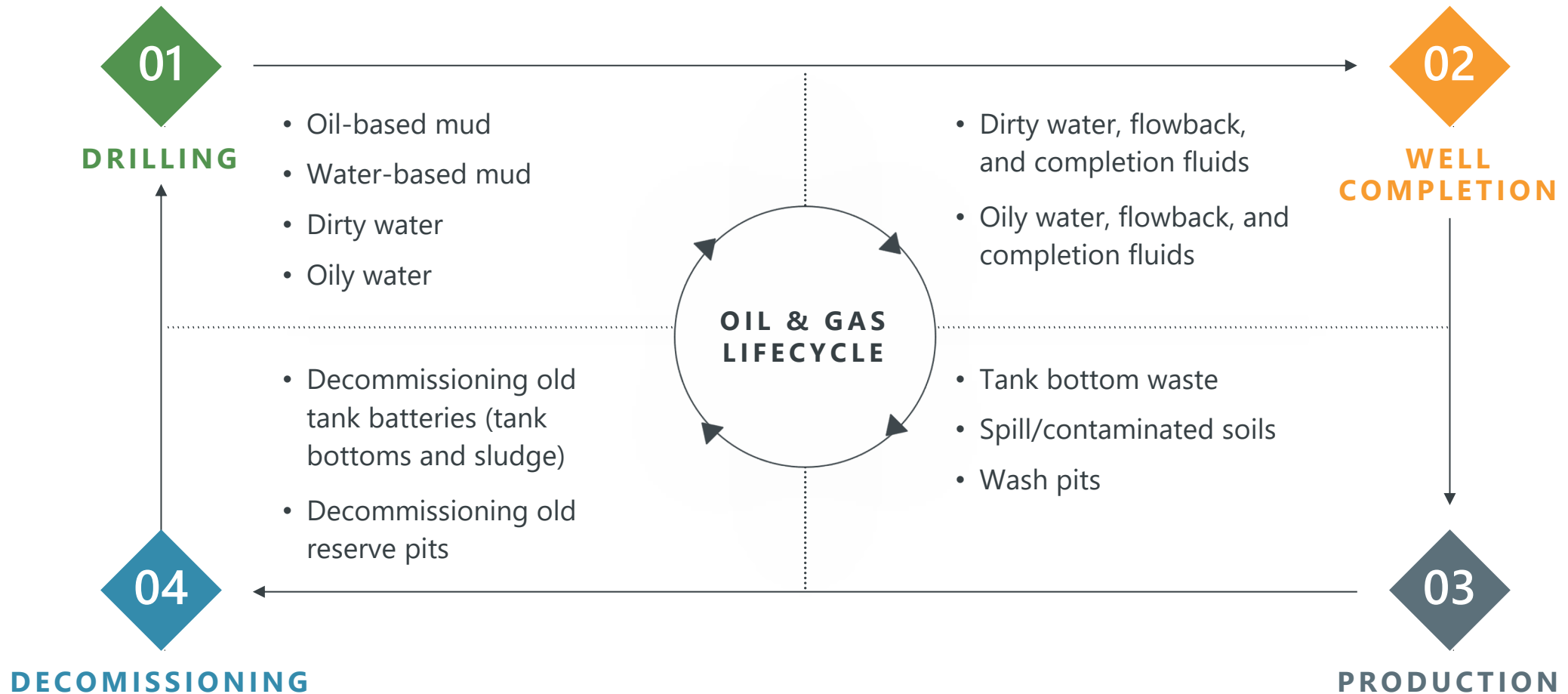
Leveraging our injection development/operations expertise and energy industry network to create a CCS-focused enterprise





Milestone's Historical Focus Has Been Energy Waste

Our slurry injection and landfill facility footprint handles waste from across the oil and gas life cycle in an environmentally responsible manner



Common Energy Waste Management Methods

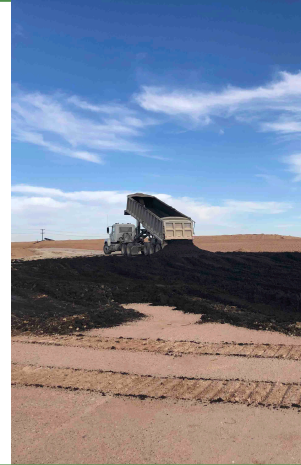


Not all are created equal



Onsite Dumping

- Reserve pits bury liquids and solid waste
- Landfarming tills the waste into the soil
- Waste remains above water table, likely contaminating soil and groundwater
- High percentage of hydrocarbons ultimately emitted
- Large land impact



Landfills

- Designed to handle dry solids only
- Reduced environmental impact versus municipal landfills that accept organic waste
- Sophisticated liner systems, leak protection, and groundwater monitoring
- Large land impact



Recycling and Oil Recovery

- Drill cuttings recycled as road base
- Requires energy intensive process
- Cost prohibitive to do properly
- Complexity to market/sell recycled cuttings as road base



Slurry Injection

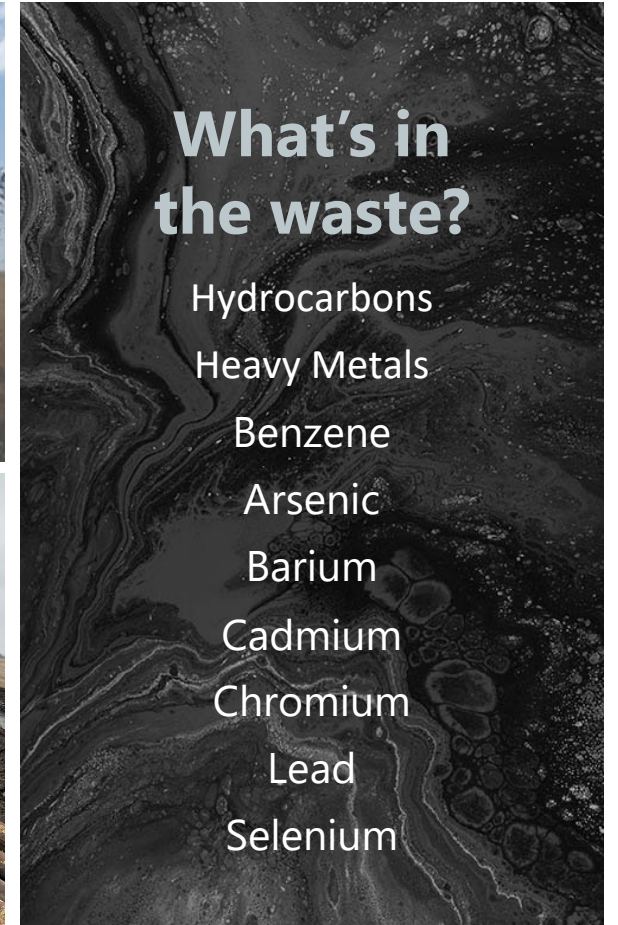
- Liquids injected below the water table
- Negative carbon emissions
- No contamination risk
- Small land impact



Land Application = Pollution

An outdated process with huge liability

- Substantial risk of contaminating groundwater
- Guaranteed to contaminate soil
- Guaranteed emissions
 - ~300 MT CO₂e per new well



What's in the waste?

- Hydrocarbons
- Heavy Metals
- Benzene
- Arsenic
- Barium
- Cadmium
- Chromium
- Lead
- Selenium

Undisclosed Reserve Pits Turn Gated Community Into Brownfield

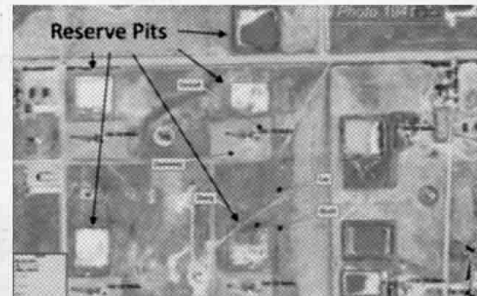
Though the wells seen below were plugged and abandoned the reserve pit locations were never properly documented. 70 years later homeowners drilled personal water wells on their property unaware of the risk below.

After homeowners complained about metallic and briny tasting water an investigation was performed. The findings showed that reserve pits leached waste and the

gravel packed water wells aided in the movement of contaminants to the aquifer, where it was drawn up by other wells. Subsequent investigations found widespread contamination to 100' below the surface.

Homeowners argue that none of them had any way of knowing the poor water and soil quality prior to building or purchasing their homes. This resulted in a lawsuit brought against the primary responsible party ending in a confidential settlement with are residents.

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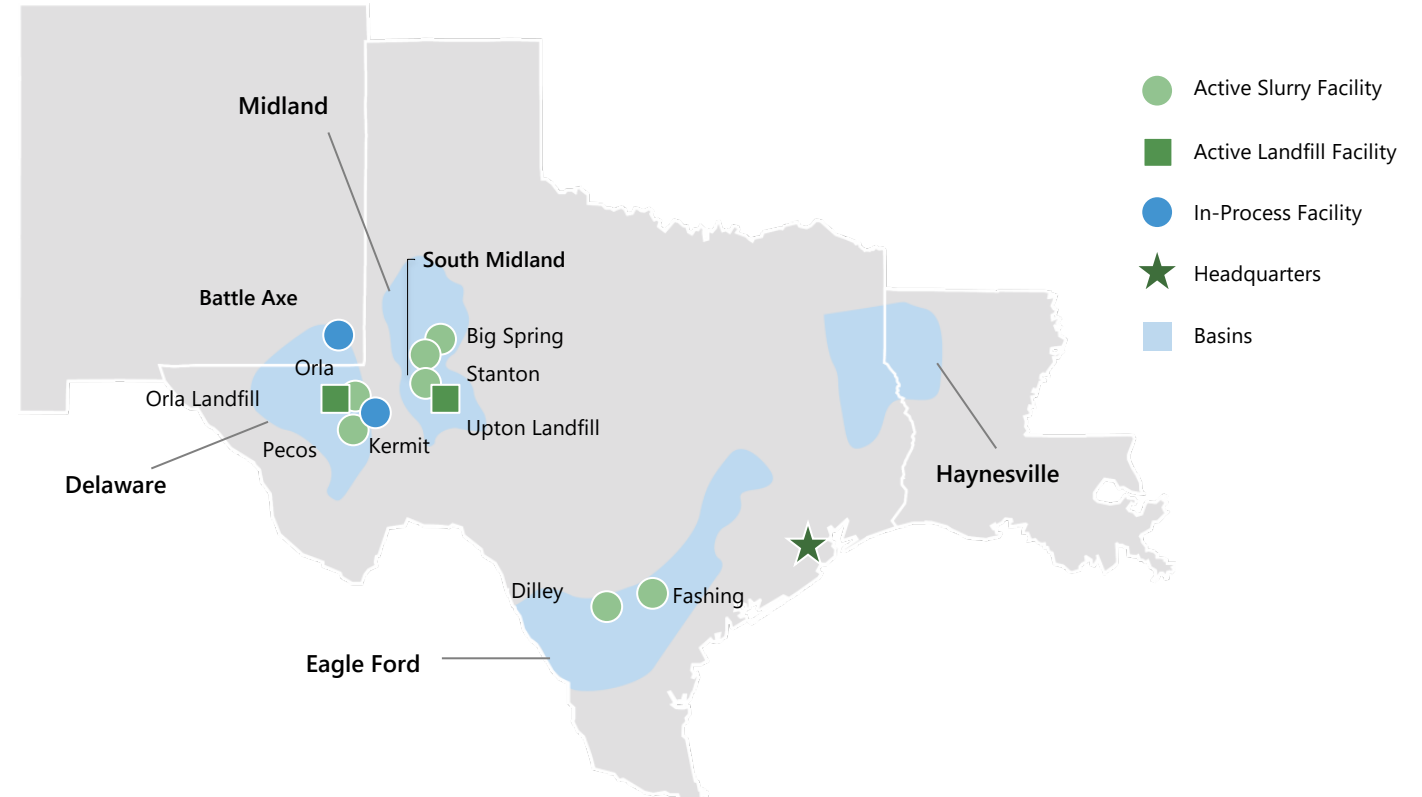
Reserve pits leached waste and the gravel packed water wells aided in the movement of contaminants to the aquifer.

Waste Infrastructure No Longer a Barrier



Large network of professionally-managed energy waste sequestration facilities

- Millions spent building an infrastructure of facilities in Texas
- Facilities located within an average drive time of 36 minutes from the rig
- Streamlined process to efficiently scale: design, permit, construct, operate



Patented Slurry Injection = Secure Sequestration

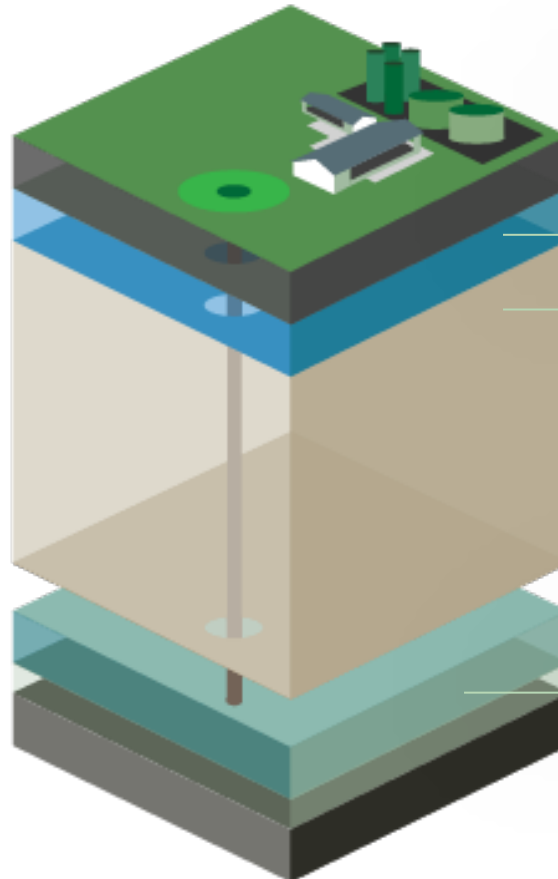


SURFACE PROTECTION

- Concrete containment
- Waste never touches the earth
- Minimal surface footprint

SUPERIOR CONSTRUCTION

- Double cased/cemented through all potential groundwater zones
- Disposal formation located over a mile deep
- Wells routinely inspected, cleaned, and maintained – exceed regulatory requirements



EXCELLENT GEOLOGY

Groundwater:

Usually 100-300 feet deep, protected by confining layers and surface construction

Confining Layers:

Thick layers of impermeable stone and shale keep waste confined to the injection zone, away from groundwater

Disposal Zone:

Extremely high permeability and porosity, over a mile deep. Formation extends laterally for miles

Significant Environmental Benefits of Slurry Injection

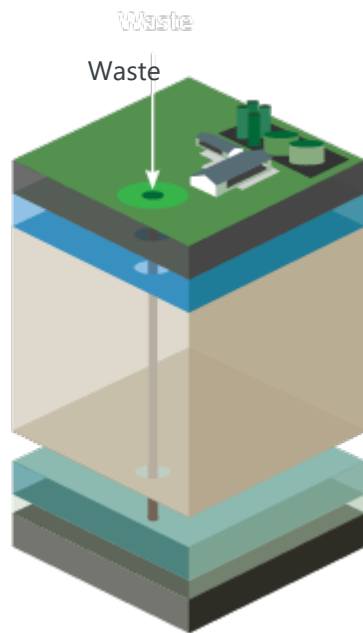


Slurry injection reduces consumption of landfill airspace and safely sequesters waste in an environmentally conscious process that prevents biosphere exposure to harmful products

CARBON SEQUESTERING

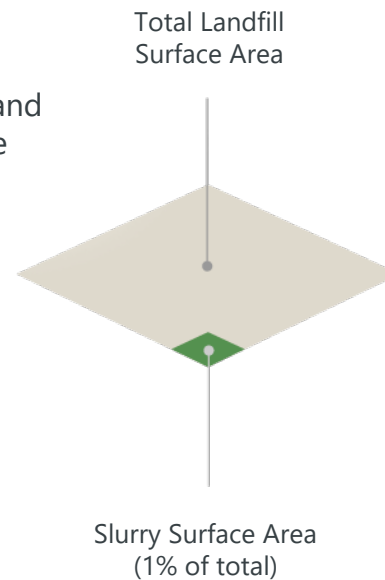
Helping Customers Achieve Net-Zero

Waste injection reduces carbon emitted into environment and liquids deposited in landfills

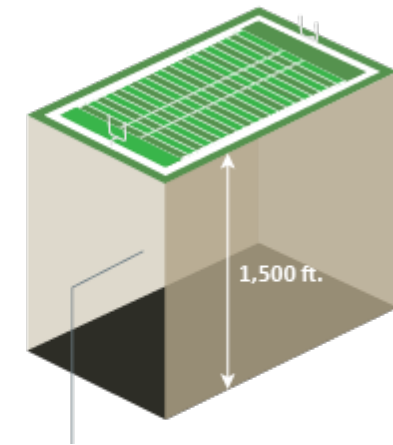


SURFACE AREA

Significant conservation of land minimizing visible environmental disruption



INJECTION CONSERVES AIRSPACE



650 million gallons of slurry injected per annum would fill a football field ~1,500 ft high

Drive to Net-Zero



“Conoco Phillips sets net-zero 2050 goal while doubling down on oil and gas with \$10B acquisition.”

Mark Segal, ESGToday

“Occidental Petroleum has become the first U.S. oil company to announce a plan to slash greenhouse gas emissions to net-zero by 2050.”

Charles Kennedy, OilPrice.com

“We know that climate risk is investment risk. But we also believe the climate transition presents a historic investment opportunity.”

Larry Fink, CEO Blackrock



Guess What? We Already Sequester Carbon!

Milestone has sequestered nearly 2 million MT CO₂e since inception

Total Carbon Sequestered

1,971,135.58

MT CO₂e since 2014

*Estimated, based on historical averages and volumes received

TOTAL CARBON SEQUESTERED

2020

279,000
MT CO₂e



=

61,000 Vehicles
CO₂e emissions

LAND APPLICATION EMISSIONS AVOIDED

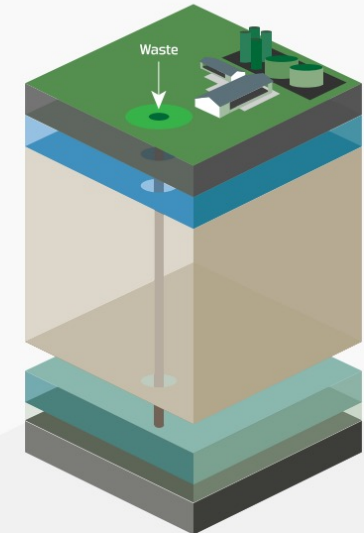
232,000
MT CO₂e



=

50,000 Vehicles
CO₂e emissions

CARBON SEQUESTERING Helping Our Customers Achieve Net Zero



With our patented slurry injection process, liquid waste streams are injected thousands of feet below the water table, permanently sequestering carbon and preventing GHG emissions and ground contamination.

Due to its substantial injection of hydrocarbons, Milestone has a negative carbon footprint of -226,000 MT CO₂e during 2020.

Compliance is No Longer Enough



The rules and regulations established by the Texas Railroad Commission decades ago were not designed for today's climate initiatives and were written when infrastructure didn't exist.

Compliance ≠ Net Zero



Investors Can Make a Difference

- Investor pressure has encouraged Net Zero Commitments, and increased scrutiny around less desirable environmental practices in the oilfield.
- Waste management decisions are quite often delegated to the field
- Dumping waste in the field to save truck miles is not consistent with ESG best practices



**Just Ask the Question:
What Are We Doing With Our Waste?**



Carbon Capture and Sequestration

Transferrable Skills Lead to Competitive Advantages in CCS



Milestone Is At the Center of the Energy-Waste Nexus

Well-positioned to capitalize on the massive CCS market opportunity as an integral partner across the value chain

Massive CCS Market Opportunity

\$2 Trillion

TAM by 2040¹

Integral Partner Across CCS Value Chain



Capital



Development

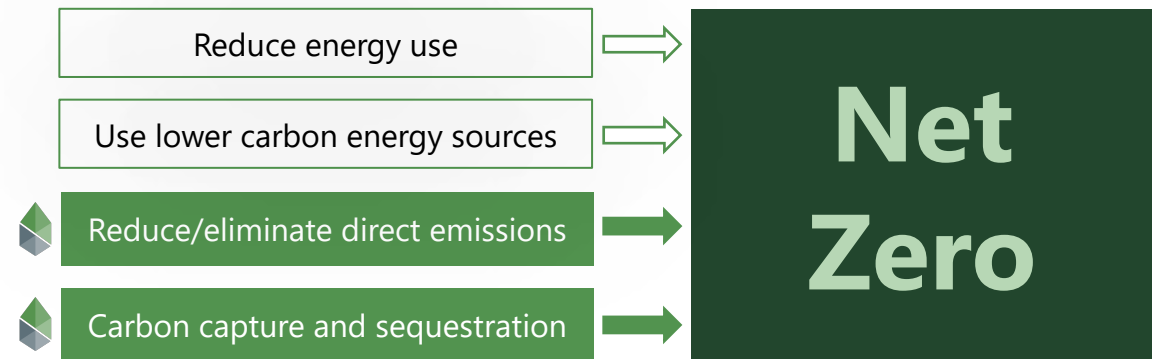


Operations

“We expect the count of CCUS projects in early development will continue to grow rapidly in the coming years, as government and industry collaboration, government regulation and financing, and market pressures to move towards a net zero economy will all combine to push additional CCS projects into development.”

– Evercore ISI, *Carbon Capture is the Next Big Thing*

Driving Progress to Net Zero



1. Source: ExxonMobil



Injection-Focused Organization Built for CCS

Going concern with an “installed” human capital base and management systems designed for project development and execution

- Recently hired a senior executive with significant experience leading CCS projects for a supermajor
- Management team with proven ability to raise debt and equity capital through the cycle
- Supportive equity sponsor with existing equity commitment



Gabriel Rio
President & CEO



Frank Schageman
EVP & CFO



Kevin Matte
SVP, Operations & HSE



Chris Davis
VP, Carbon Sequestration



Shaun Gee
VP, Business Development



Jason Larcher
VP, Engineering



Richard Leaper
VP, Sales & Marketing



Our Slurry Experience Translates Directly to Class VI

Milestone's existing slurry injection business has strong parallels to CCS

CCS INJECTION (CLASS VI) ↔ SLURRY INJECTION (CLASS II)




















GHG Source	 <p>Flue Gas Emissions</p>	 <p>E&P Waste</p>	 <p>Landfarming Emissions</p>
Solution	 <p>CCS Injection Facilities</p>		 <p>Slurry Injection</p>
Sequestration	<p>Energy CCS Investors:</p> 	 <p>Complete Geologic Sequestration</p>	

Slurry injection is a more complex geological and regulatory undertaking than pure CO₂ injection

Transferrable Core Competencies Across UIC Classes



Drawing on our extensive slurry injection project experience

	Project Requirements	Slurry Injection (Class II)	CCS Injection (Class VI)	 Core Competency?
Development	Geological Studies			<input checked="" type="checkbox"/>
	Complex Permitting Process			<input checked="" type="checkbox"/>
	Injection Rights			<input checked="" type="checkbox"/>
	Wellbore Design, Drilling & Completion			<input checked="" type="checkbox"/>
Operations	Operations & Safety			<input checked="" type="checkbox"/>
	Financial Management			<input checked="" type="checkbox"/>
	Government Relations			<input checked="" type="checkbox"/>
	Environmental Compliance & Reporting			<input checked="" type="checkbox"/>
	Capture, Compression & Transportation			<input type="checkbox"/>

Milestone's Role Within the CCS Value Chain

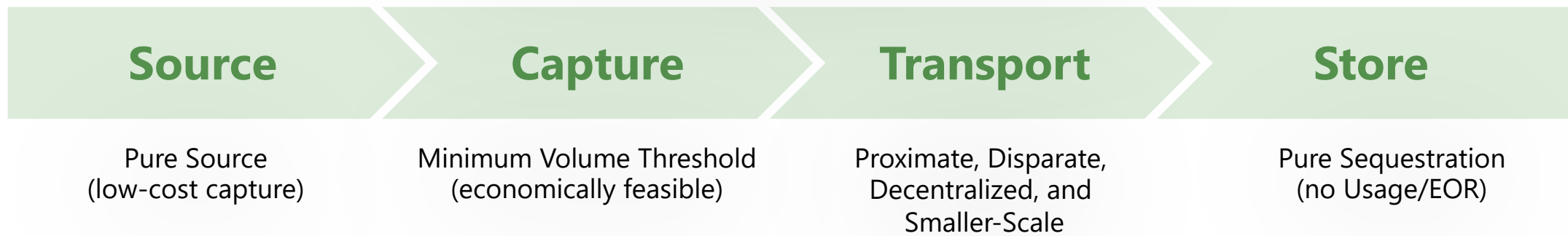


Unlocking value by aggregating smaller-scale, decentralized sources of CO₂

Integral partner to infrastructure owners/operators + storage capacity owners



Our Project Targeting Framework





Carbon Sequestration and Waste Management Partner

Profitable, high-growth platform providing customers with protection and proven solutions to manage carbon impact and capture waste

A Partner for Customers and the Environment



- Carbon-reducing footprint
- Protects surface, land, and ground water

Market Tested Strategy



- Advantaged footprint
- Integrated solution (slurry and landfill)
- Blue-chip customer base

Consistent Growth and Returns



- EBITDA
- Margins
- FCF conversion
- Balance sheet
- Returns



Milestone: Cleaning Up Energy

A Unique and Critical Partner Through Energy Transition

www.milestone-es.com