



## Overview of Project DARE

Structuring an Oilfield Service Company to Meet the Needs Its Customers

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# Overview



- CP Energy Services, Inc.
  - Premium, multi-basin, multi-service line oilfield service (“OFS”) company
  - Reputation for delivering best in class personnel and Very High Value (“VHV”) equipment
  - Website: <http://cp.energy>
- Prospect Capital (NASDAQ: PSEC)
  - North America focused, multi-strategy, multi-sector asset manager: \$7.0B+ Assets
  - Website: <https://www.prospectstreet.com/>



# DNA of the DARE Concept



- D** ■ Discipline Shown by E&P Companies
- A** ■ Arrest the Decline of Production
- R** ■ Reduce AFE/LOE Where Possible
- E** ■ ESG Adoption and Compliance

As a very high value, multi-basin, multi-service line OFS company, CP Energy Services, Inc. is required to assist in a meaningful way in the achievement of these needs.



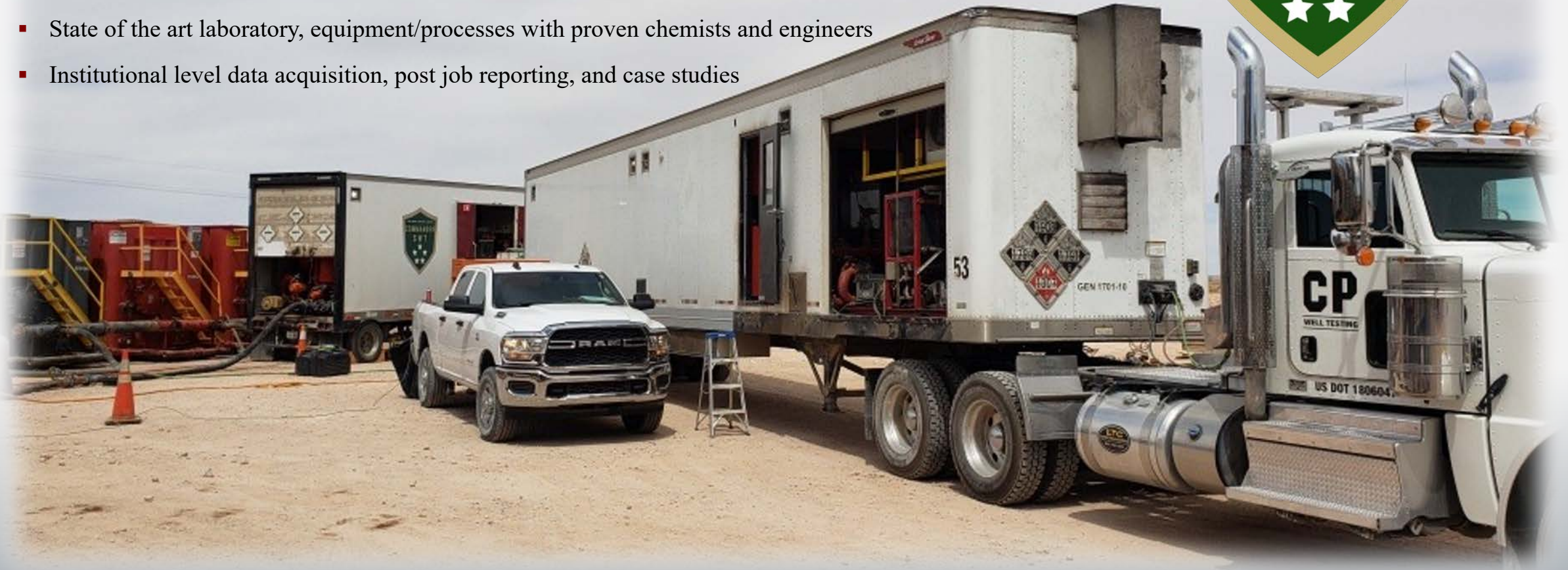
# Discipline

- Public E&P capital deployed = flat production to 10% growth
- Excess capital to be returned to investors:
  - Share buybacks
  - Variable dividends
- E&P companies working within supply chain, equipment, and labor constraints
- Structural part of capital allocation to this sector now (not a temporary trend)



# Arrest the Decline of Production

- Dramatically increased E&P focus on maintaining and enhancing existing production
- Producers and support facilities (injection wells & SWDs)
- Commander SWT - (CP service line) with the PenOx, a proprietary ClO<sub>2</sub> solution
- State of the art laboratory, equipment/processes with proven chemists and engineers
- Institutional level data acquisition, post job reporting, and case studies



# Reduce AFE/LOE Where Possible

## Completion AFEs reduced with the patented Sand Commander

- Quick rig up/down times, lowers trucking costs, decreases freshwater usage, eliminates tank cleanout cost, less labor/manpower charges when paired with hydraulic flowback package (picture below).



- Completion AFEs also reduced through the sale of gas encountered during the drill out with the patented Sand Commander and its proprietary gas wheeling solution
- Patent pending 2 7/8" work string pipe designed reduce repair charges on every increasing lateral lengths (3-4 miles)
- Production LOEs reduced by significantly better/more effective treatments using the proprietary PenOx solution

# ESG Adoption and Compliance

- The focus on stewardship through ESG is evolving but here to stay; E&P companies are seeking OFS partners to enhance ESG compliance and reporting
- The patented Sand Commander was designed with maximum ESG benefits and compliance in mind
  - Improves HSE (safety) performance on location
  - Captures 99.9% of natural gas encountered during the drill out, allowing for optionality away from flaring
  - Enhanced water filtration allowing for reduced freshwater usage; lowers emissions via lower water hauling/trucking activity
  - Cloud based data acquisition for state reporting requirements and remote location monitoring
  - Improved well planning & completion designs with institutional post job reporting



# Summary



CP Energy Services, Inc. is constantly adapting to the ever-changing needs of our customers. We have embraced, company wide, the DARE concept to achieve this goal on a global basis.

CP Energy Services, Inc. | <https://cp.energy>

