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Gulf of Mexico Trial Success Leads to Repeat Order

As reported in the 6 November 2023 ASX release, HCD received a purchase order to trial HCD Multi-Flow on an offshore subsea pipeline in the Gulf of Mexico for a mid-sized oil and gas producer following successful tests that demonstrated HCD Multi-Flow's efficacy for paraffin control.

HCD chemical injection started on an offshore subsea pipeline on 21 October 2023, replacing the incumbent chemical supplier's product. HCD Multi-Flow at 250 parts per million ("ppm") proved very effective at remediating existing paraffin deposits and inhibiting the formation of new ones as evidenced by a reduction in subsea pipeline pressure.

As part of the trial the producer then switched chemical treatment from HCD Multi-Flow to an aromatic solvent at 1200 ppm to compare treatments. The competing technology increased paraffin deposition with a subsequent increase in pipeline pressure. The producer immediately switched back to HCD Multi-flow and placed a repeat order for ~A\$9,000 through HCD's new Gulf of Mexico distributor.

HCD anticipates this will become an ongoing treatment application and is expected to result in an opportunity to treat their much larger pipeline with chemical treatment valued at around A\$2,200,000 annually. This success will also be used by HCD's distributor to expand HCD Multi-Flow sales with other producers in the Gulf.

Approved for release by the Board of Directors.

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