



# Verde Investor Update

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May 2025

# Forward Looking Statements

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# We aspire to make low-cost, fully renewable, carbon negative gasoline

**We believe our technology is the best solution for decarbonizing transportation fuels**

- However, biomass and waste feedstock projects remain challenging given uncertainty in carbon credit markets and unclear policy supports

**Rather than awaiting clarity on policy support and credit market development, we are initially targeting economically disadvantaged associated natural gas**

- Associated natural gas is a very large, global, opportunity
- Attractive economics without incentives or credits
- Verde has very strong industry partners

**Verde will apply learnings from natural gas projects to renewable feedstocks to transform transportation fuels**





# Advantages of Verde's Proprietary STG+ Process

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Utilizes Low Value, Widely Available “Stranded Energy” and “Waste Feedstocks” to Produce Cleaner Gasoline



Environmentally Superior to Other Clean Fuels and Electric Vehicles



Requires No Changes to Existing Automobiles or Gasoline Distribution Infrastructure



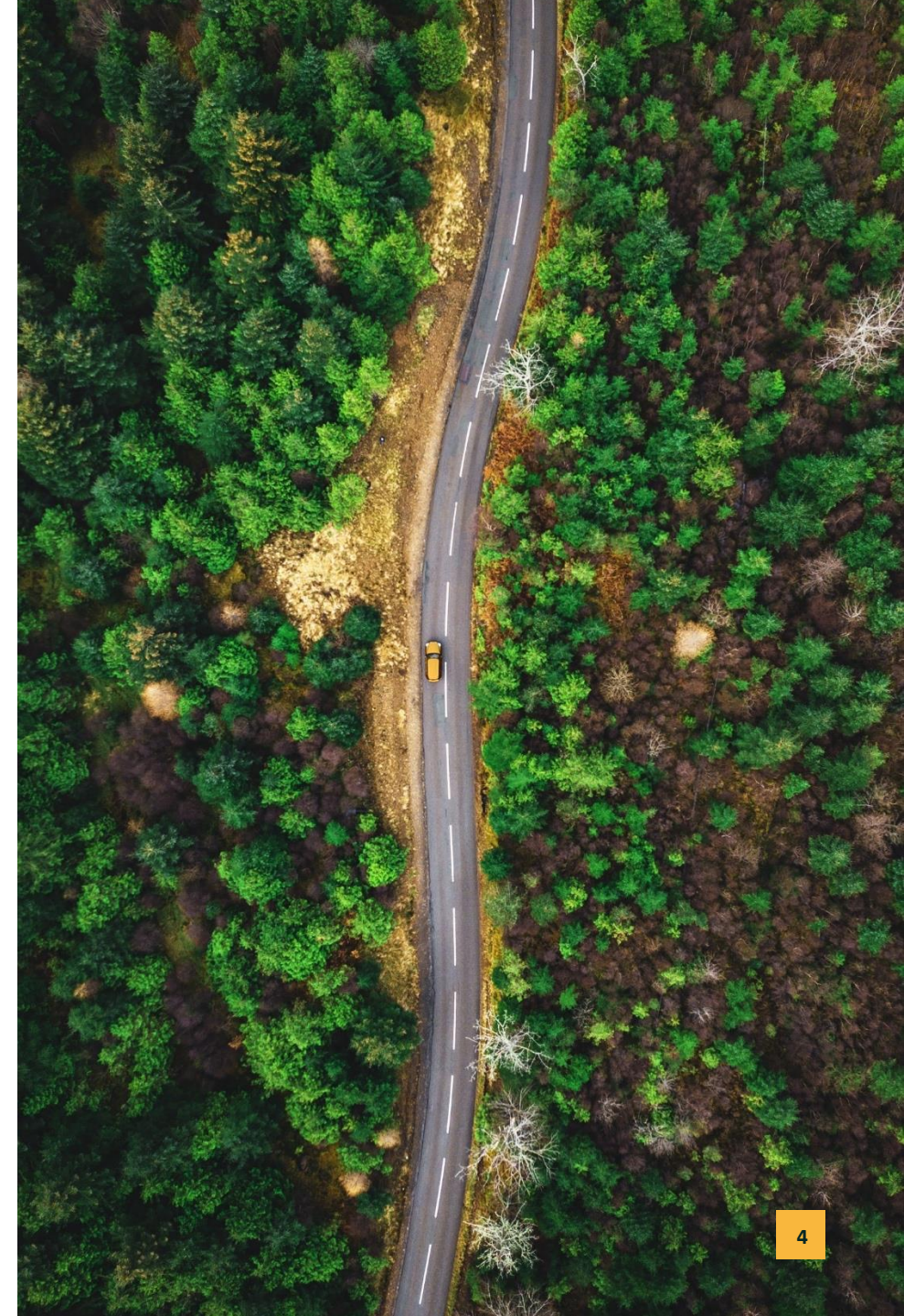
Stranded Energy Resources or Logistically Advantaged Feedstock Supply is Abundant



Produces Finished Product at Low Cost and Generates Attractive Investment Returns with No New Subsidies or Incentives



Avoids Geopolitical Dependencies (e.g. Battery Supply Chains, Oil Imports)



# Advantages of Verde's Proprietary STG+ Process

## Stranded natural gas



- Sourced from existing natural gas reserves without market access
- Resource has no other uses
- Currently zero economic value

## Flared natural gas



- Sourced from flared natural gas from oil & gas operations
- Disposal method is environmentally damaging and increasingly expensive
- Currently zero (or negative) economic value

## Biomass – cellulosic waste



- Sourced from wood waste, agricultural waste, and other cellulosic waste streams
- Typically disposed of at a cost of \$40-\$50/ton
- Utilizes existing waste streams
- Currently zero economic value

**Verde's STG+ Process Turns Waste Into Salable Product and  
Can Eliminate Environmentally Damaging Practices**

# Advantages of Verde's Proprietary STG+ Process

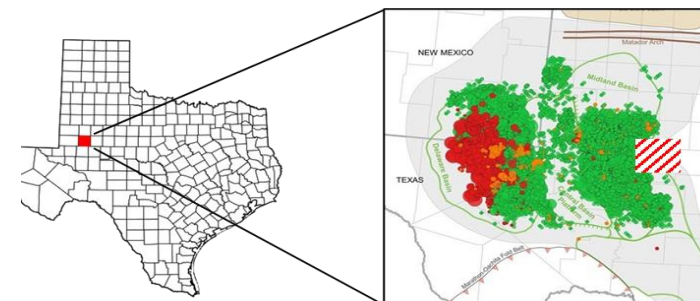
	Refinery Gasoline	Electric Vehicles	STG+ Gasoline from Flared Natural Gas	STG+ Renewable Gasoline w/ CCS
<b>Materials / Manufacturing</b>	5 Tons CO <sub>2</sub>	11 Tons CO <sub>2</sub>	5 Tons CO <sub>2</sub>	5 Tons CO <sub>2</sub>
<b>Feedstock / Source</b>	Oil: 12 Tons CO <sub>2</sub> / 200k Miles	Grid: 27 Tons CO <sub>2</sub> / 200k Miles	Flared Gas: (-14) Tons CO <sub>2</sub> / 200k Miles	Biomass: (-134) Tons CO <sub>2</sub> / 200k Miles
<b>Vehicle Emissions</b>	48 Tons CO <sub>2</sub> / 200k Miles (Fossil CO <sub>2</sub> )	N/A	48 Tons CO <sub>2</sub> / 200k Miles (Fossil CO <sub>2</sub> )	48 Tons CO <sub>2</sub> / 200k Miles (Green CO <sub>2</sub> )
<b>Recycling Opportunity</b>	N/A	(1) Ton CO <sub>2</sub> / 200k Miles	N/A	N/A
<b>Total Carbon Footprint (Tons CO<sub>2</sub>)</b>				
	Refinery Gasoline, 65	Electric Vehicle, 38	STG+ Flared Gas, 39	
				STG+ Renewable w/ CCS, -81
STG+ Gasoline in a Traditional Internal Combustion Engine has a Lower Lifecycle Carbon Intensity than an EV				



# Permian Conditions Offer Opportunity To Cement Verde's Value Proposition

## Permian Basin Economic Drivers

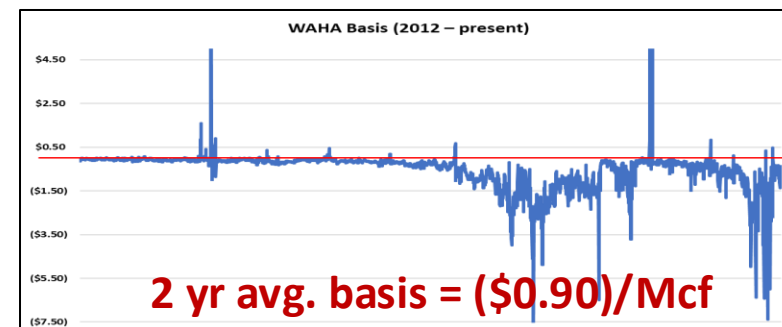
- **Negative WAHA Basis**
  - WAHA consistently trades deeply negative relative to Henry Hub
- **Associated gas production expected to increase**
  - Increasing GOR
  - Tier 2 prospects are deeper/gassier
- **Associated gas production > takeaway capacity**



Each Green Dot Represents An Oil Well With Associated Gas

## Value Proposition

- **Allows producer to trade WAHA gas exposure for RBOB (derivative of WTI)**
- **Debottleneck midstream infrastructure**
  - Provide a home for natural gas in the Permian Basin



## Opportunity To Scale

- **Multiple plant opportunities with Diamondback and other Permian producers**
- **Other associated gas producing basins with similar dynamics**
  - Williston Basin (Bakken Shale), Uinta Basin, Appalachian Basin
  - Global Stranded/Flared natural gas
- **Attractive business – stands on own without credits, incentives, etc.**

### West Texas Realized Gas Price (5/19/24)

Henry Hub	\$3.35
Gathering/Compression	(\$0.70)
WAHA Basis Differential	(\$3.10)
<b>Realized Gas Price</b>	<b>(\$0.45)</b>

# Cottonmouth JV – 1st Project Location

## Key Partners

### Gas Supply/Offtake:



### Equipment/Engineering:



### EPC:



## Project Status

- **Shaw Group/Chemex has been selected as FEED/EPC contractor**
  - Expect FEED completion in October 2025
  - Main output of FEED is a firm price upon which FID is based
  - Commercial Operation expected in early-2028
- **~40 MMcf/d of natural gas to be used for feedstock and power gen**
- **Produce ~3,000 bbl/d RBOB gasoline**
- **\$425MM estimated Capex**
- **First commercial plant proves concept**
  - Opportunities in other gas-prone basins (e.g., Marcellus; Bakken)
  - Global flaring and stranded gas opportunities

**The Cottonmouth JV will Serve as a Template for Future Projects in the Permian and Appalachian Basins in the U.S., as well as Globally**

## Project Location

- Located in Midland County, TX in the heart of the Permian's Midland Basin
- Existing Diamondback location with access to power, water, and gas metering infrastructure
- Current pipeline infrastructure is insufficient, leading to constraints and flaring

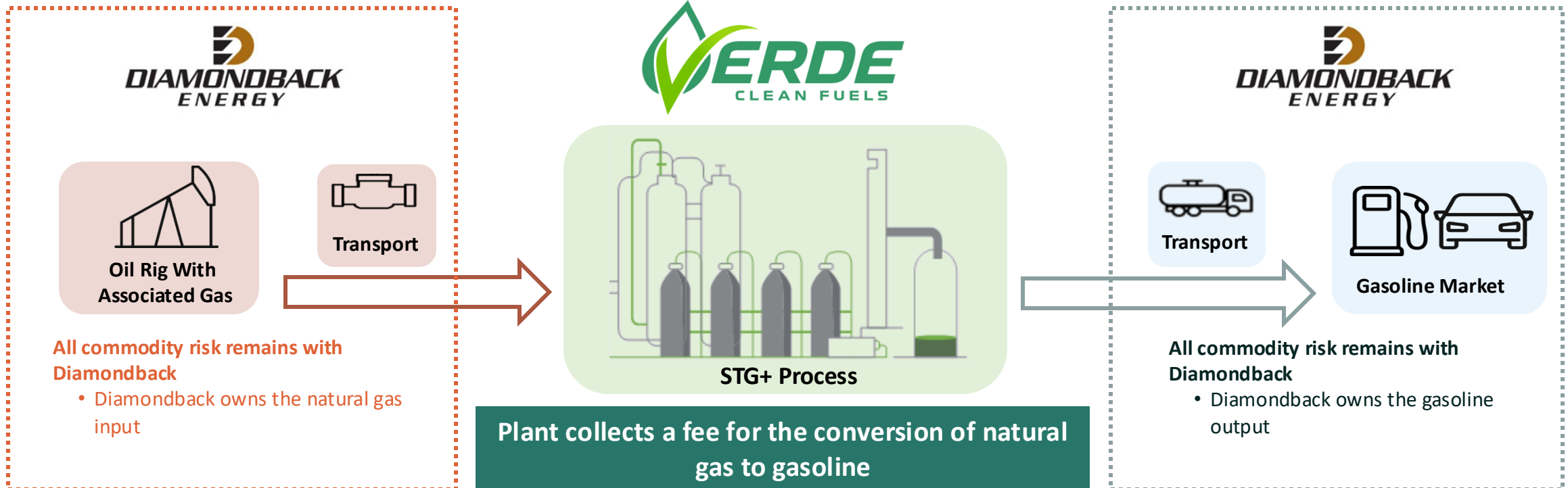
## Diamondback Location – Midland Co., TX





# Diamondback Commercial Structure

## Tolling Structure Represents A Risk-Advantaged Commercial Arrangement



## Facilitates Non-Recourse Project Financing

- Execution risk covered by performance guarantees
- Technology risk covered by process wraps and performance insurance
- Commercial risk is counterparty credit – Diamondback is an investment-grade risk

# Verde Future Growth Opportunities



## Permian Basin - Associated Natural Gas Diamondback

Currently executing on multiple Permian Basin associated gas opportunities with Diamondback Energy

## Permian Basin – Associated Natural Gas with Other Producers

Identified additional Permian Basin associated gas opportunities

## Other Associated Gas Basins

Engaged with producers in other North American associated gas basins – Williston Basin, Uinta Basin

## Global Flaring/Stranded Natural Gas

Strong interest from NOC's and large integrated oil companies internationally (licensing opportunities)

## Low-Cost Renewable Gasoline

Apply Lessons learned from natural gas to waste renewable feedstocks to produce low-cost, fully renewable, carbon negative gasoline

