Corporate Presentation

August 2023

Corporate Highlights

1 Positioned as a Market Leader

- Major loader of undiluted heavy oil and bitumen and one of just a few crude oil unit train operators within Canada
- Focused on undiluted heavy oil, which is the most competitive, sustainable, and safe oil to transport
- Existing terminals provide platform to load and unload different products and provide ancillary services

2 Top Tier Assets

- Controls and operates three state-of-the-art terminals capable of transloading 150 mbbl/d at full capacity
- Terminals are strategically located near production from Canada's heavy oil basins
- Ancillary services add value: railcar and oil storage, emulsion and H_2S treating, chemicals terminalling, etc.

3 Long-Term Relationships

- Strategic, long-term partnership with Canadian National Railway ("CN")
- Strong relationships with heavy oil producers, marketers, refiners, railcar providers, and marine terminals
- Backed by key contracts with highly capable, reputable counterparties

4 Strong Financial Position

- No debt, working capital surplus

5 New Markets and Products

- While macroeconomic environment supports continued need for undiluted crude-by-rail, existing terminals and relationships provide platform for pivot to energy transition products (e.g. sustainable fuels)
- Rail logistics assets and expertise are necessary for these new products – accessing feedstock and/or accessing market with finished product
- Active with a number of energy transition development projects

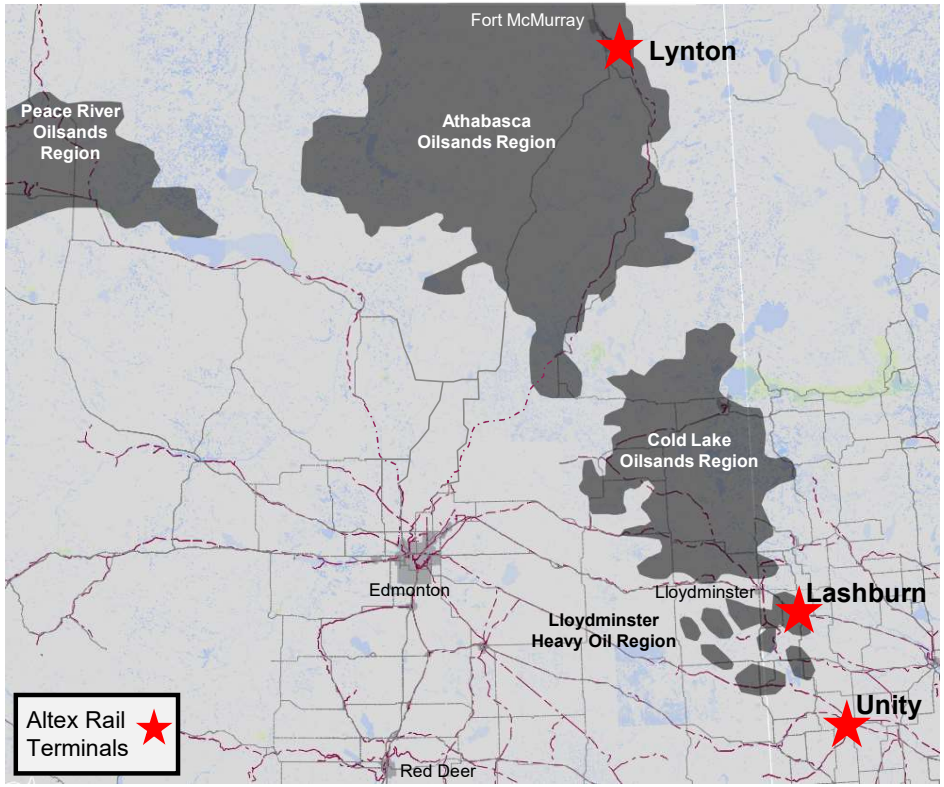
6 Intellectual Property & Capital

- Proprietary technology and systems, including three crude-by-rail patents and an in-house logistics system
- Experienced and dedicated management and operations team
- Altex has developed rigorous safety standards and is an industry leader in health and safety policies

Altex Energy is a leading western Canadian energy rail terminal company connecting western Canadian oil and other products to key North American refining and export markets.

Altex Transloading Terminals and Corporate Profile

- Altex controls and operates three state-of-the-art transloading terminals in western Canada
- Terminals are strategically located in heavy oil producing regions allowing unique access to these producing regions
- Altex has established long-term relationships with railways (CN and others), railcar providers, producers, markers and refiners
- Key terminals offer storage, emulsion and H_2S treating services, adding value for customers
- Altex terminals transload other products (condensate, chemicals, refined products, agricultural products, etc.)



New Undiluted Heavy Oil Entrants?

- Altex accesses undiluted heavy oil by picking it up close to production site (before pipeline-required diluent is added)
- Another option is to build a Distillate Recovery Unit (DRU) with high upfront capex and ongoing opex costs to remove the added diluent
- Other rail terminals are not located proximate to oil production and thus have built or are considering the expensive DRU option

Terminal	Normal Capacity (mbbl/d)	Full Capacity (mbbl/d)	Tank Storage (mbbl)	Truck Stations (#)
1. Lashburn	65	90	148	26
2. Lynton	15	30	30	6
3. Unity	15	30	24	12
Total	**95**	**150**	**202**	**44**

Value Proposition

The Problem	How Rail Can Help	Altex Energy Ltd.
▪ Diluent value loss with pipelined heavy oil/bitumen ▪ Limited egress options for Western Canadian oil production	▪ Already exists (established and operational system) ▪ Gets beyond current oversupplied markets ▪ Large capacity to move commodities ▪ Safe, reliable, and efficient	▪ Terminals and logistics services ▪ Technology and patents ▪ Dominant undiluted heavy oil / bitumen terminal

Strategy to Avoid Diluent in Crude Oil Movements

- Altex/CN initiation of crude on rail business in Canada was originally not based on egress challenges
- It was based on avoiding the need to add diluent (C5+) to heavy oil/bitumen, which is required by current pipelines
- C5+ is worth more as diluent than it is as refinery feedstock (lose money by moving C5+ to refineries)
- An added benefit of avoiding diluent is that heavy oil/bitumen is safer and more environmentally-friendly to move without diluent
- Altex has been moving undiluted crude on rail for 10+ years

The Cost of Diluting Heavy Oil

Transporting heavy oil by pipeline requires adding diluent (condensate)

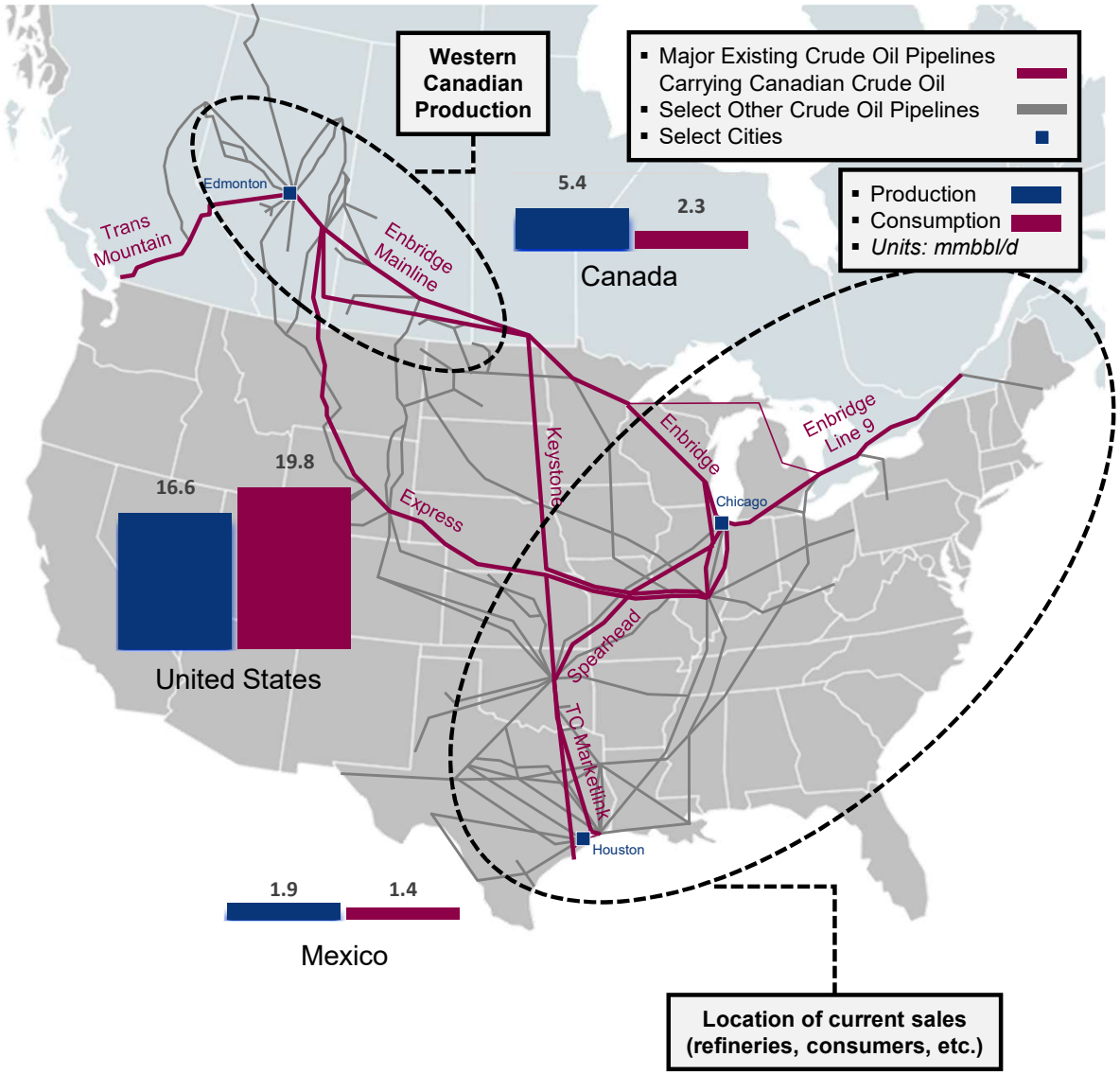
"Diluting" increases costs due to:

1) transportation costs to move the diluent
2) market value loss, as condensate is more valuable upstream as a diluent than downstream as refinery feedstock

Transportation Cost	**~US$10/bbl of diluent**
Market Value Loss	**~US$10/bbl of diluent**
Diluent Penalty	**~US$20/bbl of diluent**

Western Canadian Egress Problems

- Historic pipeline infrastructure was built to move product to markets in US Midwest & Ontario
- With US production increasing, demand for Canadian oil in those markets has decreased – significant oil exported now off USGC but not optimized location for foreign markets
- Rail provides opportunity to also service the USGC, East Coast, West Coast and preferential offshore markets through established infrastructure
- Pipeline infrastructure developments have struggled to keep up with growing production in western Canada leading to large discounts

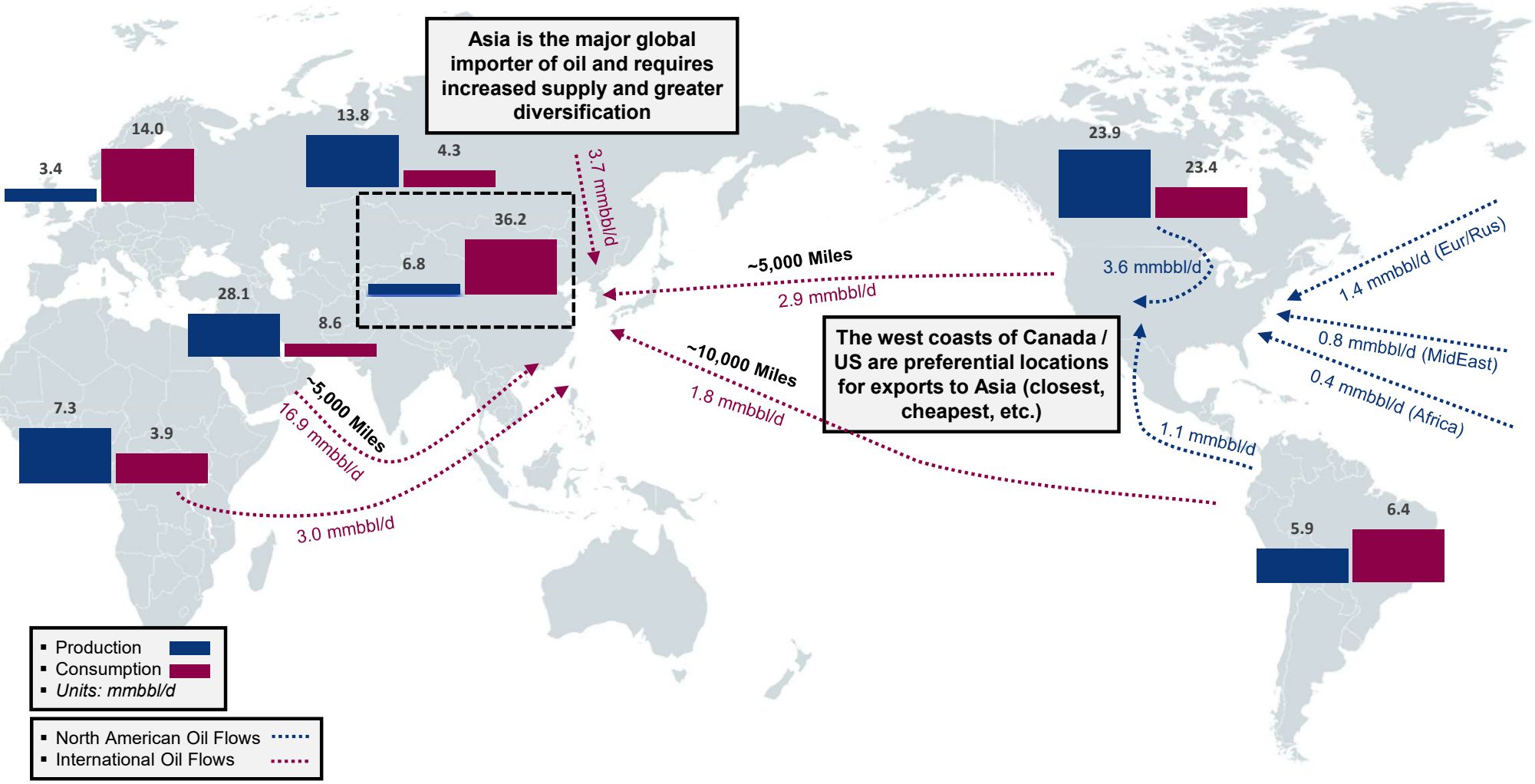


North American Oil – Supply and Demand

- North America is an oil importer led by US demand
- Canada is a net oil exporter with significant exports out of western Canada
- Significant growth in US production has reduced imports and reduced the need for Canadian imports
- Growing western Canadian production highlights need to establish other markets

Source: BP Statistical Review of World Oil Energy June 2022

New and Emerging Markets for Canadian Crude Oil



The bigger challenge remains where to move Canadian barrels as US production increases in the face of stagnant North American demand

Source: BP Statistical Review of World Oil Energy June 2022

Active in Energy Transition

- While much of Altex's business has been focused on loading undiluted heavy oil and bitumen, Altex has been active with other products and ancillary business including:
  - Loading refined products, waste products, agricultural products
  - Unloading and handling chemicals, condensate, oilfield inputs, frac sand, fertilizer
  - Providing ancillary services at our terminals including emulsion treating, oil storage, railcar storage and repair
- While current business is expected to continue to be important for Altex, it is clear that our terminals are very well positioned and capable to participate in the energy transition
- Altex expertise in terminal operations and logistics management complement the building of new business that benefits from and assists the energy transition
  - Rail provides opportunity to access feedstock and/or access market
  - Terminals provide venue to host processor and load feedstock or load feedstock

Business Development Initiatives

- Altex management is actively pursuing projects to create renewable fuels using agricultural products or recycled plastic as feedstock
- Projects include Fischer-Tropsch or pyrolysis processes
- Active with other low-emissions energy projects that require logistics management and terminal management expertise held by Altex

Lashburn Terminal

Altex's Flagship Unit-Train Terminal Located in the Heart of Heavy Undiluted Oil Country

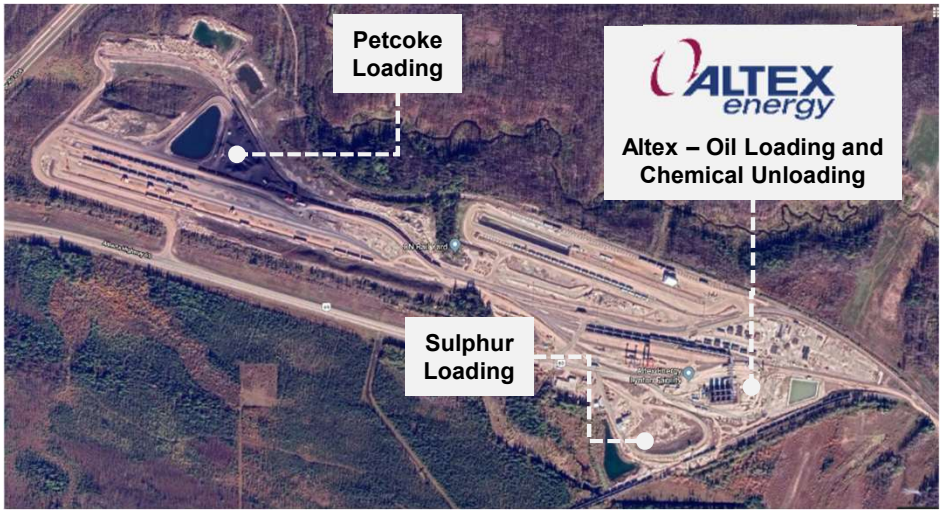
- Altex's largest terminal is strategically located in western Saskatchewan with ~300 mbbl/d of heavy oil production within a 75-mile radius
- Capacity of 2 unit trains (200 railcars) per day with 24-hr operation
- Loads undiluted heavy oil from region, typically 12-15 API
- The Lashburn facility is industry leading:
  - Oil trucked directly from wellhead, eliminating processing cost
  - Sophisticated logistics technology minimizes delivery waiting time
  - Provides several ancillary crude oil services including oil storage, emulsion cleaning, and H_2S treatment
  - Provides several ancillary rail services including railcar repair and and storage
- State-of-the-art facility with industry leading safety and operational practices

Key Information			
Unit train capable	✓	Tank storage	✓
Capacity (bbl/d)	90,000	Tank storage (bbl)	148,000
Capacity (cars/d)	150	Truck stations	26
Railcar storage spots	>450	Trucks/day	480

Lynton Terminal

Located in the Heart of the Oil Sands Region, Lynton Has Access to Large, Multinational Producers

- The terminal is located at the northern end of the CN rail line, southeast of the Fort McMurray airport
  - This location is in the centre of Canada's oilsands producing region, with access to >2 mmbbl/d of production within 75 miles
  - The site is inside the Canadian National rail yard, which also handles petcoke, sulphur, and other products
- Facility can load up to ½ unit train (50 railcars) per day (24-hr operation) and can initiate unit trains from site
- Used for other products including condensate and other hydrocarbons.
- Provides several ancillary rail and crude oil services including H_2S treating and railcar storage
- Typically loads under-diluted heavy oil from region (typically 6-10 API with some processing solvent from treater resulting in an under-diluted 15 API blend)



Key Information			
Unit train capable	✓	Tank storage	✓
Capacity (bbl/d)	30,000	Tank storage (bbl)	30,000
Capacity (cars/d)	50	Truck stations	6
Railcar storage spots	40	Trucks/day	100

Unity Terminal

Located Adjacent to the CN Mainline Supporting Heavy Undiluted Production in the Region

- Located in western Saskatchewan on the Canadian National mainline, 60 miles south of Lashburn
- Access to southern heavy oil producing region and light Viking oil growth area
- ~280 mbbl/d of oil production within 75 miles
- Tanks have significant capacity of 26 mbbls and can load up to 50 railcars per day (24-hr operation)
- Provides several ancillary rail and crude oil services including oil storage, H_2S treating, and railcar storage

Key Information			
Unit train capable	✗	Tank storage	✓
Capacity (bbl/d)	30,000	Tank storage (bbl)	24,000
Capacity (cars/d)	50	Truck stations	12
Railcar storage spots	66	Trucks/day	155

Intellectual Property

- Altex was one of the first crude-by-rail transloaders in Canada and has secured patents for railcar designs and transloaded processes
- Altex continues to innovate through its logistics and SCADA systems to provide premium services to its customers

1 CDN Patent #2643893

(a) Design of a special purpose tank railcar, (b) Forehaul / backhaul trade

- Altex has licensed the special purpose tank car design, which includes certain safety features now required by law, to a North American railcar manufacturer
- This license is non-exclusive, leaving potential for licencing agreements with additional parties

2 CDN Patent #2829003

Oil transloading process using trucks, tanks, and railcars

- Altex owns the patent for the process of unloading or loading bitumen from trucks to tanks to railcars (or railcars to tanks to trucks)
- Potential licensing opportunities with other transloading operators in Canada

3 US Patent #8393359

Forehaul and backhaul trade

- Altex owns the patent to move oil from western Canada to markets in the USA and then have the tank cars return condensate to western Canada

4 Logistics/ SCADA System

Proprietary SCADA, logistics, and accounting information system

- In-house designed system improves service for Altex customers
- Applicability to other commodities transloaded by rail
- Provides potential monetization opportunity

Safety

- Rail has a long track record of safety and efficiency
- Rail has been shown by independent parties to have lower spilled volume and greater energy efficiency than other alternatives
- Rail infrastructure is already in place minimizing surface and environmental footprint
- The type of oil typically moved by Altex (heavy oil) is less combustible, more viscous, and safer than other petroleum products often moved on rail or by pipeline
- Altex has developed rigorous safety standards and is an industry leader in health and safety policies

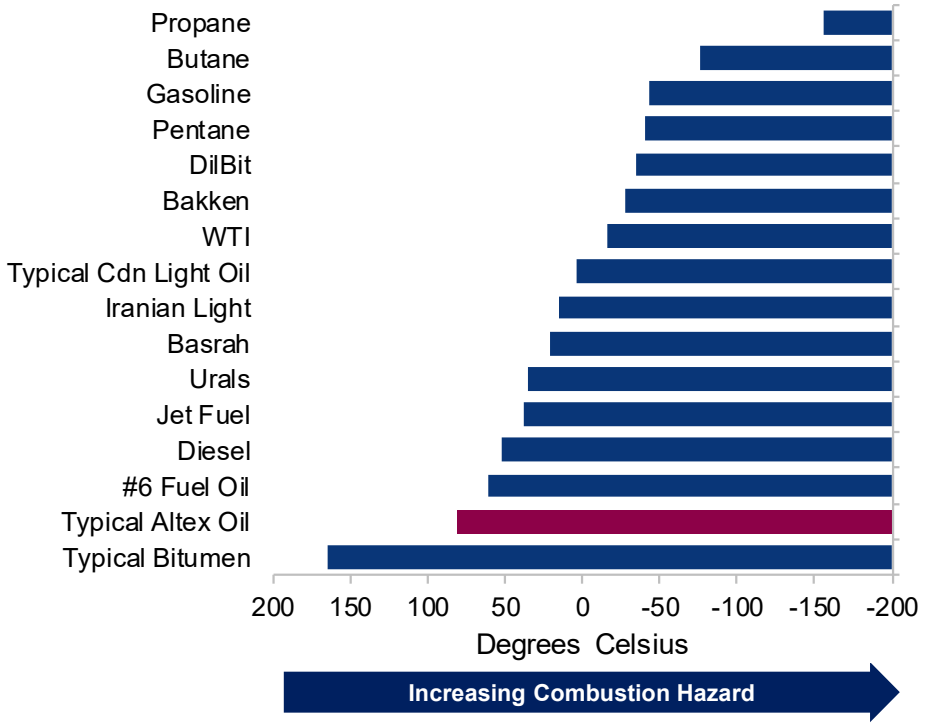
Comparative Statistics for Petroleum Product Release Rates from 2005 to 2009 (*in Gallons*)

Average release by transportation method	Per year	Per incident	Per billion ton-miles
Road	477,558	687	13,707
Railway	83,745	1,688	3,504
Hazardous liquid pipeline	6,592,366	19,412	11,286

Fraser Institute.

But if bitumen is not diluted and shipped by rail, it is safe as houses. It is warmed enough to fill a railcar, where it solidifies until its final destination, and is warmed again to be removed. Should a railcar of solid bitumen come crashing off a hilltop and land in a stream below, there it would lie in a lump. ~ *Elizabeth May, Green Party*

Petroleum Products by Flash Point



Management Team

John Zahary
President & CEO

- Professional Engineer with extensive experience with companies involved in heavy oil, oilsands, light and medium oil and natural gas production as well as companies with downstream, refining, marketing and midstream assets
- Former President & CEO of Petrovera Resources, Viking Energy, Harvest Energy & Sunshine Oilsands
- B.Sc Mechanical Engineering, University of Calgary and M.Phil Management Studies, University of Oxford

Colleen Johansen
CFO

- CPA, CA and former manager in corporate audit at KPMG Calgary
- Wide range of audit experience in infrastructure, oil and gas, and information technology
- Previous infrastructure industry experience in finance, planning, and corporate development
- B.Com Accounting and Finance, St. Mary's University

Richard Morgan
COO

- Professional Engineer experienced in all aspect of oil industry including service companies and large and small producers
- Technical, operational and business development roles
- BASc Chemical Engineering, Queens University

Contact

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