

A long train of silver oil tankers is shown on tracks, receding into the distance under a clear sky. The train is the primary visual element on the left side of the slide.

ALTEX ENERGY

INTRODUCTION AND MARKET DIVERSIFICATION INITIATIVES

MARCH 2026

Company Overview

Company Introduction

Who is Altex Energy?

- Altex Energy Ltd. ("Altex") is a private rail terminal and logistics company incorporated in Canada and headquartered in Calgary, Alberta
- We have a proven record of helping move oil and other products from producers to consumers since 2010
- **Our goal is to ensure seamless interconnectivity along supply chains, particularly those supporting energy and energy transition industries**



What does Altex do?

- Altex owns and operates three rail terminals in Alberta and Saskatchewan, Canada
- At our terminals, Altex loads and unloads oil and other products into and out of railcars, stores railcars, treats oil, stores products in tanks, and performs other value-added services needed by our customers
- **Altex's dedicated service delivery team manages most or all facets of transporting oil and other products from production sites to destination markets in North America, such as US refineries as feedstock and marine ports for shipping to global markets**
- Altex interfaces with each part of your supply chain to ensure a seamless flow of goods, including:
 - Oil producers and marketers to assist rail customers in obtaining supply
 - Trucking firms to manage delivery of oil and other products to or from our terminals
 - Canadian National Railway ("CN") and other rail carriers to manage rail fleets in and out of our terminals to destination and back
 - Destination terminals and consumers, including refiners, asphalt users, marketers, and traders

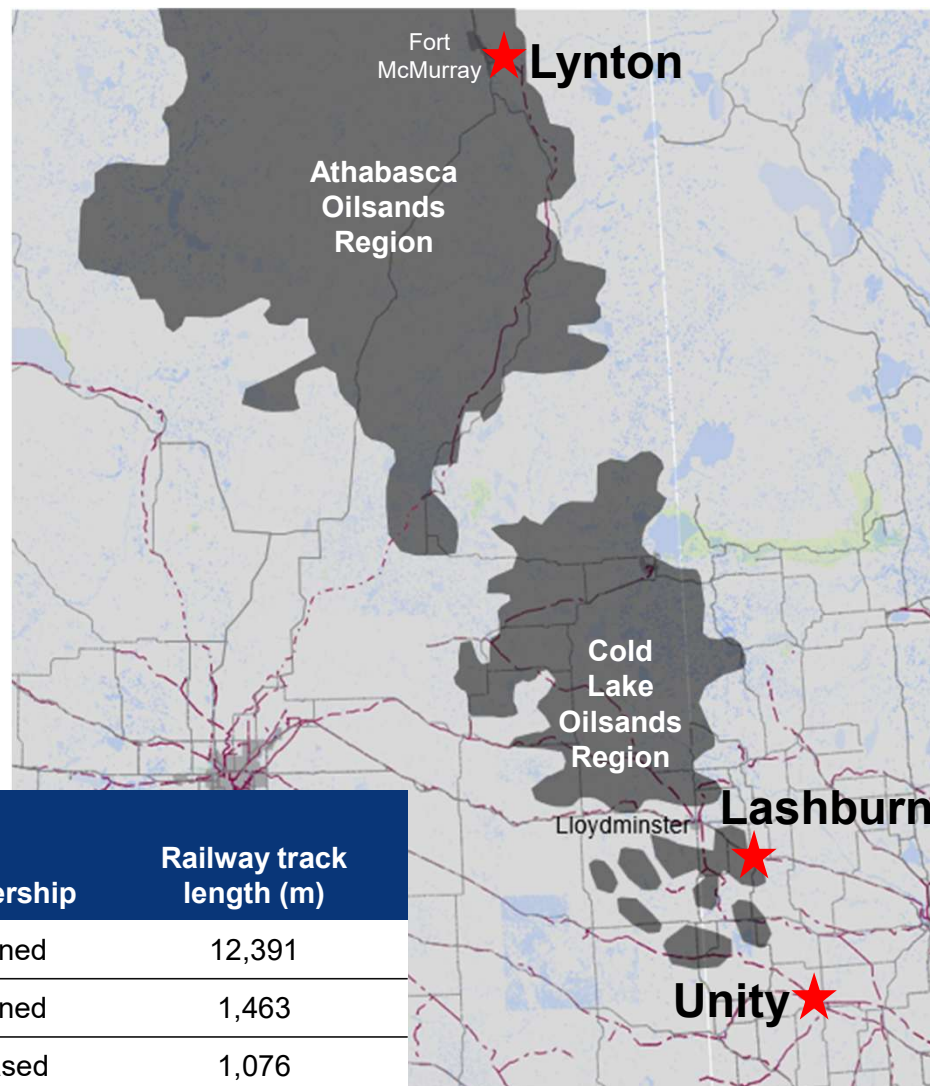
Corporate Highlights

Altex Energy Ltd. is a leading Western Canadian logistics and rail company connecting western Canadian oil and other products to key North American and global refining and export markets.

- 1 Top tier assets**
 - Three state-of-the-art rail terminals
 - Transloading capacity of up to 150 mbbbl/d of crude oil, strategically located near production from Canada's heavy oil / bitumen basins
 - Attractive ancillary business, including oil aggregating, railcar and product storage, emulsion treating, H₂S treating, and chemicals terminalling adds value and represents growth, diversification opportunities
- 2 Industry leader**
 - Major loader of undiluted heavy oil and one of just a few crude oil unit train operators within Canada
 - Focused on moving heavy oil without condensate, a safe and economically competitive form of transport
 - Active handling products beyond crude oil, including refined products and chemicals, and evaluating new products and projects, including asphalt, sustainable fuels, and agricultural products
- 3 Market support**
 - Diluent-free railing is economic today
 - Egress concerns out of Western Canada are supportive of growth – Canadian production is expected to exceed pipeline capacity in less than 2 years
 - Recent geopolitical events have generating increased interest in railing oil to coasts for export to new markets
 - Value-added and new energy transition products will require a rail solution to reach end markets
- 4 Markets and products**
 - Active throughout North American and overseas markets, working with producers, refiners, traders, and marine terminals to rail products from and to Western Canada
 - Improving the price of products moved out of western Canada and decreasing Canadian production costs by reducing supply chain costs for our customers
- 5 Long-term relationships**
 - Strategic, long-term partnership with Canadian National Railway ("CN") and positive working relationships with other class 1 and regional / short line railways in North America
 - Strong relationships with heavy oil producers, marketers, refiners, and railcar providers
- 6 Market leader**
 - Proprietary technology and systems, including three crude-by-rail patents and an in-house logistics system
 - Business is well supported by dedicated and experienced management, operations, and logistics teams
 - Altex has developed rigorous safety standards and is an industry leader in health and safety policies

Altex Energy Rail Terminals

- Altex controls and operates three state-of-the-art rail terminals in Western Canada:
 1. Lashburn, our flagship unit train terminal located in a rural setting near Lashburn, SK
 2. Unity, a manifest terminal in Unity, SK
 3. Lynton, a manifest terminal located within CN's Fort McMurray, AB rail yard
- Sophisticated and flexible, capable of transloading diverse products (crude oil, condensate, chemicals, refined products, etc.)
- **Strategically located in heavy oil producing regions, with terminals within economic trucking distance of production**
- Terminals have transloaded oil for many international producers, marketers, traders, and refiners



Terminal	Full Capacity (mmbbl/d)	No. Tanks	Tank Storage (mmbbl)	No. Truck Stations	Ownership	Railway track length (m)
Lashburn	90	36	148	26	Owned	12,391
Unity	30	10	24	12	Owned	1,463
Lynton	30	12	30	6	Leased	1,076
Total Altex	150	58	202	44		14,930

Altex Advantage

- Altex was one of the first crude-by-rail transloaders in Canada and has secured patents for railcar designs and transloading processes
- Altex uses sophisticated, proprietary SCADA and logistics management systems to provide a premium service to customers and oil suppliers
- Our rail expertise, knowledge of local and destination markets, and unit-train capability (Lashburn) enhances service and improves market reach and economics
- We are experts at providing connectivity for Western Canada to both North American and global markets, and are in a position to help Western Canada reach its market diversification goals



Lashburn, SK



Unity, SK

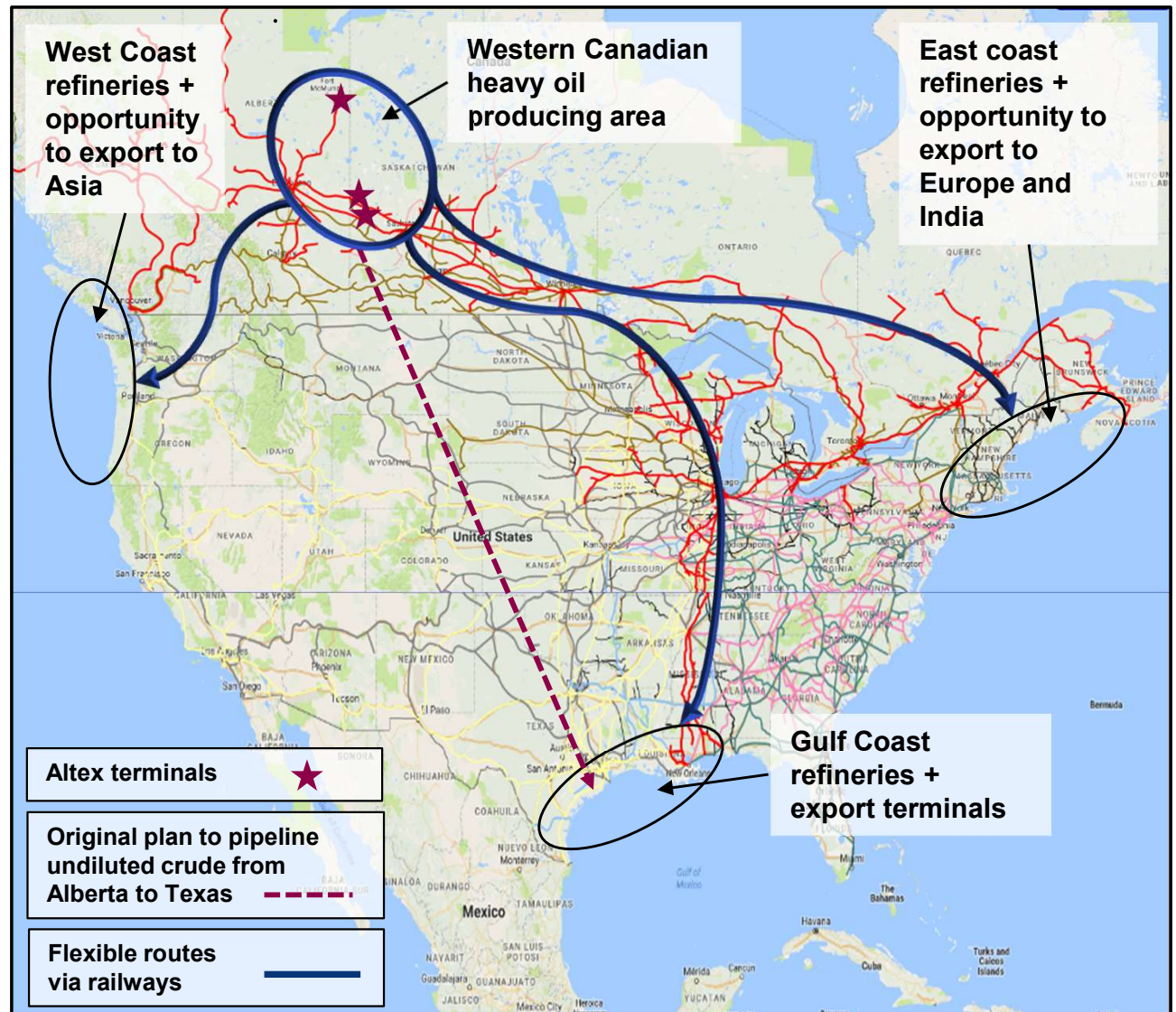


Fort McMurray, AB

Value Proposition

Founding Premise

- The founding driver behind Altex was not solving egress challenges, but was to move oil to market without adding the costly diluent (C5+) required by pipelines
- Altex's initial focus was on constructing a pipeline from Alberta to Texas (Al-Tex), but when Keystone was constructed, a pivot was made to transporting oil in railcars
- Altex and CN worked together to initiate the crude on rail business in Canada beginning in 2010
- Altex has been moving undiluted or underdiluted crude to multiple refining and export destinations for 15+ years
- Rail provides opportunity for oil producers to get a higher price – while refineries/consumers get a lower price



Flexible Destinations

Flexibility

- An added benefit of shipping crude by rail is the flexibility of destination
- Pipelines provide a fixed destination, while rail can transport Canadian crude across North America and to global export markets
- Altex is experienced in working with most major railways in North America and helps manage its customer's rail fleets to and from desired destinations

Past Destinations, Future Growth Opportunities

- Altex has shipped Western Canadian crude oil to numerous destinations:
 - Delaware
 - Louisiana
 - Alabama
 - Texas
 - Mississippi
 - Quebec
 - New Brunswick
 - California
 - New York
 - Oregon
 - British Columbia
 - China
- New unit train terminals and marine terminals have recently been constructed or are under development, further expanding the potential for growth in Altex's crude transloading business



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
- Third party technology is regularly evaluated by Altex staff and management to ensure the most economic, safe, and accurate systems are in place at Altex terminals to protect Altex's business, customers, and employees



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 US and then have the tank cars return condensate to Western Canada

4
US Patent
#8393359

Proprietary SCADA, logistics, and accounting information system

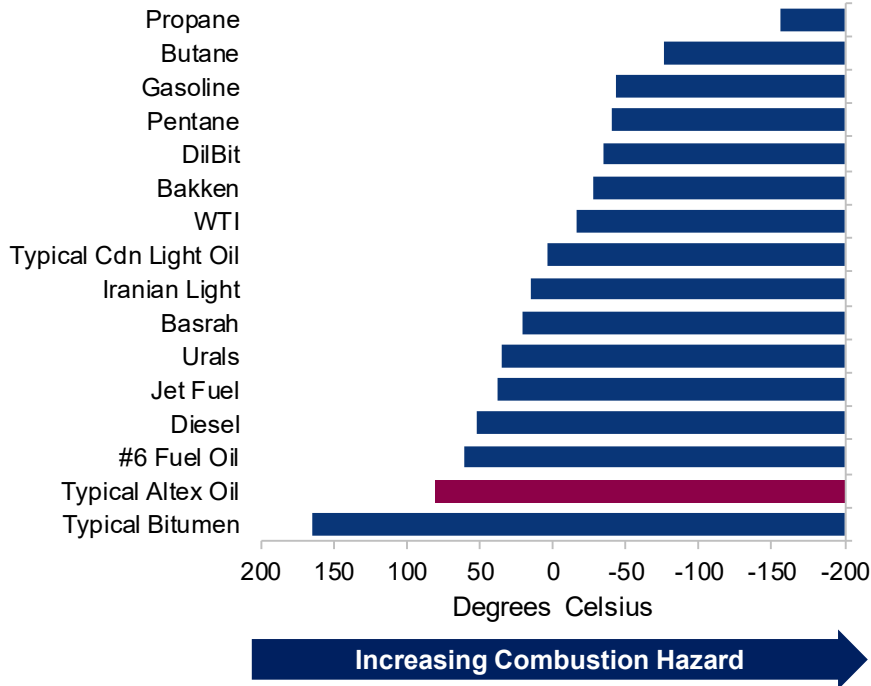
- In-house designed system improves service for Altex customers
- Applicability to other commodities transloaded by rail
- Provides potential monetization opportunity

Railway and Terminal Safety

Railway and Product Safety

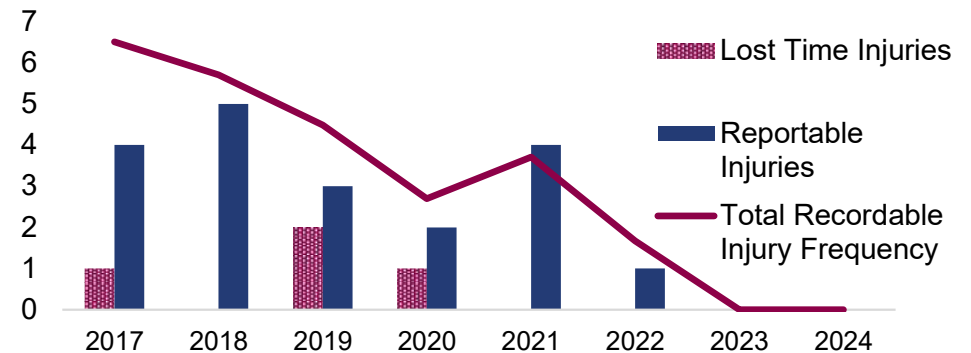
- Rail has a long track record of safety and efficiency, and has been shown by independent parties to have lower spilled volume than other alternatives
- Rail infrastructure is already in place, minimizing any new surface and environmental footprint
- The type of oil typically moved by Altex (heavy oil)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

Petroleum Products by Flash Point



Altex's Safety Focus

- Guided by its Corporate QHSE Management System, Altex has developed rigorous health and safety standards and policies
- We utilize comprehensive EHS / maintenance tracking software built on the Salesforce platform
- Altex's safety record shows our commitment to our mission statement, "Everyone Gets Home Safe!"



ALTEX ENERGY QHSE CULTURE CONSISTS OF 5 KEY ELEMENTS



EVERYONE GETS HOME SAFE!

Growth: Product Diversification and Global Export

- While Altex’s facilities were constructed to support transloading and shipping crude oil by rail, and Altex continues to focus on this core business, they have also proven effective for many other products and services
- Rail is more economic than trucking in many situations, especially over long distances, which opens the value of Altex terminals for moving other products imported into and exported out of Western Canada

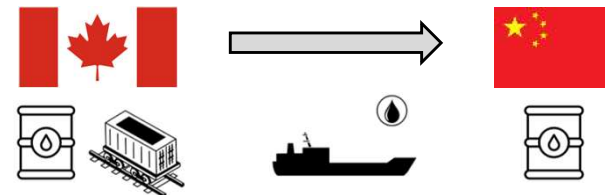
Expanding domestic product lines

- Today we transload a variety of products and perform a variety of services for our customers, including:
 - offloading chemicals, lube oil, and transmission fluid;
 - loading waste oil for recycling;
 - treating oil to reduce water and H₂S;
 - providing railcar and product storage;
 - facilitate onsite railcar repairs; and
 - aggregating crude oil from local suppliers
- Altex is active on many other initiatives to diversify its services and product slate, including evaluating opportunities to transload refined products, energy transition products, and agricultural products



Supporting international exports

- Altex has also assisted in exporting Western Canadian heavy oil to China using various methods:
 - Transloading oil to tank cars for railing to the west coast of the US, where it was loaded onto tanker ships
 - Transloading oil to tank cars for railing to the west coast of Canada, where it was loaded into flexi-tanks in sea containers and then onto container ships
 - Transloading oil directly into sea containers, which were railed to the west coast of Canada and loaded onto container ships
- Altex sees a high level of interest from third parties wishing to continue and grow this line of business



Rail Terminals

Lashburn Terminal Highlights

Altex's flagship unit-train terminal located in the heart of the Lloydminster heavy oil field

- Altex's largest terminal is strategically located in western Saskatchewan with ~300 mbb/d of heavy oil production within a 75-mile radius
- Capacity of 1.5 unit trains (150 railcars) per day possible with 24-hr operation
- Loads undiluted heavy oil from region, typically 12-15 API
- The Lashburn facility is industry leading:
 - Sophisticated logistics technology minimizes trucking company waiting times
 - State-of-the-art facility with industry leading safety and operational practices
 - Provides ancillary crude oil services including oil storage, emulsion cleaning, and H₂S treatment
 - Provides ancillary rail services including storage and access to railcar repair
- Large site provides expansion and brownfield development opportunities, including the addition of processing facilities



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	650	Trucks/day	480
Rail track (m)	12,391		

Lashburn Aerial View



Unity Terminal Highlights

Located near oil production and in an agricultural centre, the site offers both oil and agricultural opportunities

- 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 mbb/d of oil production within 75 miles
- Tanks have significant capacity of 26 mbb/d and can load up to 36 railcars per day (24-hr operation)
- Provides several ancillary rail and crude oil services including oil storage, H₂S treating, and railcar storage
- Unity is a manifest terminal, previously serving a niche market of manifest-only destinations
- The terminal is active in providing railcar storage service today, and stands ready to resume oil transloading services with minimal start up time required



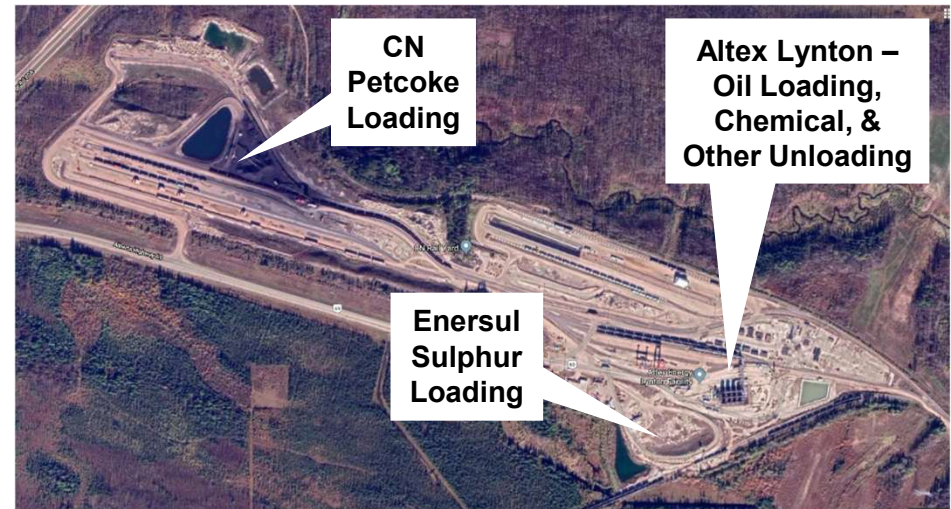
Key Information

Unit train capable	×	Tank storage	✓
Capacity (bpd)	30,000	Tank storage (bbl)	26,000
Capacity (cars/d)	50	Truck stations	12
Railcar storage spots	80	Trucks/day	150
Rail track (m)	1,463		

Lynton Terminal Highlights

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 MMbpd of production within 75 miles
 - The site is inside the Canadian National rail yard, which also handles petcoke, sulphur, and other products
 - High level of third-party interest in railing in chemicals and supplies to support oil sands production
- Facility can load up to 50 railcars per day (24-hr operation)
- Has been or is currently used for other products including condensate, other hydrocarbons, and chemicals
- Offers ancillary services incl. railcar steaming, product storage
- Has typically loaded under-diluted heavy oil from region (typically 6-10 API oil, with a portion of processing solvent from treater resulting in an under-diluted 15 API blend)



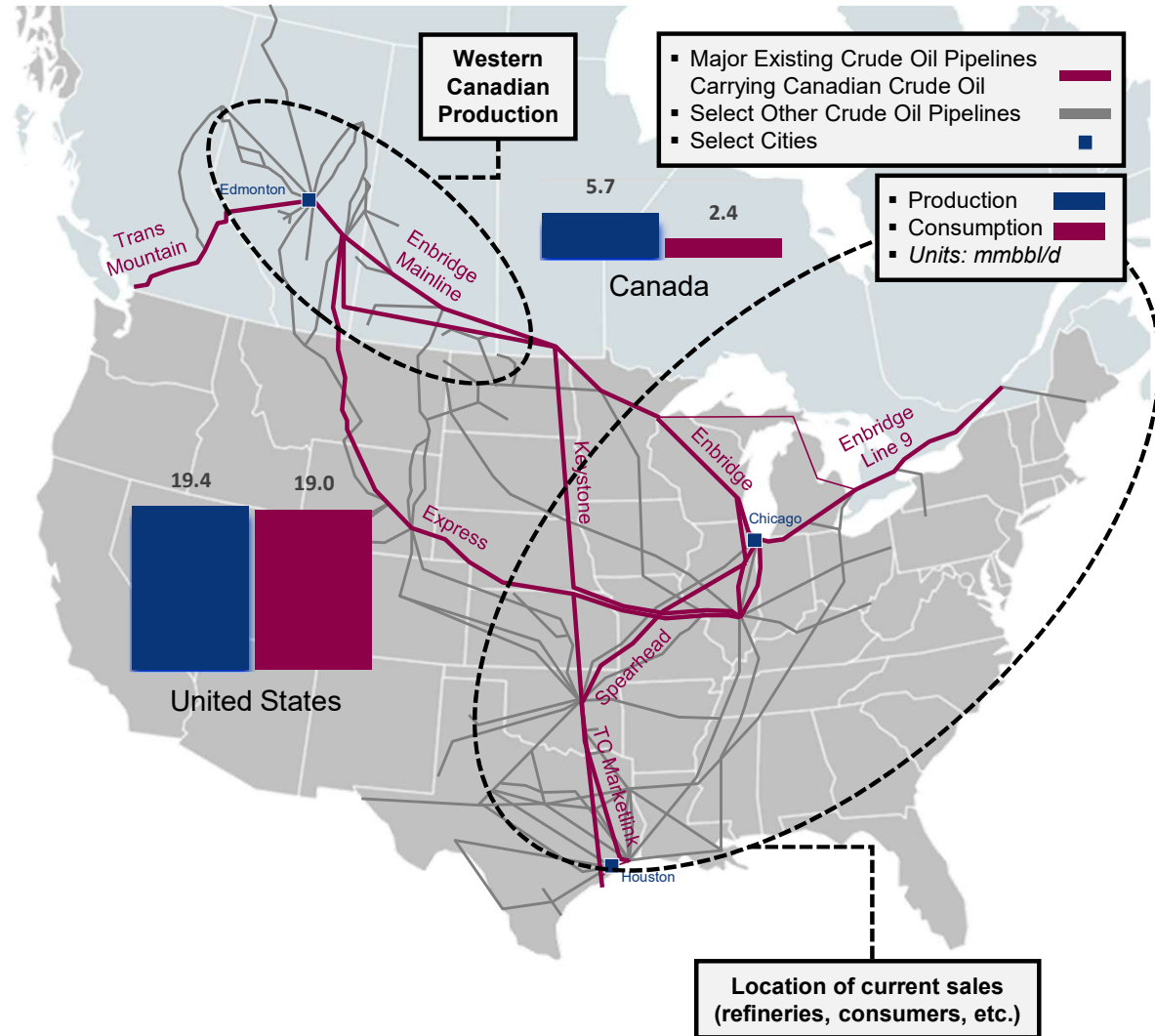
Key Information

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	60	Trucks/day	100
Rail track (m)	1,076		

Market View

Historic Western Canada Egress Problems

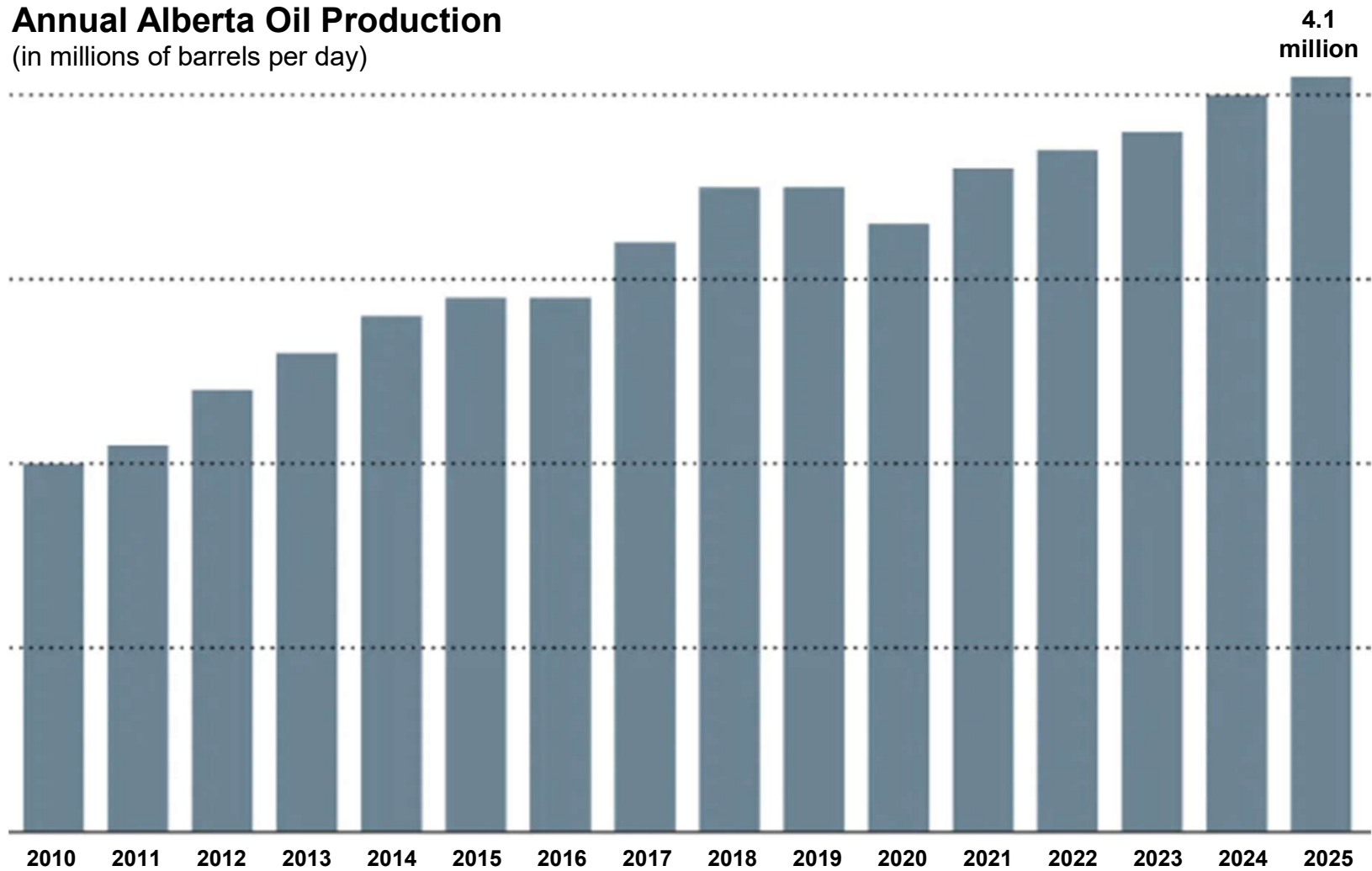
- Historic pipeline infrastructure was built to move crude oil to markets in US Midwest & Ontario (and volume for International/Quebec goes through the US)
- Supply/demand situation has changed in the US, decreasing demand for Canadian oil
- Canadian pipeline infrastructure developments have historically struggled to keep up with growing production in Western Canada, leading to pipeline apportionment and large price discounts in 2013 and 2019
- During periods of Canadian oil price discounts / high price differentials (low price for oil purchased in Western Canada vs. a high price for oil in destination markets), the railway system and crude by rail operators like Altex helped producers get their oil to market for the highest price



Source: CAPP, Energy Institute 2024

Growing Oil Production in Western Canada

Annual Alberta Oil Production
(in millions of barrels per day)



Source: Alberta Energy Regulator and ATB Economics

Oil Production vs. Consumption Challenges

1. Canada Production/Consumption

- Oil production growth in Western Canada has exceeded growth in Canadian consumption
- An increasing volume of Western Canada production needs to be exported

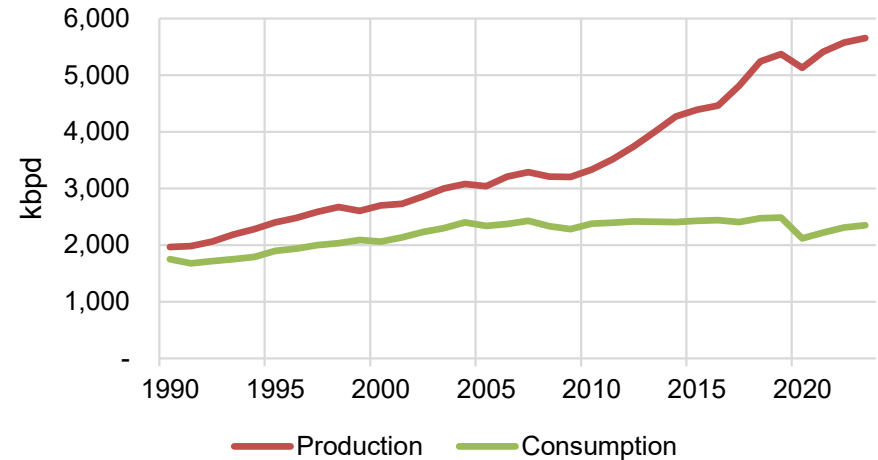
2. US Production/Consumption

- Significant growth in US oil production combined with stagnant consumption means the US has recently become a net exporting nation
- While Altex and many others continue to focus on their core business of moving crude to US refineries, the US generally doesn't need Canadian oil to the same extent as it did in the past

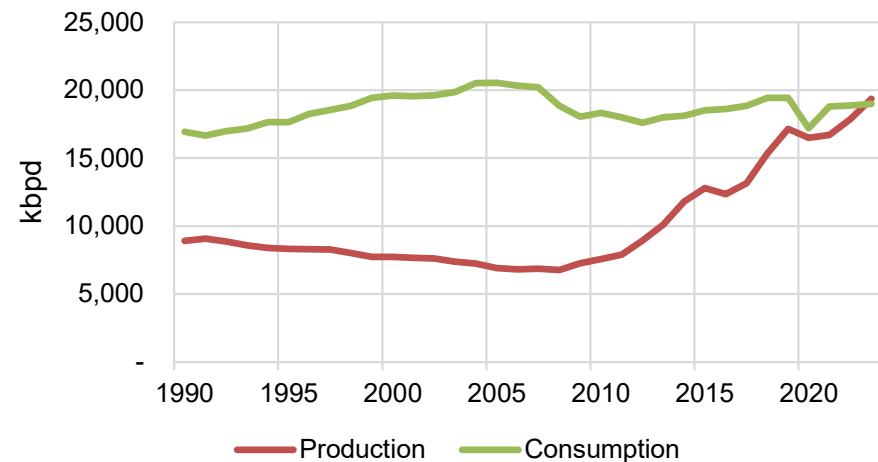
3. Infrastructure

- Essentially all movements of oil out of Western Canada go to the US (including oil which eventually gets to Ontario or Quebec)
- The US has built significant export facilities (effectively re-exporting "Canadian" oil)
- Threatened tariffs would be highly detrimental to profitability of production in Western Canada given the vast majority is exported to the US

Canada Oil Production/Consumption



US Oil Production/Consumption



Source: Energy Institute 2024

Western Canada Oil Market Challenges

1. Maximizing Price for Produced Oil

- The price of Western Canadian heavy oil has historically been severely discounted
- Moving this oil (particularly undiluted heavy oil bitumen without addition of condensate) by rail can give crude oil producers a higher price for their product
- A higher price increases royalties and taxes for governments
- Moving undiluted bitumen is safer and more environmentally-friendly than moving diluted bitumen

2. Takeaway Capacity Constraints

- Historic pipeline infrastructure was built to move crude oil to markets in US Midwest and Ontario
- Challenges accessing new markets over the last decade in face of growing production and difficulty building new infrastructure (compounded by challenges with pipeline failures)

3. US Demand for Canadian Oil

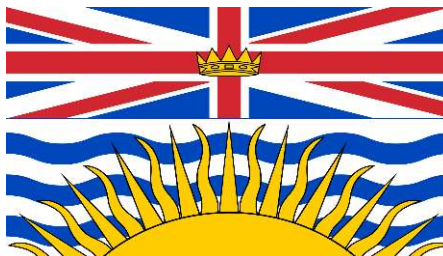
- With an increase in US production, demand for Canadian oil in US markets has decreased and significant Canadian oil is now exported from North America via US Gulf Coast

4. Potential US Tariffs

- Threatened tariffs would be highly detrimental to profitability of Western Canadian production given the vast majority of oil is exported to the US

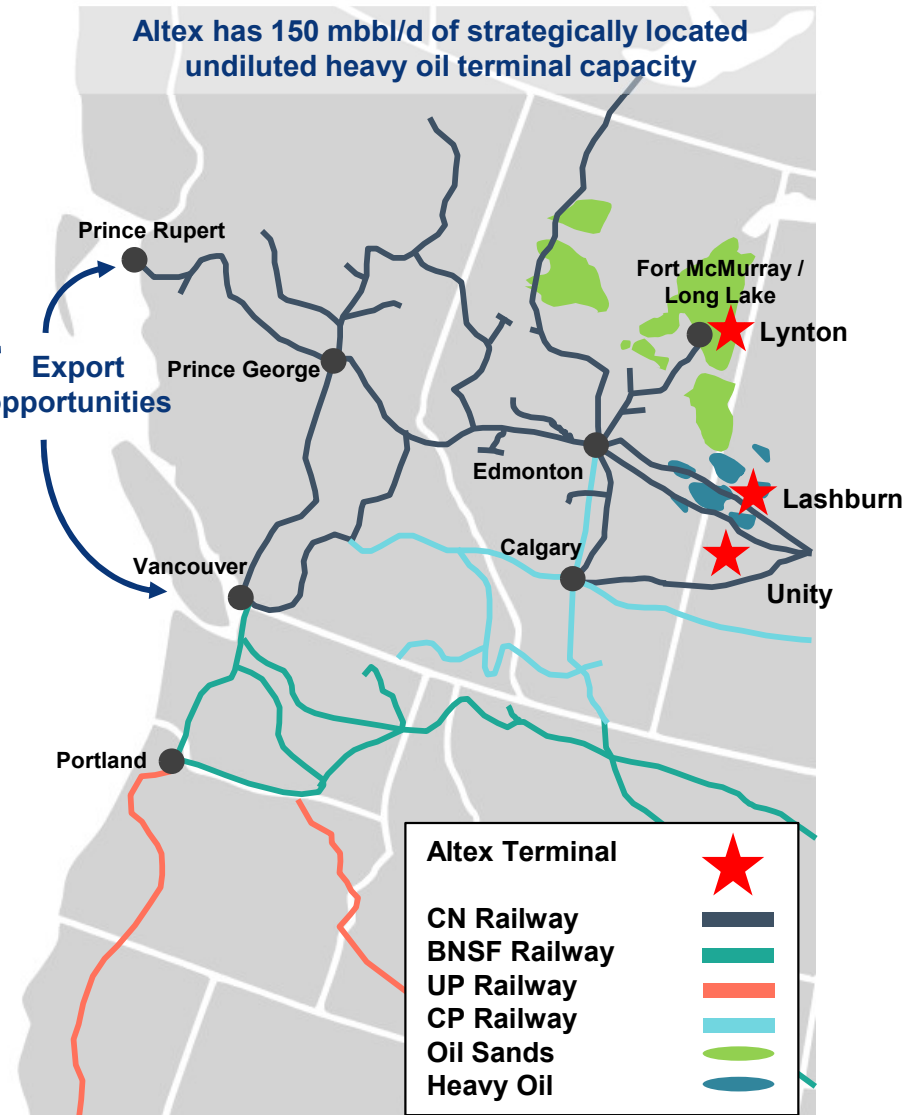
Western Canada Oil Market Diversification

- The geopolitical landscape of 2025 and early 2026 highlights Western Canadian provinces' immediate need to diversify export markets for its oil production
- The US receives ~90% of Western Canadian production today, but this market is facing challenges from:
 - Regulatory and political hurdles in building infrastructure (such as new pipelines)
 - An increase in US production shifting the supply and demand balance such that the US has become a net exporter of oil
 - More recently, the US government has considered imposing tariffs on all imports of oil from Canada, significantly reducing profitability for producers and Canadian provincial and federal governments
- The opportunity exists for Western Canada to focus on growing an open and diversified market, especially with the increase in global demand for Canadian oil as a result of recent events in the Middle East
- Oil movement on the rail system represents a nationally significant project – immediate and cost-effective expansion of overseas exports can be achieved through this established system
- Altex, working with the Canadian and Provincial governments, railways, terminals on the West Coast of Canada, oil traders, and Asian consumers can help expand markets for Western Canadian producers beyond North America

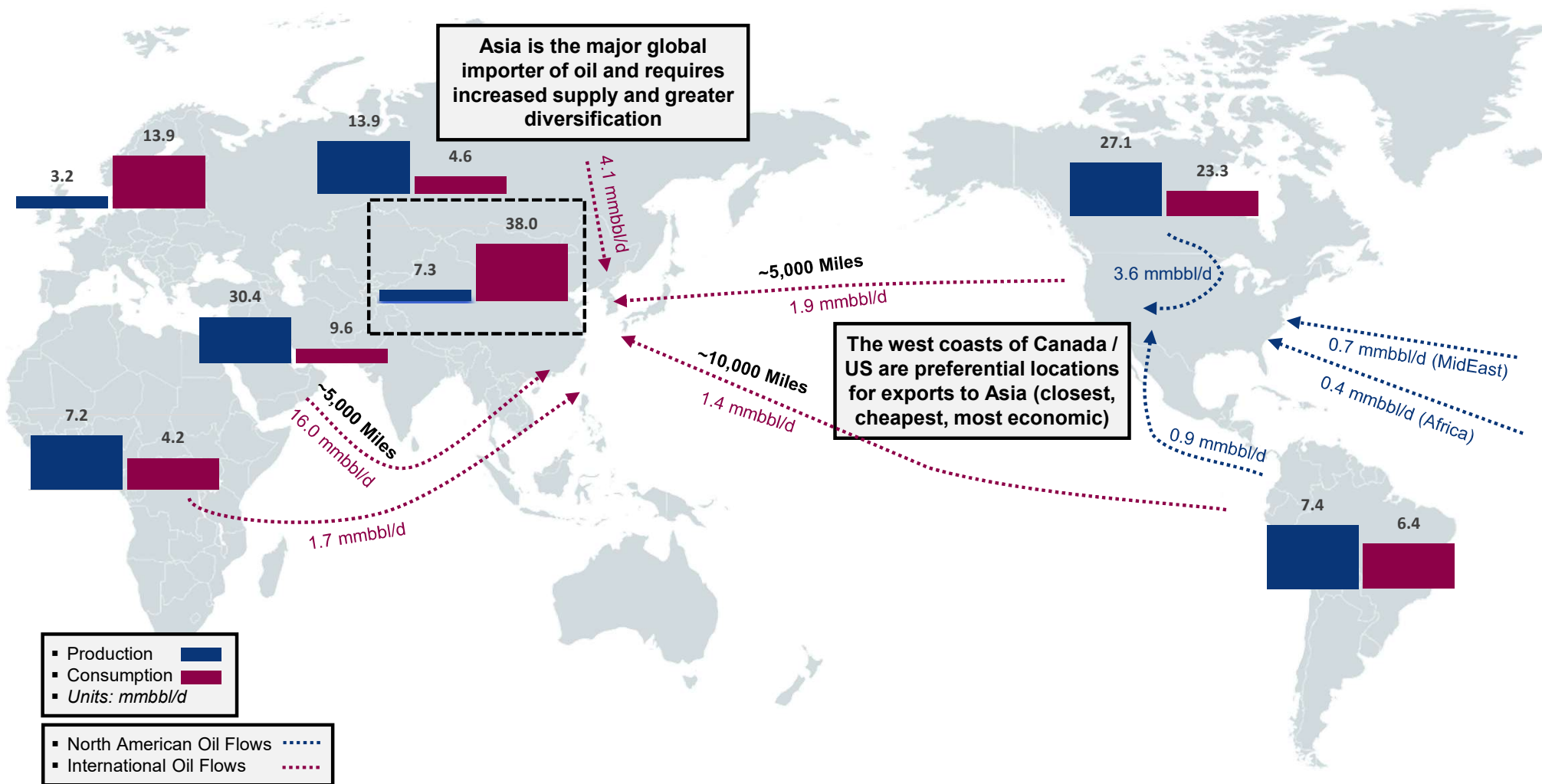


Western Canada Needs Access to Other Markets

- Canada's oil production industry is reliant on the advantage of the US market, and this dependence on proximity to world's largest market presents risks
- **While Altex will continue to focus on serving our US customers, we recognize that alternative markets for Canadian oil are needed as soon as possible, especially in face of threatened US tariffs**
- East Asia is a close, large, net oil importing market and is accessible today with untapped infrastructure: **We can use Canada's rail system to access the west coast and global markets**
- Rail offers connectivity all over North America, including to the west coasts of Canada and the US
- **Global demand for Canadian oil has risen sharply in 2026 due to the conflict in the Middle East**
- Accessing East Asia from the west coast offers significant advantages when compared to the US Gulf Coast:
 - Much lower transportation cost / better overall economics
 - Much shorter transit time (10 or 11 days from Canada vs. 20+ days from the US Gulf Coast)
 - Avoids the Panama Canal



Diversifying Markets for Canadian Crude Oil



The strategic importance of moving Canadian barrels to global markets has become increasingly clear, as the threat of US tariffs introduces the risk that continued reliance on majority-US exports may become uneconomic.

Supporting International Exports

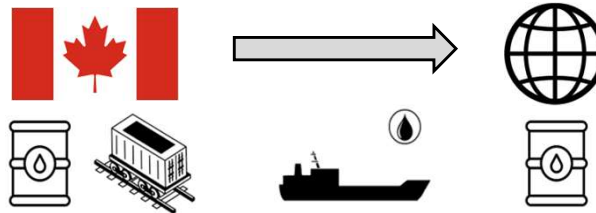
Altex has used rail to support international exports of Canadian oil multiple times over the last decade

Historical Experience

- Altex has assisted in exporting western Canadian heavy oil to global markets through terminals on Pacific Ocean, Atlantic Ocean and USGC using various methods:
 - Transloaded oil to tank cars, which were railed to the west coast of the US and loaded onto tanker ships (also did this for exports off US/Can marine terminals to Caribbean/European refineries)
 - Transloaded oil product directly into flexi-tanks in sea containers, which were railed to the west coast of Canada and loaded onto container ships
 - Transloaded oil product to tank cars, which were railed to the west coast of Canada where the oil was moved into flexi-tanks in sea containers and then loaded onto container ships
- Altex sees a high level of interest from third parties wishing to continue and grow these lines of business

New Opportunities

- Existing rail system can move oil from Western Canada to marine terminals on west coast
- Terminals on the coast can be used to put oil on ships for movement to Asia
- Rail can be a functional long-term solution for certain movements
- Rail can also be a bridge to building pipelines that can eventually replace onshore movements by rail over time
- Easily accessible markets include China, Japan, and Korea (expandable over time to other Asian markets including India)



Exports by Rail and Sea Container

Rail to container ship business can ramp up immediately

- Heavy oil is loaded into tank railcars at a Western Canadian rail terminal
- The railcars are moved to a marine terminal where the oil is moved from the railcar to a bag (flexi-tank) inside a sea container
 - Product can also be loaded directly into a sea container at a rail terminal in western Canada
- Sea containers are loaded onto a container ship and shipped to port in Asia
- This type of movement requires the product to be non-hazardous
- Heavy oil can sometimes be sold as natural asphalt – consistent with Alberta’s Bitumen Beyond Combustion initiative



Criteria ¹	Min	Max
Density (kg/m ³ @ 15°C):	-	1,020
Flashpoint (°C):	60.5 ^(a)	-
H ₂ S - Vapour Space (ppmv):	-	10
Viscosity (cP @ 50°C):	-	2,500
BS&W (%):	-	1.0
Reid Vapour Pressure (kPa):	-	68.6
Sulphur (%):	-	4.75%

¹ Specifications may change based on refiner and shipping company requirements

Exports by Rail and Crude Oil Tanker

Rail to tanker business is achievable in a relatively short period compared to increasing pipeline capacity

- Product is loaded into a tank railcar at a Western Canadian terminal
- Tank cars are moved to a marine terminal where product is moved from railcars to tanks – and eventually to an oil tanker ship
- Oil tanker is moved to overseas markets
- Very few marine terminals in Canada are capable of handling crude oil tankers
- Need dock with water depth sufficient to accommodate a large, cost-efficient ship
- Suitable ports are not currently available on the west coast of Canada, but Altex is in discussions with parties who have control of such docks
- Infrastructure to facilitate movements from rail to ship include oil storage tanks, which could also serve as terminalling for an eventual pipeline (if constructed)



Thomas Zafiras

Contact

John Zahary, President & CEO

403-988-2807
john.zahary@altex-energy.com

Colleen Johansen, CFO

403-650-7077
colleen.johansen@altex-energy.com



700, 736 - 6th Avenue S.W.
Calgary, AB Canada T2P 3T7
www.altex-energy.com
Main phone: (403) 508-7525