

ARO Solutions

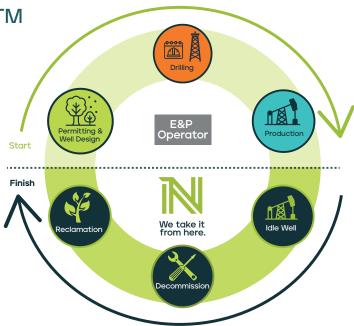
OneNexus.com

OneNexus Assurance™

OneNexus Assurance[™] is a unique, "insurance-like" solution that is designed and developed for the energy industry to address the growing problem of underfunded AROs.

OneNexus holds funds for future decommissioning in a regulated capital reserve account within a wholly-owned and Investment-Grade rated insurance company.

At the end of a well's life, the OneNexus Decommissioning Operator™ can decommission and take final title to the wells in the program.



Life Cycle of an Asset

Focused on Your Decommissioning Needs

OneNexus Assurance™ Defined Benefit

Financial Assurance for Decommissioning

The Defined Benefit amount is chosen by the policy holder.

Operator receives the Defined Benefit payment from OneNexus after properly decommissioning the well.

Operator has the right to transfer title, and all post plugging liability, to OneNexus after the well is plugged.

OneNexus Assurance™ Full Risk Transfer

Financial & Performance Assurance for Decommissioning

OneNexus becomes the Primary Obligor of the ARO and assumes the legal and performance obligations for performing all necessary decommissioning activities.

Operator transfers title and operatorship of the well to OneNexus <u>at the end of the well's useful life, but prior to decommissioning.</u>

OneNexus decommissions the well, assuming full cost risk and all post plugging liabilities.

Secured Funding for the Future

Responsibility does not end when assets stop producing.

A first-of-its-kind "insurance-like" solution designed specifically for the energy sector's Asset Retirement Obligations (AROs).

ESG Commitment with OneNexus

Environment

- ✓ Protect the environment by ensuring safe and efficient decommissioning of non-producing and idled oil & gas wells and facilities
- ✓ Eliminate potential sources of methane and other greenhouse gas (GhG) emissions
- Eliminate potential sources of soil and water contamination

Social

- Safeguard against equipment and facilities being abandoned and later posing a threat to the heath and safety of nearby communities
- ✓ Ensure that land will be remediated for future beneficial use
- ✓ Prevent the burden and cost of decommissioning from being passed to tax-payers as orphaned wells

Governance

- √ Financial and performance
 Assurance for ARO Liabilities
 that is backed by
 Investment-grade 3rd party
 institutional investors
- Address the industry-wide issue of underfunded liabilities that lead to orphan wells
- ✓ Multi faceted risk management approach including the removal of Predecessor-in-Title and post plugging liabilities

Prudent Governance & Risk Management

Predecessor-in-Title Risk



The Asset Retirement Agreement follows the well through divestitures, eliminating "boomerang" liability if a future owner should default or go bankrupt.

Well Underperformance Protection



If a well underperforms or requires plugging earlier than anticipated, OneNexus steps in to cover the cost of the ARO.

Headline/Reputation Risk



Protects the company and executives against adverse publicity surrounding asset decommissioning.

Partner Non-Payment Risk



Pre-payment of future decommissioning costs by working interest partners protects the operator from having to collect from them in the future.

Regulatory Risk



The applicable State or Federal government regulatory agency is named "Loss Payee" and gets the benefits of the coverage amount. OneNexus assumes many of the risks associated with future regulatory changes.

Environmental Risk



OneNexus takes title and assumes the liabilities for the plugged wells should any future remediation or intervention be required.

