Liquefied Natural Gas | Product Specifications

Liquefied Natural Gas (LNG) is refined natural gas which has been converted to liquid form for ease of storage and transport. LNG is approximately 1/600th the volume of natural gas. During the refining process, heavy hydrocarbons and other impurities are removed from the raw natural gas; the gas is then cooled until it condenses into a liquid. Depending upon its exact composition, natural gas becomes a liquid at approximately -260°F.

Chemical Composition

LNG is predominantly methane (CH₄ 87%-99%), with small amounts of ethane, propane, butane, and perhaps some pentane. LNG appears as a colorless, odorless clear fluid, with about half the density of water. The temperature of LNG is typically -260°F, a cryogenic temperature.

Energy Output

<table>
<thead>
<tr>
<th></th>
<th>LNG</th>
<th>Diesel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Btu Per Gallon (K)</td>
<td>84 – 86</td>
<td>125</td>
</tr>
<tr>
<td>Gallons Per MMBtu</td>
<td>11.75</td>
<td>8.0</td>
</tr>
</tbody>
</table>

1 LNG road tanker = 10000 LNG gallons • 1 LNG gallon weighs 3.5 lbs.

Liquefaction and Regasification Processes

Natural gas is pulled from the pipeline and brought into the liquefaction plant for pre-treatment. Pre-treatment is designed to remove impurities in pipeline gas like water, carbon dioxide, and mercaptan (gas odorant). The liquefaction process cools natural gas to change it to a liquid which reduces the volume occupied by the gas by approximately 600 times. Once transported to the customer’s location, LNG is stored in cryogenic containers and then regasified via a vaporization system that warms the LNG back to its vapor gas state.

LNG Condensation Cloud • When negative 260 degree LNG runs through ambient vaporizers that are air temperature it causes the air to be cooled so that any moisture in the air condenses to form a white condensation cloud or fog. This atmospheric moisture “fog” is easily seen and is a normal part of the regasification process.

Safety

LNG has the best safety record of any fuel on the market today. LNG is a colorless, odorless, non-toxic, non-corrosive, cryogenic liquid. LNG has a low flammability level due to low oxygen levels in its liquid state. If spilled, LNG turns into a vapor and leaves no residue. LNG vapor is only subject to explosion if it is in an enclosed space within the flammable range of 5-15% when mixed with air.

<table>
<thead>
<tr>
<th></th>
<th>LNG</th>
<th>Propane</th>
<th>Diesel</th>
<th>Waste Oil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ignition Temperature (F)</td>
<td>1004</td>
<td>842</td>
<td>437</td>
<td>100 - 180</td>
</tr>
<tr>
<td>Boiling Point (F)</td>
<td>-260</td>
<td>-44</td>
<td>370+</td>
<td>350 - 700</td>
</tr>
</tbody>
</table>

Any exposed skin that comes in contact with LNG will get a cryogenic burn. Personal protective equipment should always be worn, consisting of cryogenic gloves, cotton or flame retardant (FR) long-sleeve shirt, flame retardant (FR) long pants, and a face shield to protect the head from splashing liquid.

More information on properties are available in LNG Safety Data Sheet (SDS).
Environmental

If spilled on land or water, LNG will vaporize and the natural gas will dissipate. The environmental impact of LNG spills is minimal because the components of LNG are non-toxic and insoluble in water. If there is an LNG release, it will completely evaporate with no residue.

<table>
<thead>
<tr>
<th>Leaks &amp; Spills</th>
<th>LNG</th>
<th>Propane</th>
<th>Diesel</th>
<th>Waste Oil</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Vaporizes to atmosphere</td>
<td>Gathers in low areas</td>
<td>Puddles on ground</td>
<td>Puddles on ground</td>
</tr>
</tbody>
</table>

Carbon Dioxide is removed from the LNG process <50ppm with a normal operating range of 2-5ppm

| Emissions (lbs. CO2 emitted by source per million Btu) | 0 | 139 | 161 | 210 |

Applications

- Transportation
- Agriculture
- Commercial & Industrial
- Power Generation
- Utilities
- Asphalt
- Mining
- Rail
- Marine

Equipment

- Storage and Regasification Equipment
- Mobile/Temporary Storage and Regasification Equipment
- Mobile/Temporary Fueling Stations
- Transportation and Logistics (North America only)

LNG Cost

Kinetrex sells LNG for approximately $1.00 per Diesel Gallon Equivalent (DGE) and $0.20-$0.30 less than propane per Propane Gallon Equivalent (PGE) with option of long-term hedging. Kinetrex uses First of the Month (FOM) NYMEX cost of natural gas which makes up only 30% of the cost of LNG. For price comparisons and monthly stability, visit www.KinetrexLNG.com.

Plant Supply

Kinetrex has two LNG plants with 24 million gallons of LNG storage capacity and 4 truck loading stations. The plants are connected to four interstate natural gas pipelines from various supply basins.

Kinetrex safety activities fall under the jurisdiction of OHSA (Occupational Health and Safety Administration), The Federal Energy Regulatory Commission (FERC), Pipeline and Hazardous Materials Safety Administration (PHMSA), National Fire Protection Association (NFPA), DOT (Department of Transportation), or Dept. of Homeland Security (DHS).

Quality

Kinetrex gas chromatograph reports on the composition of each load of LNG for the customer.

Customer Transportation and Storage

Kinetrex Energy Transportation (KET) transports LNG 24/7/365 to the customers site via cryogenic trailers. As a liquid, LNG is 1/600th of its volume as a gas. I.e. One LNG truck holds approximately 840 dth, or 10,000 LNG gallons. Customers have on-site LNG storage via permanent cryogenic tanks or mobile ISO Containers or trailers that are sized to individual customer usage and operation needs.

Customer Proposals

Preliminary information required: • Max pressure (PSIG) • Max flow (DTH/hour) • Monthly & Annual usage (DTH)

Chemical Composition, Energy Output, Safety, and Environmental categories based on typical data ranges.

Waste Oil represents Fuel Oil No. 2.

Product Specifications are subject to change. Manufacturing specifications are confirmed upon request.

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