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Koala Update

Royalty Information

Preferred Series C shareholders will receive the same distribution as last quarter of 3.7 cents per share.

The Hunting's 3Q Organic Oil Recovery (OOR) revenues were below what they had projected due to the Middle East war disrupting personnel and activities in the region. As countries in the region start to cope and deal with the new realities of everyday living some progress back to normal is expected. In their last report to shareholders, Hunting was optimistic about South America and other areas of the world. We look forward to any announcements from them with regard to future OOR contracts, including the resumption of middle east customers.

For common shareholders to understand the royalty concept, the following will help. Hunting has projected that by 2030 they expect to have revenues from OOR of $100 million. That would translate to $15 million to Koala and that could be approximately 24 cents per share in royalties to all shareholders. If Hunting can exceed its projected OOR revenue streams leading up to 2030, then a common shareholder royalty is possible in 2028 or 2029. A major OOR contract changes everything. Hunting has continued to hire new personnel for their OOR global effort and this will eventually be rewarding.

We will have much more visibility on Hunting's progress as they announce contract wins in 2027.

North Sea Political Wall Possibly Coming Down



The North Sea was always expected to be a fertile region for Organic Oil Recovery. In the early days of Titan Oil Recovery, we commissioned Gaffney Cline, a major oil consulting firm, for a report on North Sea oil platforms that were in our technology sweet spot. There were over 400 platforms at the time in the North Sea. We told them to stop when they reached 40 potential candidates. The point is that there is an abundance of platforms in the North Sea that Hunting should be able to service in the years to come as long as the anti-oil U.K. government gets out of the way.

Recently the U.K. government approved an important development project called the Jackdaw field. This was a change of direction for the government and positive for the oil industry. Soon a positive decision could be made on the important North Sea Rosebank oil project. The U.K. needs domestic energy security and the anti-oil North Sea concept is irrational.

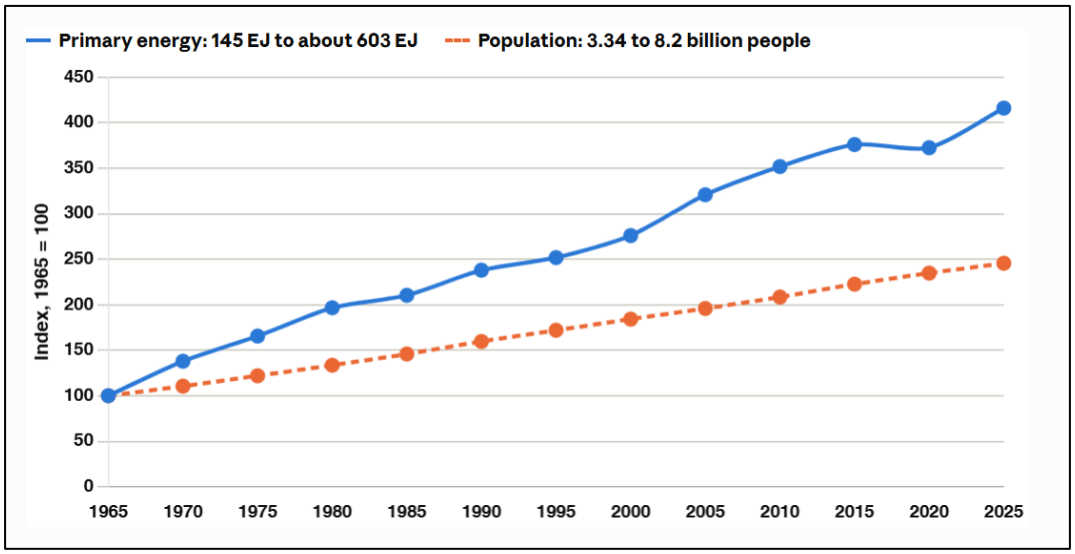
Norway operates in the Norh Sea and has the largest sovereign wealth fund in the world weighing in at $2.3 trillion. Almost all of it is from offshore oil production and most of that from the North Sea and adjacent offshore areas. In an age of energy needs going up every year and governments

in dire need of funding, the U.K.'s North Sea could become a cash cow to the government. The area should become a prosperous area for the oil and gas industry again as calmer and less politically illogical policies become reality. The Norwegian wealth fund example should be a powerful incentive for the U.K. to embrace North Sea oil and gas production once again.

Global Energy Consumption

The graph below is based on the Energy Institute's 2026 Statistical Review. It shows that global population has increased by 150% since 1965, but energy consumption has increased by 300%. 80% of the world's energy is still coming from fossil fuels with oil and gas the leading fuel sources with almost 60%. Oil is in first position at 33.5%.

Dr. Colin Hill, Titan's chief scientist and now a chief scientist for Hunting has spoken at the Energy Institute in the past regarding Organic Oil Recovery.



Energy Breakdown by Sources

Energy Institute Global Energy Sources	
Oil and Gas	58.6%
Coal	27.7%
Renewables	5.9%
Nuclear	5.2%
Hydro	2.7%
Total	100%

Energy Institute Statistical Review 2026

For every person on earth the average consumption of oil for all purposes (energy, fertilizer, clothing, plastics and building materials etc.) is .0128 barrels per day. So, that would be about 4.7 barrels a year. In 2050 the UN expects the world population to be approximately 9.7 billion people. Other estimates bring this number to well above 10 billion.

Simple math says in 2050 we will need 19-20 million bbls a day more oil than the current 102 million daily barrels needed. Can the world find this much oil? This calculation becomes even

more skewed because the oil consumption per capita in the undeveloped world, which has more people than the developed world, is increasing at a higher rate and these populations are just beginning to require massive amounts of energy from what they were consuming just ten years ago. Progress and energy coexist side by side.

This has significant implications for OOR. Oil supply will be challenged like never before and any technology that can recover "unrecoverable" or trapped oil should be in high demand.

India currently consumes 1/10 the oil per capita than the U.S. and as that country moves forward into the 21st century energy demand will certainly increase from 1/10th of the U.S. rate. The same for China which is still a sleeping giant from a modern population standpoint. One third of their population is rural. India and China's oil demand in 2050 is an unknown but is expected to be much higher than today as these countries continue to move forward with their economies.

The Big Three

The oil industry has three major problems. One is the "decline." As retold in various shareholder Updates in the past, oil fields the world over produce on average 6% less oil annually due to what is called in the industry the "decline." This decline of oil production is from pressure depletion, normal fluid extraction and other technical reasons. Usually 102 million barrels of oil are needed every single day to keep the world moving. Next year over 6 million barrels a day will not be produced. That's because of the decline.

The second problem is the industry having to spend a lot of money to find and develop new oil fields and to keep existing oil & gas fields in the best operating condition they can. This amounts to $500-600 billion every year.

The third and biggest problem is trapped oil. The industry has been in apathy about this problem for so many decades that they have basically lost all hope. They need to recover more than 35-40% of what they find and cannot.

Organic Oil Recovery's unique technology addresses two of the industry's big three problems: oil field declines and trapped oil. As Hunting continues to move OOR forward, we hope the industry will move from apathy to enthusiasm regarding the solution to trapped oil.

Middle East and Oil



Oil production from the Middle East before the Iran war was 27 million barrels per day, over 25% of the global supply. Most of this supply was moving through the Strait of Hormuz. The disruption of this supply that was exported via Hormuz, has been choked off and on and off and on again by the war and has been difficult to analyze. These countries are all developing various solutions to move the product to world markets. Rail, tanker trucks, and pipelines by land are helping as well as sneaking ocean tankers past the Iranian military. But supply is down an estimated 7-10 million barrels a day depending on who is reporting. With the oil price hovering between $90 - $110 per barrel, energy

expense from transporting and manufacturing goods will be going up as well as the already price hikes at the gas pumps. The high oil price is allowing small to major oil companies to afford more R&D projects and certainly more budget for technology like OOR.

Diesel



90-95% of the world's products are transported by what is called diesel fuel (this is diesel and gasoil which is a specific grade of diesel). The IEA (International Energy Agency) reports that Diesel accounts for approximately 30% of the global oil demand equation. Ships, trucks and trains which transport most of the world's goods use diesel for a good reason. The energy output ratio versus gasoline is far more efficient. Diesel engines allow for much more power per pound of chemical energy than gasoline or batteries. In fact, the ratio in regard to batteries according to a study by Airbus is that diesel has 50 times more chemical energy per pound than a lithium-ion battery.

The world's commerce and trade relies on diesel and diesel relies on oil.

What to tell the Grandkids

You cannot build a house or an apartment without oil. Of course, a log cabin with no electricity, insulation, heating, modern plumbing, or air conditioning could be built. But we will stick with the modern conveniences. Most electrical and plumbing products rely on plastics and other materials made from oil. Paints, insulation, weatherproofing and carpets are almost all oil based. No matter what a home's roof looks like there are few roofs without oil-based polypropylene roof sealer material underneath. Oil and the world's reliable waterproof roofs are common bedfellows.

There are dozens of other categories and hundreds of simple everyday things found in your home that are made from oil. Things that are not oil based are most likely constructed or produced using oil as the energy to do so. The harsh realities of life are no oil = no house.

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Forward Looking Statements

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