

IN BASIN SAND

Every certified supplier in Argentina trucks sand 1,000 km or more. We sit 35 km from the wellhead.

COMPETITOR ANALYSIS

CONFIDENCIAL, PREPARADO POR EL FACILITADOR DE LA RONDA / CONFIDENTIAL, PREPARED BY THE ROUND FACILITATOR

VDD 3.4 and 5.6. The Argentine frac sand market, the incumbent's structural exposure, and where JOLOT S.A.S. stands on the one fact that sets delivered cost: distance to the productive North Zone of Vaca Muerta.

35 km

TO THE WELLHEAD

1,000+ km

EVERY CURRENT SUPPLIER

US\$90/t

BASE CASE PRICE

180,000 t/yr

PHASE 1 RUN RATE

Competitor analysis and Argentine frac sand market share

Status: working draft. Market share figures are industry estimates from operator interviews and public data, pending third-party validation (CONICET, Argentine Mining Chamber or similar) before this document enters institutional LP diligence. Sources: internal projection (Doc 4.3, 10-year), Chevron 2023 commercial proposal (Doc 3.1), operator interviews in JOLOT working files, public domain (Mining.com, Energy Argentina, INDEC mining statistics, Panorama Minero).

Summary. *One physical fact decides the position.*

Argentine frac sand demand is roughly 7 million tonnes per year as of 2026, growing at about 10% per year on internal projection (Doc 4.3). One legacy operator holds close to 75% of that market and ships sand from more than 1,000 km outside the Neuquen basin. The remaining quarter splits across three to four smaller producers, all of them also outside the basin.

JOLOT's competitive position rests on a single fact: the plant is 35 km from the productive North Zone of Vaca Muerta, while every current supplier is 1,000 km or more away. Freight is the largest line in delivered frac sand cost, so the closest certified source carries the lowest delivered cost before quality, price or terms enter the comparison. The Bailey bridge under negotiation removes the intermediate reload, storage and contamination cost that every other supplier carries.

The market is held by infrastructure inertia, not by a cost or quality advantage. The incumbent's delivered cost rises every year as diesel and the peso move against a 1,000 km haul. A certified in-basin source at 35 km inverts that stack.

1. Competitor matrix

Estimated 2026 share, plant location, distance to the Vaca Muerta epicentre, ex-plant price and quality grade for each named operator. JOLOT is pre-production at 0% share today.

OPERATOR	POSITION	2026 SHARE (EST.)	DISTANCE TO EPICENTRE	EX-PLANT PRICE	QUALITY GRADE
YPF Arena Silicea	Legacy incumbent, integrated to the national oil company	~75%	1,100+ km	US\$75 to US\$95/t	API 19C, well established
Arenas Argentinas del Parana (AAP)	Independent producer, Entre Rios province	~10 to 12%	1,400+ km	US\$85 to US\$100/t	API 19C
Cantera La Chola	Smaller independent, Buenos Aires province	~5 to 7%	1,200+ km	US\$80 to US\$95/t	Approaching API 19C, mixed
NRG Argentina	Industrial minerals, mining-services adjacent	~3 to 5%	1,300+ km	US\$80 to US\$95/t	API 19C on select fractions
JOLOT (planned, 2026)	In-basin position, Malargue, Mendoza	0% (pre-production)	35 km	US\$90/t base	API 19C / ISO 13503-2, SGS validated

Total Argentine frac sand market about 7.0 million tonnes per year (2026, internal projection Doc 4.3 cross-checked against public oilfield-services reports for the Vaca Muerta region). Projected to reach 13+ million tonnes per year by 2035, driven by Vaca Muerta production growth (Q1 2026 record 610,715 b/d, national total 874,000 b/d in April 2026).

Distance to the Vaca Muerta wellhead, by certified source



Esquema ilustrativo / Illustrative. Source: JOLOT logistics, operator interviews, public Argentine freight data 2026.

2. Why the incumbent's 75% share is *structurally fragile*.

The legacy share is held by infrastructure inertia, not by a cost or quality advantage. Three forces work against it.

THE COST STACK MOVES AGAINST THE INCUMBENT EVERY YEAR

Trucking sand 1,000 km or more from Buenos Aires province to Vaca Muerta consumes US\$15 to US\$25 per tonne in diesel and logistics. Diesel is indexed to the peso and to global Brent. Brent near US\$109 per barrel (May 2026) and peso weakness push the incumbent's delivered cost above US\$110 per tonne on some lanes.

OPERATORS ARE ACTIVELY SEEKING IN-BASIN SUPPLY

Chevron Argentina, YPF, Vista, Tecpetrol and Pluspetrol have all signalled, publicly and in private commercial correspondence, a preference for in-basin frac sand to reduce logistics exposure. Internal projection (Doc 4.3): 90% of Argentine frac sand will be sourced in-basin by 2035.

THE INCUMBENT'S QUALITY REPUTATION IS UNEVEN

Operator interviews report delivery contamination (sand mixed with road dust on long-haul transport), inconsistent particle-size distribution and high acid solubility on certain fractions. Not catastrophic, but each one opens room for a higher-quality in-basin alternative.

3. JOLOT's positioning

The commercial pitch to operators rests on three physical facts and one commercial fact. Each is rated for how well it stands up in lead-investor diligence.

FACT	DETAIL	DILIGENCE STATUS
Distance	35 km from the Vaca Muerta North Zone, 6 km from Rincon de los Sauces	Defensible. Cadastral certificate request open at Mendoza catastro. Map in the data room (Plano campo Mendoza).
Quality	SiO2 above 70%, API 19C / ISO 13503-2 certified per SGS Minerals S.A. (Chile)	Defensible. SGS report (Doc 1.4, 89 pages) in the data room. PropTester (US) supplementary certification requested as VDD item 3.1, pending.
Bailey bridge	39-page hydraulic assessment complete, three load options engineered (34.5 t, 60 t, 90 t). Land use agreement in final negotiation, target signing June 2026.	Defensible. Engineering report (Doc 2.4) in the data room. Land use agreement is the remaining negotiation.
Commercial	Chevron proposal (January 2023, 6 pages): take-or-pay structure, 10,000 t/month, diesel-indexed pricing	Partial. The proposal sits in the data room (Doc 3.1) but is unsigned and three years old. Re-engagement is part of the offtake LOI workstream.

35 km TO THE NORTH ZONE	SiO2 70%+ SGS VALIDATED	3.2 Mt CUBICATED BLOCK	60M+ t INFERRED UPSIDE
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4. What would change the share dynamic

Three triggers would meaningfully accelerate share capture from the incumbent.

- **First signed offtake LOI with any one of the named operators.** On the research function's quality-gap audit, this single event flips the diligence verdict from concern to interest. Even a non-binding sample-and-test LOI at 1,000 tonnes is structurally significant. It is also the explicit release trigger for Tranche B of the bridge.
- **Bailey bridge land use agreement executed.** Removes the verbal-feasibility framing and converts the moat to documented advantage.
- **First commercial sale in the US\$100 to US\$120 per tonne range.** Sets price discipline above the incumbent's effective in-basin landed cost and validates the financial model's sensitivity range. The US\$90/t base case stands below this without it.

5. What weakens JOLOT's positioning in diligence

Honest disclosure for the data room. These are the items a lead investor will press first.

- **Zero current offtake.** The financial model assumes 180,000 tonnes per year of production from Month 3. No tonnes are contractually committed. This is the single biggest commercial risk in the materials.
- **Acid solubility test (VDD item 3.3).** Legal counsel flags that JOLOT sand reportedly fails the API 19C HCl-HF acid solubility test. The market impact analysis is pending: what share of Vaca Muerta wells use acid treatments, what is the addressable market excluding acidized wells, and whether the sand can be resin-coated to mitigate. This must be resolved before an institutional LP commits.
- **Resource certification.** The internal block model (Doc 1.1) yields 3.2M tonnes cubicated plus 60M+ tonnes inferred. It is not a JORC or NI 43-101 compliant report. Legal counsel may require a JORC-compliant resource estimate before signing.

6. Cross-references in the data room

REFERENCE	DOCUMENT	STATUS
Internal 10-year market projection	Doc 4.3	In data room
Chevron commercial proposal	Doc 3.1 (Jan 2023, 6 pp, unsigned)	In data room
SGS quality validation	Doc 1.4 (89 pp)	In data room
Bailey bridge hydraulic study	Doc 2.4 (39 pp)	In data room
Block model and exploration	Doc 1.1 (15 pp)	In data room
Cadastral certificate (29,376 ha)	Pending (VDD 2.7)	Requested 29 April

TEAM

Sergio Kalierof. Founder and principal shareholder. Personal guarantor on Tranches A and B. San Juan, Argentina.

Marcelo Marty. Director of Operations. 25+ years in oil and gas, port operations and HSE. Buenos Aires.

Tomas Marty. Commercial structuring and investor process. Cork, Ireland.

CIERRE LEGAL / LEGAL & CLOSING

Sentinel Legal (Geneva) acts as legal counsel and round facilitator. Sentinel runs onboarding, KYC and the signing of each tranche of the bridge. Indicative terms here are subject to the final agreement issued by Sentinel Legal.

CONTACT

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One-pager · live model · data room (NDA)

Confidential. Prepared by the round facilitator for qualified investors under signed NDA only. Market share figures are estimates pending third-party validation. Projections are estimates on reasonable assumptions, not a guarantee of future performance. High-risk early-stage investment with risk of total loss of capital. Working draft prepared 15 May 2026.