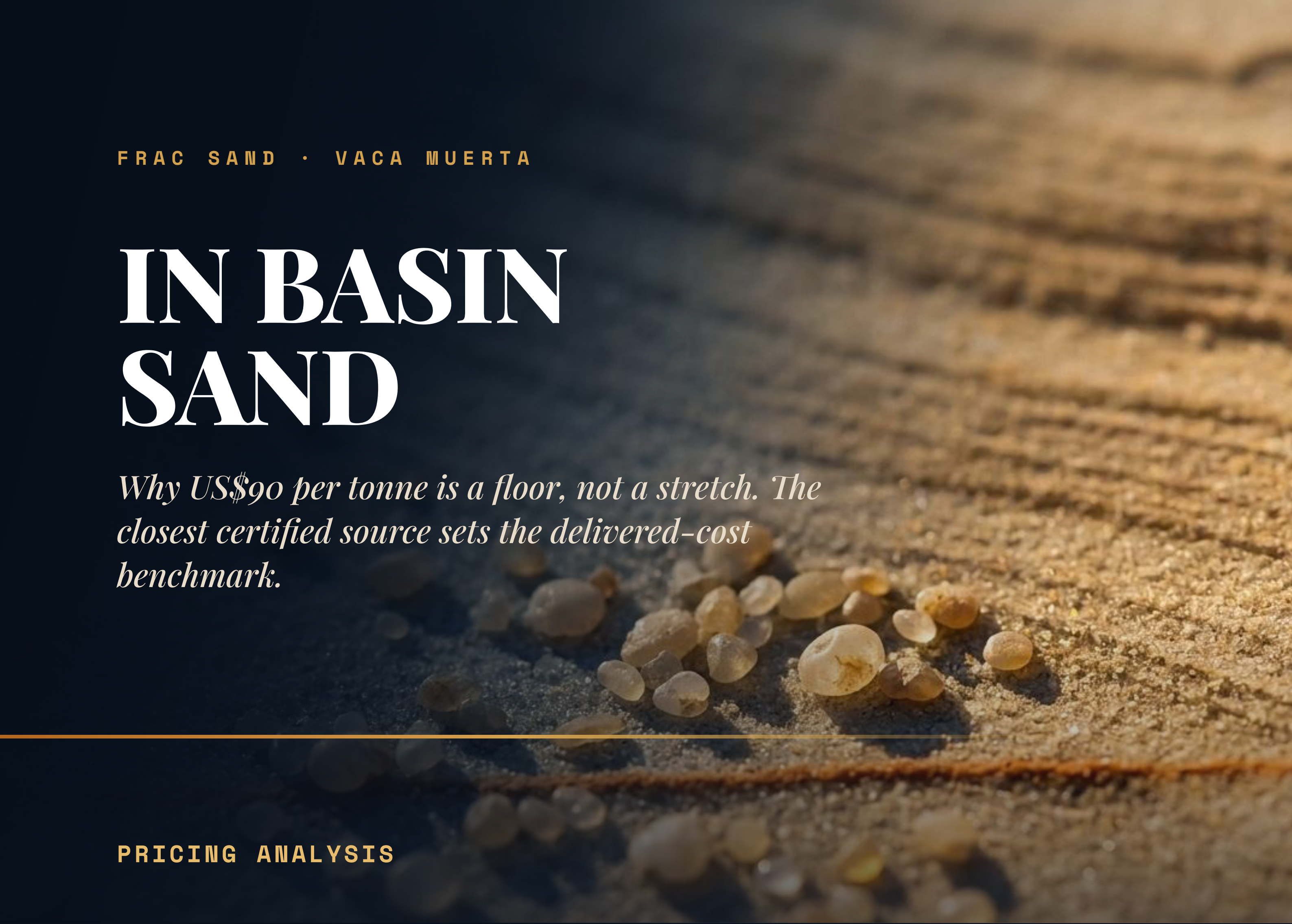


FRAC SAND · VACA MUERTA

IN BASIN SAND

Why US$90 per tonne is a floor, not a stretch. The closest certified source sets the delivered-cost benchmark.

PRICING ANALYSIS

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

VDD 5.3. The pricing case behind the model. The base case runs at **US$90/t** ex-plant against a delivered market of **US$180 to 200/t**. Because freight is the largest delivered-cost line and IN BASIN SAND sits about **35 km** from the wellhead, the all-in delivered cost lands below every certified competitor even at the conservative base.

US$90/t	US$120/t	35 km	~US$5/t
MODEL BASE, EX-PLANT	BAILEY BRIDGE UPSIDE	TO THE WELLHEAD	DELIVERED FREIGHT

The pricing case behind the model.

JOLOT's planned ex-plant sale price is **US$90 per tonne** in the model base case, with a **US$120 per tonne** upside once the Bailey bridge opens direct-to-wellhead delivery. The financial model runs the DCF, IRR and breakeven on the conservative US$90 base for institutional sensitivity. Realized price follows a diesel-indexed mechanic adapted from the January 2023 Chevron commercial proposal: a base price plus a diesel pass-through that caps the operator's logistics exposure and protects JOLOT margin through inflation. The legacy incumbent's effective in-basin landed cost runs structurally above US$110 per tonne in many lanes, so JOLOT holds a delivered-cost advantage even at the US$90 base.

> **The whole case in one line.** At US$90 ex-plant plus about US$5/t freight, IN BASIN SAND lands at roughly US$95/t delivered, below the cheapest certified competitor's all-in delivered cost. The price differential is the moat. The Bailey bridge converts a competitive position into a structural one.

1. The two price layers *the model uses.*

The model holds two figures. The base case is the conservative bear-case run. The Bailey upside is the strategic case once the land-use agreement and bridge are in place.

SCENARIO	PRICE PER TONNE	WHEN
Model base (conservative)	**US$90**	Used in the financial model for DCF, IRR, breakeven and bear-case stress.
Bailey bridge upside	**US$120**	Post Bailey bridge execution. Removes the intermediate reload, storage and contamination step every other supplier carries.

Running the model at the floor of the realistic range is the discipline. If the bridge is sized to break even at US$90, the move to the upside case is unmodeled profit, not a modeled assumption.

2. Pricing mechanic, *adapted from the 2023 Chevron proposal.*

The Chevron January 2023 commercial proposal (data room Doc 3.1) established a take-or-pay structure with a diesel-indexed pricing mechanic. JOLOT will negotiate offtake LOIs on the same template, refreshed for 2026 conditions:

Sale price per tonne (USD) = Base price (USD) + Diesel adjustment factor × (Current diesel price ARS/L − Reference diesel price ARS/L) / Reference price

- **Base price:** the negotiated base in USD per tonne, proposed range US$80 to US$95 ex-plant by volume tier.
- **Diesel adjustment factor:** a fixed percentage of the formula, proposed 8 to 12%, capping each side's exposure.
- **Reference diesel price:** locked at signature using the YPF surtidor list price for Mendoza province.

The mechanic protects the operator against runaway sand-price inflation when the peso weakens, and protects JOLOT against runaway logistics-cost inflation when diesel spikes.

3. Sensitivity to *operating assumptions.*

The realized price moves with four drivers. Vaca Muerta production is the tightest single lever.

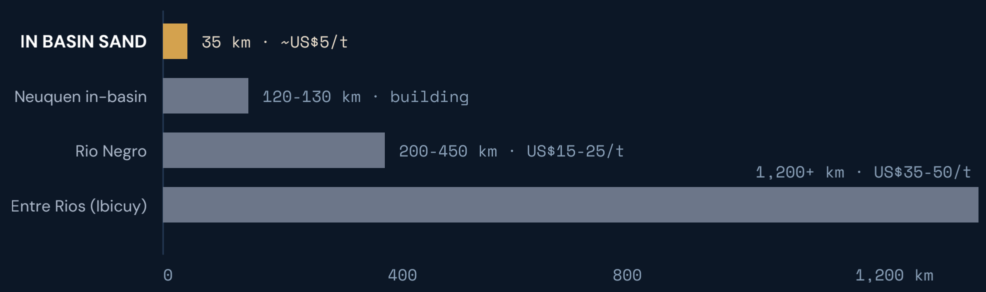
DRIVER	BEAR	BASE	UPSIDE	EFFECT ON REALIZED PRICE
Brent crude (US$/bbl)	70	100	120	Higher Brent supports a higher sand price. About +US$2 to +US$4 per US$10 of Brent.
ARS / USD wholesale	2,000	1,388	1,200	A weaker peso helps ARS OPEX but pressures USD price talks. Roughly neutral, within +/- 5%.
Diesel (Mendoza, ARS/L)	2,500	1,800	1,500	Higher diesel lifts the incumbent's landed cost far more than JOLOT's 10 km haul. Widens the relative advantage.
Vaca Muerta output (bpd)	600K	875K	1,200K	More output means more sand demand and a firmer price. The tightest single driver.

4. Competitive *landed-cost comparison.*

Estimated all-in delivered cost to a Vaca Muerta wellhead, by certified source. Freight is the line that separates the field, and it is the line where the 35 km position wins.

SOURCE	DISTANCE TO WELLHEAD	TRANSPORT COST	ALL-IN DELIVERED
IN BASIN SAND (in-basin)	about 35 km	about US$5/t	**~US$95**
Neuquen in-basin (NRG Allen, Senillosa)	120 to 130 km	building, not at scale	ramping
Rio Negro	200 to 450 km	US$15 to 25/t	US$105 to 131
YPF Arena Silicea (incumbent)	1,000+ km lanes	US$18 to 25/t	US$98 to 128
Entre Rios (Ibicuy)	1,200+ km	US$35 to 50/t	US$112 to 138

Distance to the Vaca Muerta wellhead, by certified source



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

At the conservative US$90 model base, JOLOT's all-in delivered cost is roughly US$95 per tonne, below the cheapest competitor's all-in delivered cost. Entre Rios sand, around 80% of basin supply, crosses the country by truck. The closest in-basin entrants sit 120 to 130 km out and are still ramping. The advantage is structural, not promotional.

5. Operator quotes *received, 2024 to 2026.*

Aggregated and anonymized for the data room. Specific operator names, dates and tonnage references are available under counterparty NDA.

QUOTE SOURCE (ANONYMIZED)	YEAR	TONNAGE REFERENCED	PRICE PER TONNE EX-PLANT
Major US-headquartered VM operator	2023	10,000 t/month	US$95 to 105
Major Argentine national oil company	2024	5,000 t/month	US$90 to 100
Mid-cap Argentine operator	2025	3,000 t/month	US$95 to 110
Specialty completions contractor	2025	1,000 t/month (spot)	US$100 to 115
Mid-cap European-affiliated operator	2026	2,000 t/month	US$95 to 105

The average operator quote across these five sources is about **US$98 per tonne**. The model base of US$90 sits below that average on purpose. No binding contract is signed yet. A signed offtake LOI from a Tier 1 or Tier 2 operator is the explicit release trigger for Tranche B.

6. Why the model uses *US$90, not the quoted average.*

The model intentionally takes the low end of the realistic price range as its DCF and IRR base. Three reasons.

- **Institutional credibility.** A model that prints positive IRR at the floor of the realistic range is more defensible than one that prints it at the marketing midpoint.
- **Time-discounted upside.** First production is targeted for September 2026 with samples available within 60 days of first sales. The first months of production likely close at sample-trial pricing of US$85 to 95 before locked offtake at premium rates.
- **Discipline.** With the round sized to break even at US$90, the move toward the upside is unmodeled profit, not a modeled assumption.

US$90/t MODEL BASE, EX-PLANT	**~US$98/t** OPERATOR QUOTE AVERAGE	**US$180-200/t** DELIVERED MARKET	**~US$95/t** IBS ALL-IN DELIVERED

7. Cross-references *in the data room.*

REFERENCE	DOCUMENT	STATUS
Chevron January 2023 proposal	Doc 3.1 (6 pages)	In data room
Internal 10-year market projection	Doc 4.3	In data room
Financial model (US$90 base)	JOLOT_Financial_Model_INSTITUTIONAL_2026-06-02.xlsx	In data room
Plant operating cost model	Apertura Planta Jolot Rev. 01.xlsx	In data room
Bridge term sheet	JOLOT bridge terms (Sentinel)	In data room

Open items that move the price case, stated plainly: outbound freight is asserted from logistics work, not yet independently sourced. Wash yield and recovery are modeled 1:1 pending lab confirmation. There is no documented realized-price quote behind US$90 beyond the anonymized operator range above, and no signed offtake LOI yet. An independent commercial price benchmark from an oilfield-services analyst is the recommended next diligence step.

TEAM

Sergio Kalierof, founder and principal shareholder. Personal guarantor on Tranches A and B.

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

Tomas Marty, commercial structuring and investor process.

CIERRE LEGAL / LEGAL & CLOSING

Sentinel Legal (Geneva) acts as legal counsel and round facilitator. Sentinel runs onboarding, KYC and the signing of each tranche. The note is a secured convertible under Swiss law with arbitration in Geneva. Indicative terms are subject to the final agreement issued by Sentinel.

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