SECOND QUARTER 2026 INVESTOR UPDATE

The Foundation Continues to Strengthen for North Block Exploration

Dear Investors,

The second quarter of 2026 has been one of the most encouraging quarters we've seen since our involvement in the Kitchen Lights Unit.

Although our investment has always centered on the tremendous exploration potential of the **North Block**, this quarter's developments demonstrate that HEX continues to build the infrastructure, operational capability, and financial strength necessary to unlock additional opportunities across the entire Kitchen Lights Unit.

Every major announcement during the quarter points toward one consistent theme:

HEX is investing for growth—not simply maintaining production.

Exploration Continues to Advance Across the Kitchen Lights Unit

One of the most significant developments came from the recently released **12th Plan of Development**.

While many investors focus only on new wells, one statement within the Plan deserves particular attention.

HEX reports that its ongoing geoscience and engineering work has **further refined multiple prospects and leads while identifying additional prospects and leads throughout the Kitchen Lights Unit.**

That is exactly the type of activity long-term investors want to see.

Exploration is not simply drilling wells—it begins with continually improving the geological understanding of the entire field. Every new seismic interpretation, engineering study, and production result helps reduce uncertainty and improve future drilling decisions.

For those of us invested in the North Block, this ongoing technical work is particularly encouraging because our acreage represents one of the unit's most significant long-term exploration opportunities.

Building an Operation Designed for Future Exploration

One of the clearest messages from both the Plan of Development and HEX's recent announcements is that management is investing in infrastructure well beyond today's production needs.

During the past year the company has:

- Drilled and completed two new producing wells.
- Installed four new conductors with additional conductors planned.
- Expanded the offshore platform from six drilling slots toward twelve.
- Installed additional production equipment capable of handling simultaneous high-rate production from multiple wells.

Infrastructure of this scale is not built for short-term production.

It is built to support years of future drilling activity.

As additional wells are drilled across the Kitchen Lights Unit—including future exploration targets—the infrastructure necessary to gather, process, and transport that production will already be in place.

That significantly improves the economics of future development throughout the unit.

Continued Investment Demonstrates Management Confidence

This quarter also marked the formal transition from Furie Operating Alaska to **HEX Operating**, bringing all of the company's Alaska operations under one unified identity. More importantly, the company announced that it has now doubled natural gas production through disciplined investment, invested more than $60 million into Alaska's economy, and accelerated plans for up to four grassroots wells in 2026 following the success of its 2025 drilling program.

For investors, these are meaningful indicators.

Companies generally do not expand drilling programs, purchase new equipment, and invest millions in infrastructure unless they have confidence in both their assets and their future opportunities.

Strengthening Operations Beyond the Platform

HEX also announced the acquisition of the **Atlantis** offshore supply vessel, adding dedicated marine support capacity for Cook Inlet operations.

While this announcement may appear routine, it represents another major investment in long-term operational capability.

Reliable marine logistics reduce operational risk, improve efficiency, and provide greater flexibility during drilling campaigns.

Simply put, HEX continues adding the tools necessary to support larger development programs in the future.

Why This Matters for the North Block

Our investment has never depended solely on today's producing wells.

Our investment thesis has always focused on the future value of the **North Block**.

Every successful producing well provides additional geological information.

Every production test improves reservoir understanding.

Every infrastructure improvement lowers future development costs.

Every engineering study helps define additional prospects.

Collectively, these activities continue reducing the technical and operational risks associated with future exploration.

Perhaps most encouraging is that the Plan of Development specifically confirms that exploration work is identifying **new prospects and leads throughout the Kitchen Lights Unit**, reinforcing that the company continues evaluating opportunities beyond existing production.

Financial Strength and Long-Term Commitment

The second quarter also demonstrated HEX's growing confidence as a company.

Management announced continued expansion within Alaska, increased investment in Cook Inlet infrastructure, and even successfully acquired new Arctic exploration leases—an indication that the company sees long-term opportunity in Alaska's energy future.

Just as important, HEX continues to emphasize that the Kitchen Lights Unit currently produces approximately 10% of the Railbelt's natural gas demand while developing only about 1.4% of its approximately 84,000-acre lease position.

That means the overwhelming majority of the Kitchen Lights Unit—including the North Block—remains available for future exploration and development.

Looking Forward

As we enter the second half of 2026, we remain very encouraged by the direction of the project.

The operator continues to:

- Invest substantial capital.
- Expand drilling infrastructure.
- Improve operational efficiency.
- Increase production.
- Identify additional exploration prospects.
- Advance geological understanding across the Kitchen Lights Unit.
- Prepare for continued drilling activity.

Each of these developments strengthens the long-term outlook for the Kitchen Lights Unit and reinforces our belief that the North Block remains one of the most exciting undeveloped opportunities within the project.

While exploration always involves uncertainty and no future results can be guaranteed, we believe the progress made during this quarter has continued to improve the foundation upon which future North Block exploration can be built.

Thank you for your continued confidence and support. We look forward to keeping you informed as additional exploration and development activities unfold throughout the remainder of 2026.

Shawn E Bartholomae, Managing Member