ENERFLEX

Carbon Capture Utilization and Storage Perspectives

Peters & Co. Conference

June 3, 2021

Forward Looking Statements Advisory

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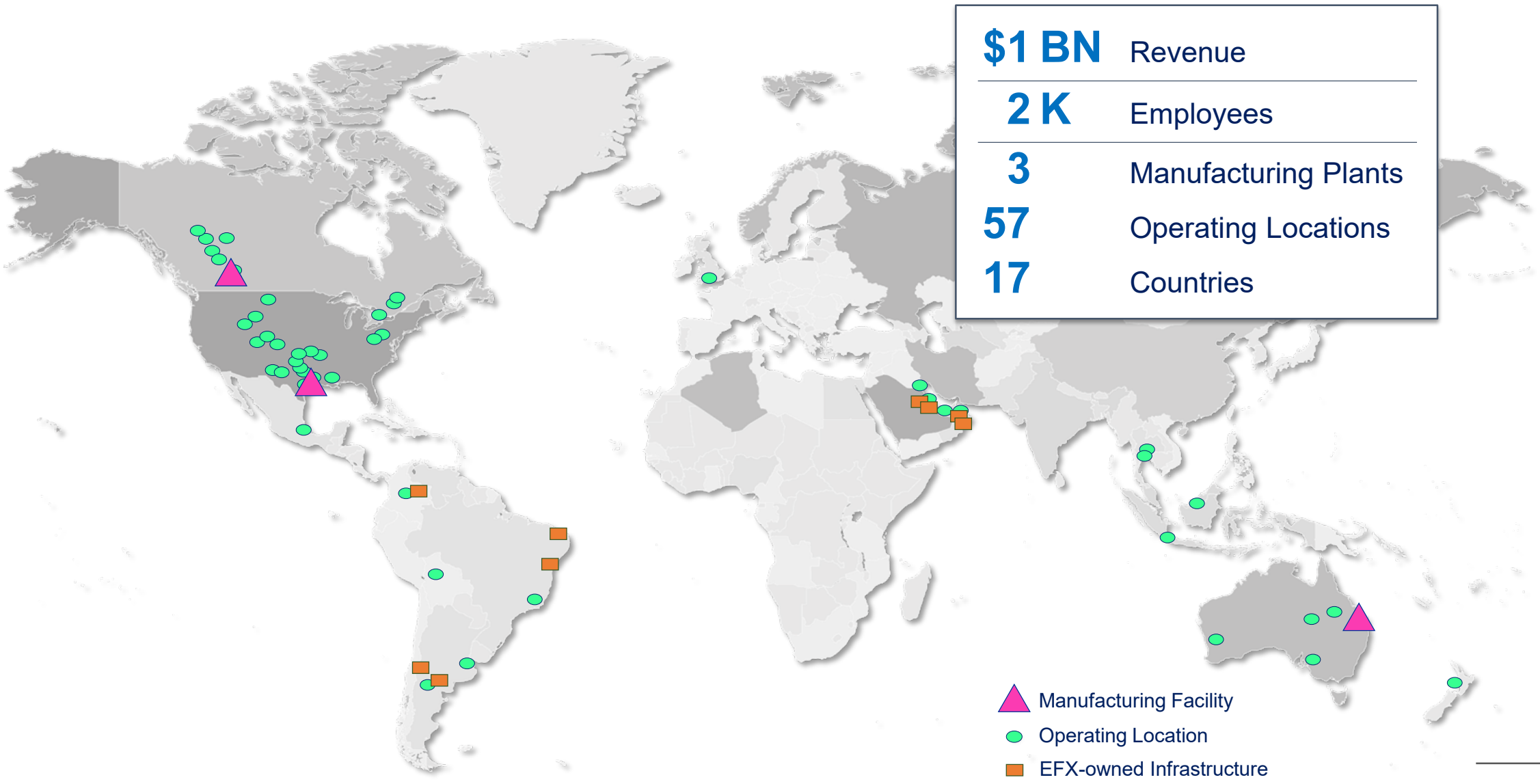
All figures in Canadian funds unless otherwise indicated.

Enerflex at a Glance



Enerflex Delivers Modular Process Solutions

Solutions

- Gas Compression
- Gas Processing Plants
- Refrigeration Solutions
- Cryogenic Plants
- Distributed Power Gen
- CO_2 Facilities

Business Lines

Engineered Systems

Customized modular process solutions

Integrated Turnkey ("ITK")

Turnkey Engineered Systems, with local construction and installation

Asset Ownership

Any solution **on a rental basis**

After-Market Services

Installation, commissioning, O&M, and parts and **support for all products**

Recurring Revenues

We Have Deep Experience in Energy Transition Technologies

Enerflex Firsts

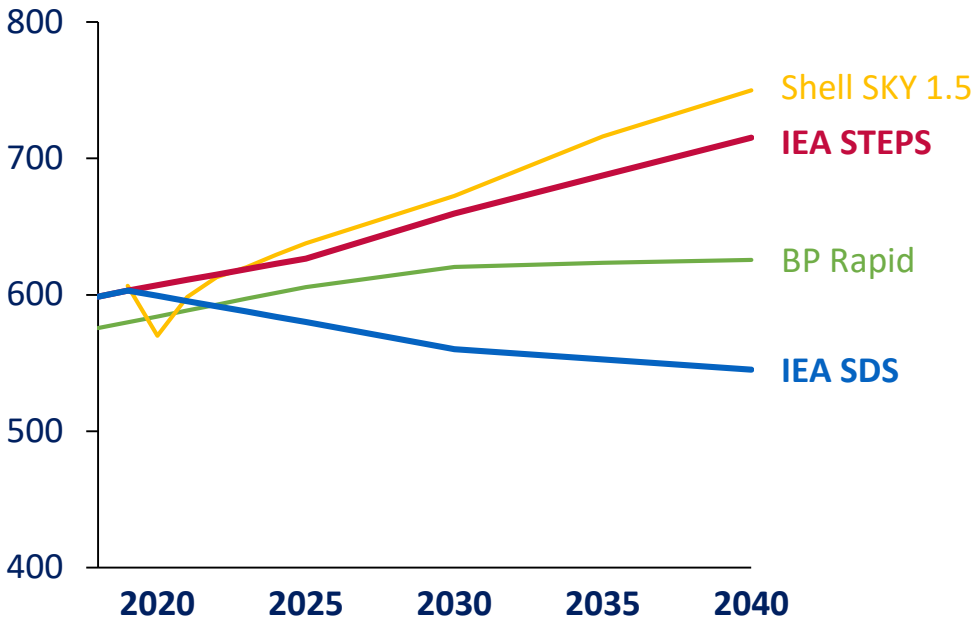
1982	1st e-Comp plant
1983	1st CCUS plant
2002	1st Hydrogen plant
2003	1st RNG plant
2021	Today

Enerflex Cumulative Energy Transition Projects

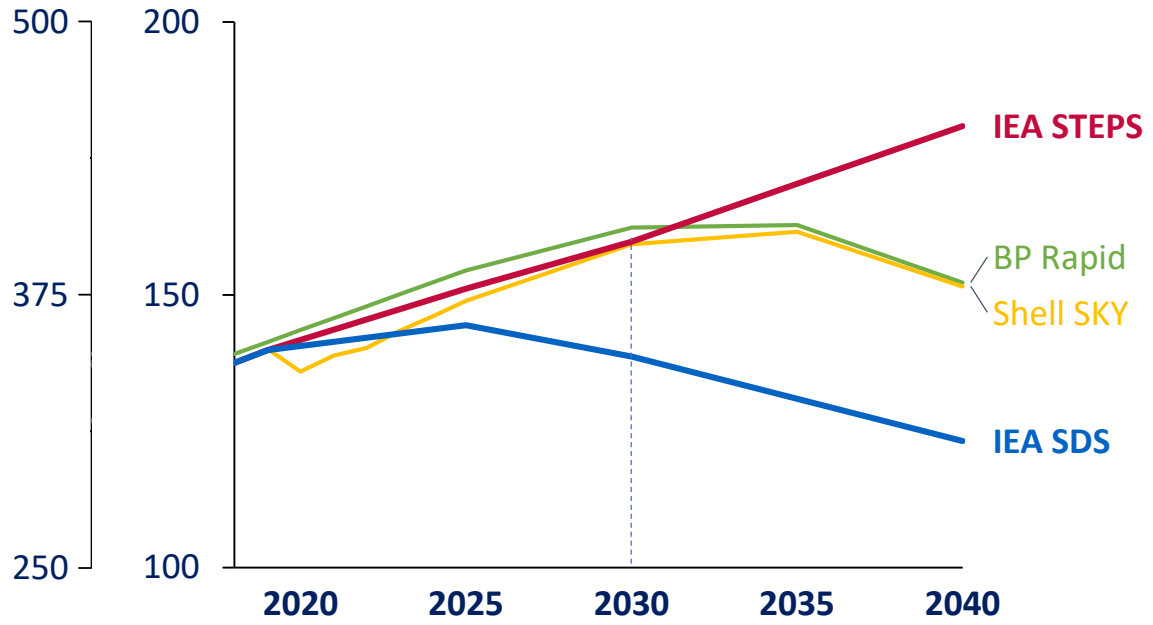
150	CCUS projects
5 million tpy	CO_2 capacity
2 million hp	Electric drive compression
200,000 hp	Hydrogen compression
10	RNG facilities

Analysts See A Broad Range of Energy Transition Scenarios

Total Primary Energy Demand
EJ/yr



Global Natural Gas Production
~Bcf/d EJ/yr



Policy will be a key determinant of actual outcomes

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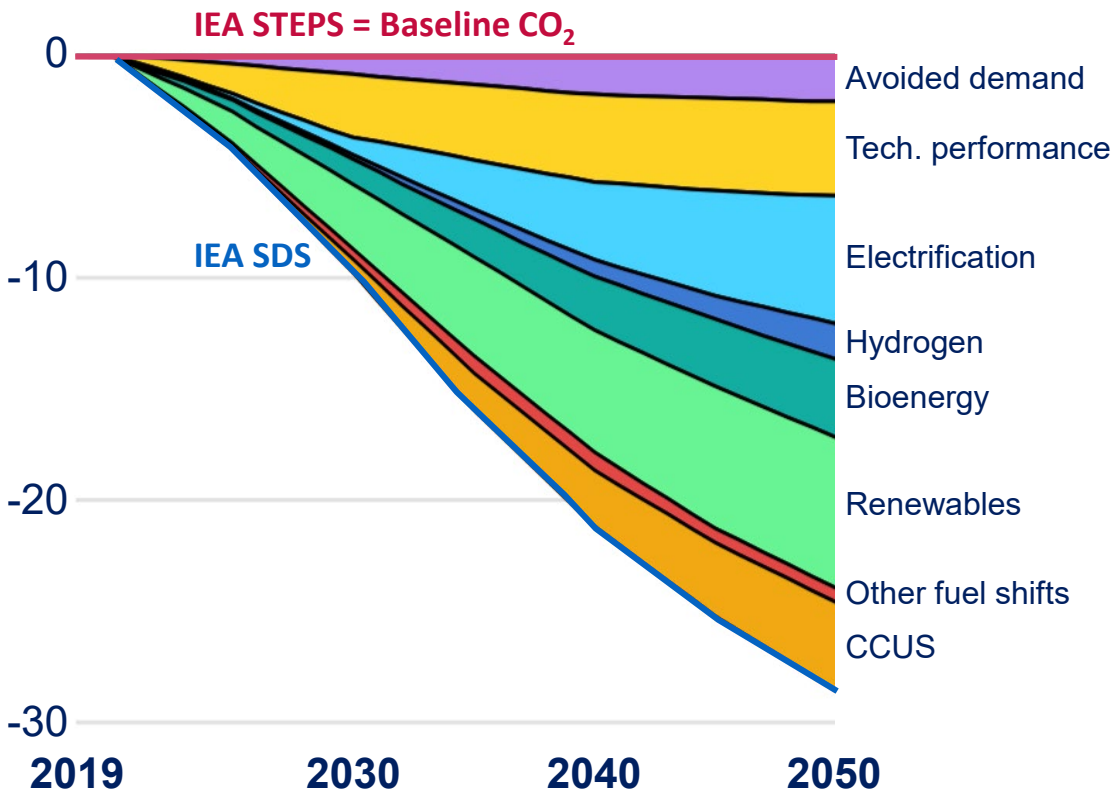
Source: Shell website; BP website; IEA (2020), World Energy Outlook 2020, IEA, Paris

Energy Transition Needs Every Available Technology

CO_2 Reduction by Technology

Gt CO_2e/yr



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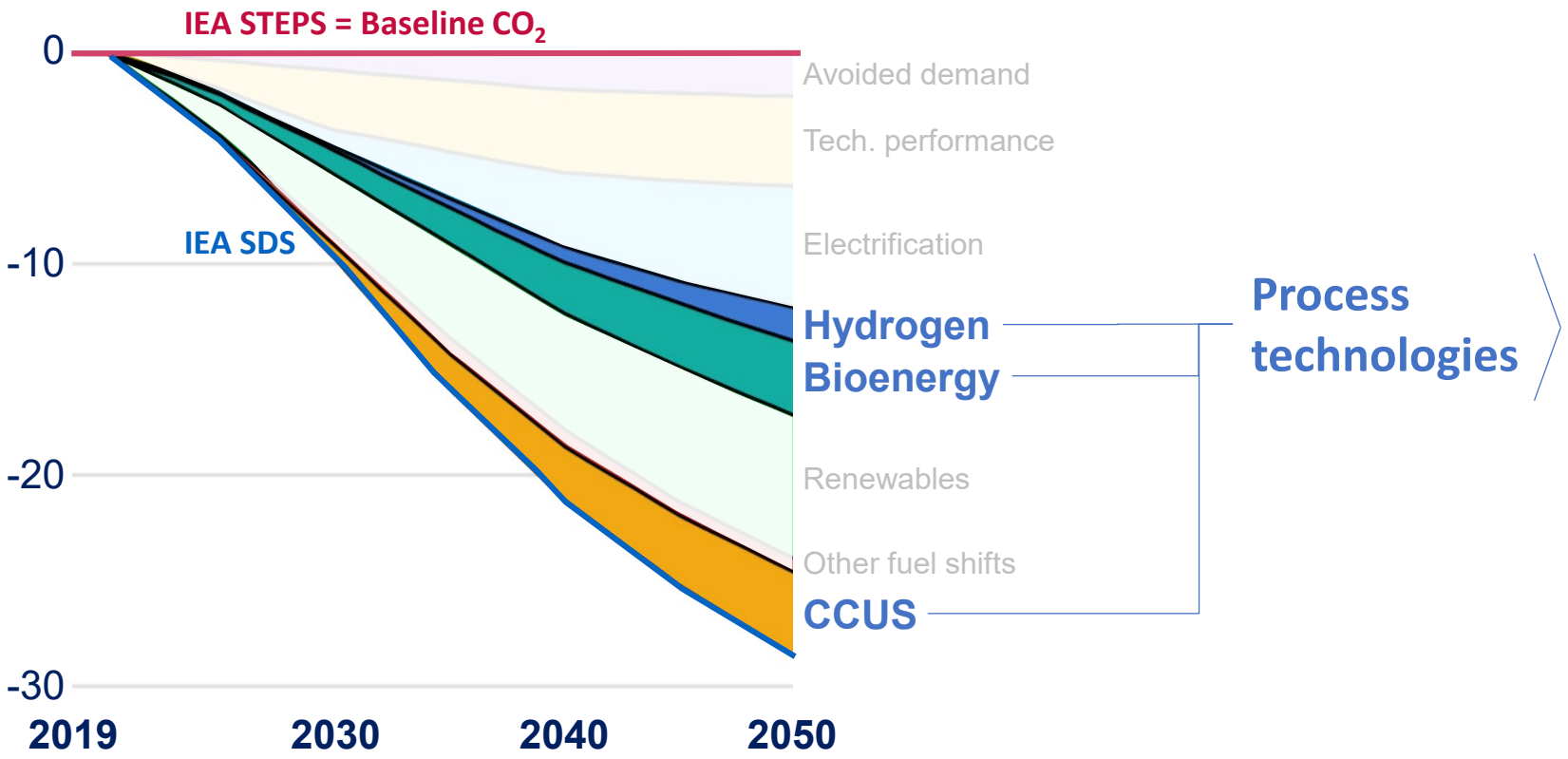
Source: IEA (2020), Energy Technology Perspectives 2020, IEA, Paris

Process Technologies Are Essential to Energy Transition

CO_2 Reduction by Technology

Gt CO_2e/yr



Vital for hard-to-abate sectors

- Steel and metals
- Cement and concrete
- Chemicals

Often, add-ons to existing infrastructure

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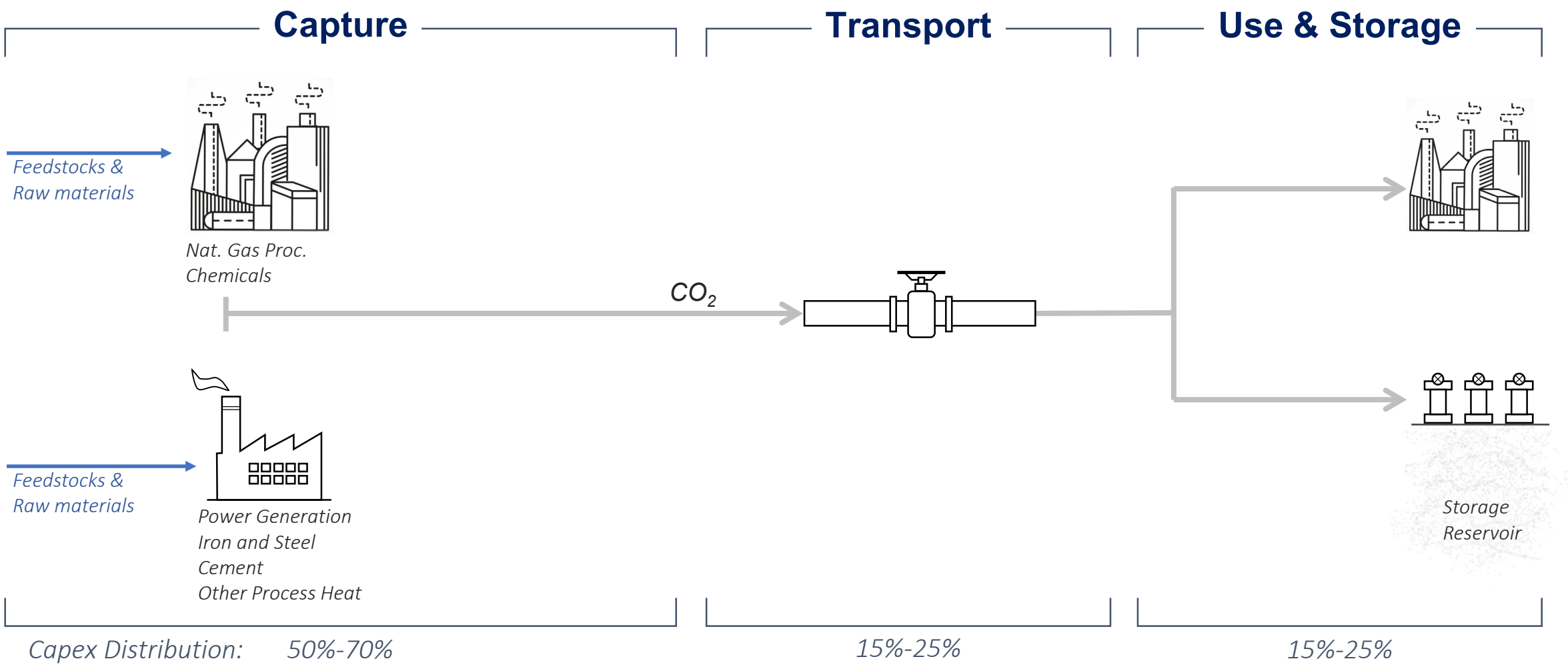
Source: IEA (2020), Energy Technology Perspectives 2020, IEA, Paris

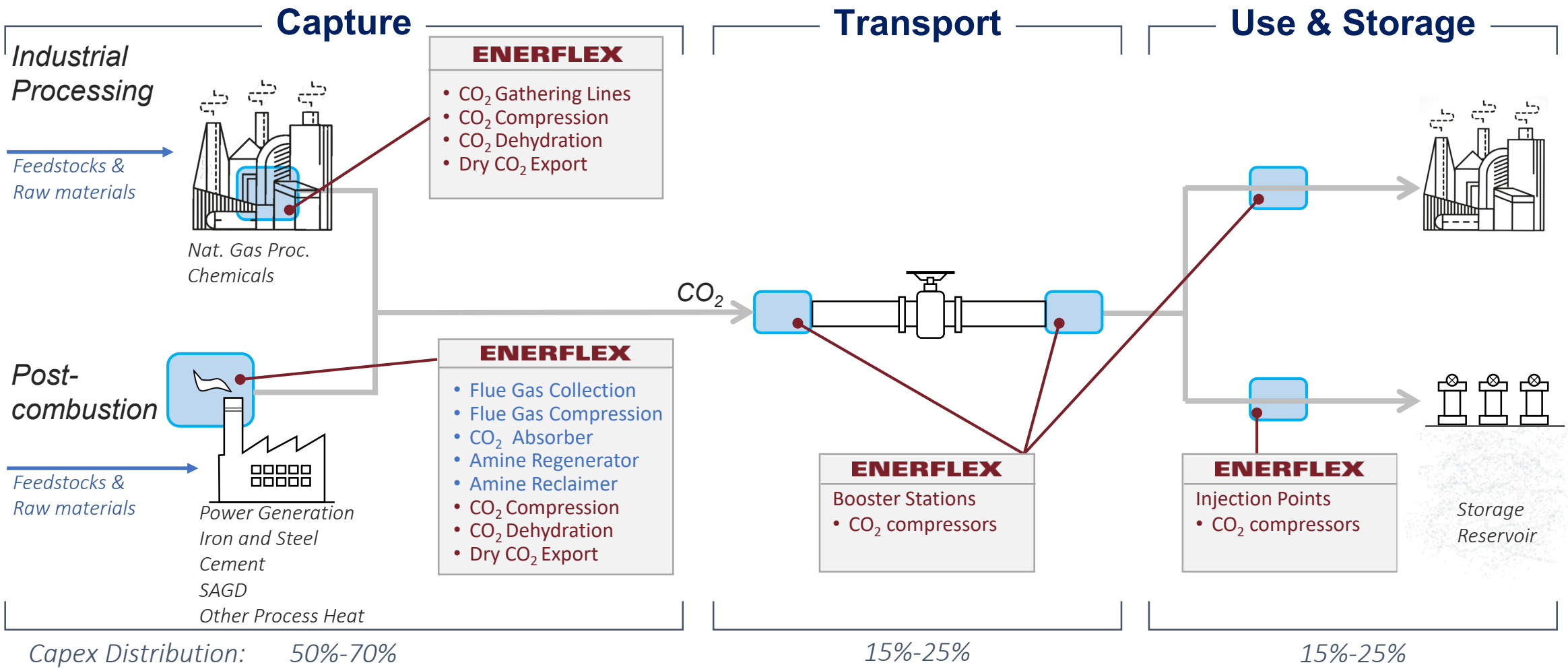
Enerflex Expects to be Busy No Matter What

State of the World	Enerflex Core	Enerflex Growth Opportunities		
	Natural Gas	CCUS	Bioenergy	Hydrogen
IEA STEPS (Stated Policies)	↑	↑	↑	↑
IEA SDS (Sustainable Development Scenario)	↑	↑	↑	↑
IEA NZE2050 (Net-Zero Emissions by 2050)	↓	↑	↑	↑

CCUS Value Chain



CCUS Value Chain



CCUS Example Projects

58k tpy CO_2 Capture Facility

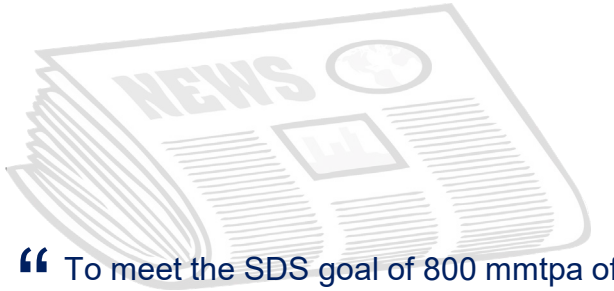
EOR CO_2 Injection Unit

Long-Term, CCUS Should Be a Massive Market

$375 B to 650 B

Capex by 2030

ATB Capital Markets

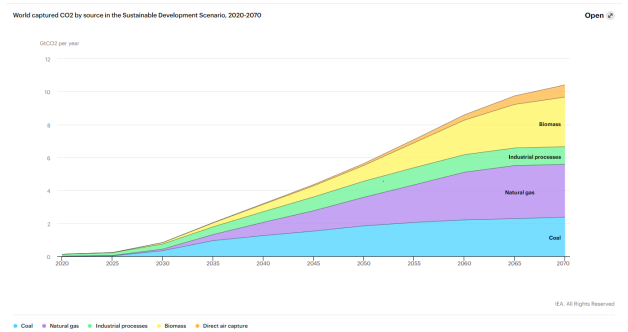


“ To meet the SDS goal of 800 mmtpa of new CCUS capacity by the year 2030, capital investments of US$375bn to US$650bn would be required through 2030, based on extrapolation of data provided by the NPC. ”

3.1 GT

Annual CCUS Capture Capacity by 2040

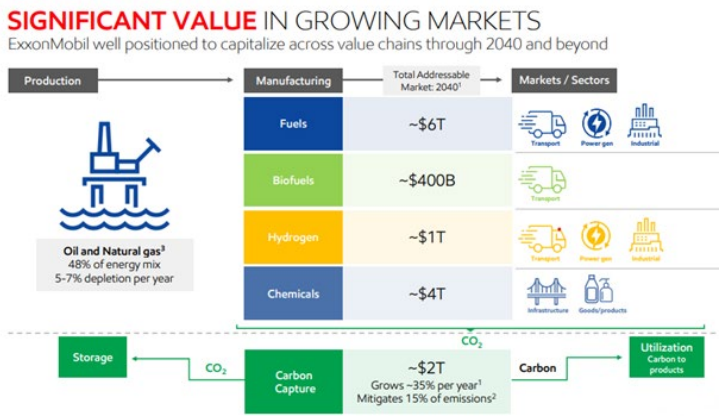
IEA SDS Scenario



$2 T

TAM in 2040

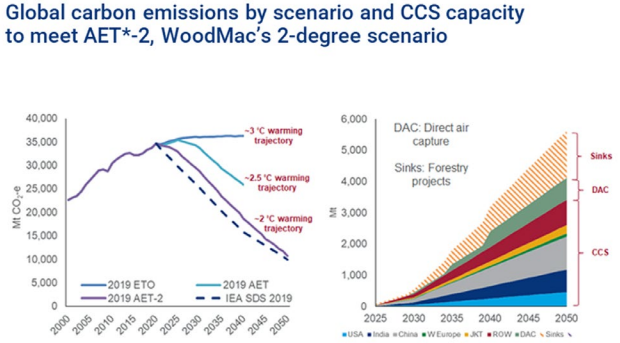
ExxonMobil



2.5 GT

Annual CCUS Capture Capacity by 2040

Wood Mackenzie AET-2 Scenario



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Source: ExxonMobil website; Wood Mackenzie website; IEA website; ATB Capital Markets Inc., "Bet on CCUS as a Vehicle to Reach Climate Goals" (published March 17, 2021).

Location Matters

CO_2 Geological Storage Resource

Mt CO_2

Source: Global CCS Institute

Policy Matters More

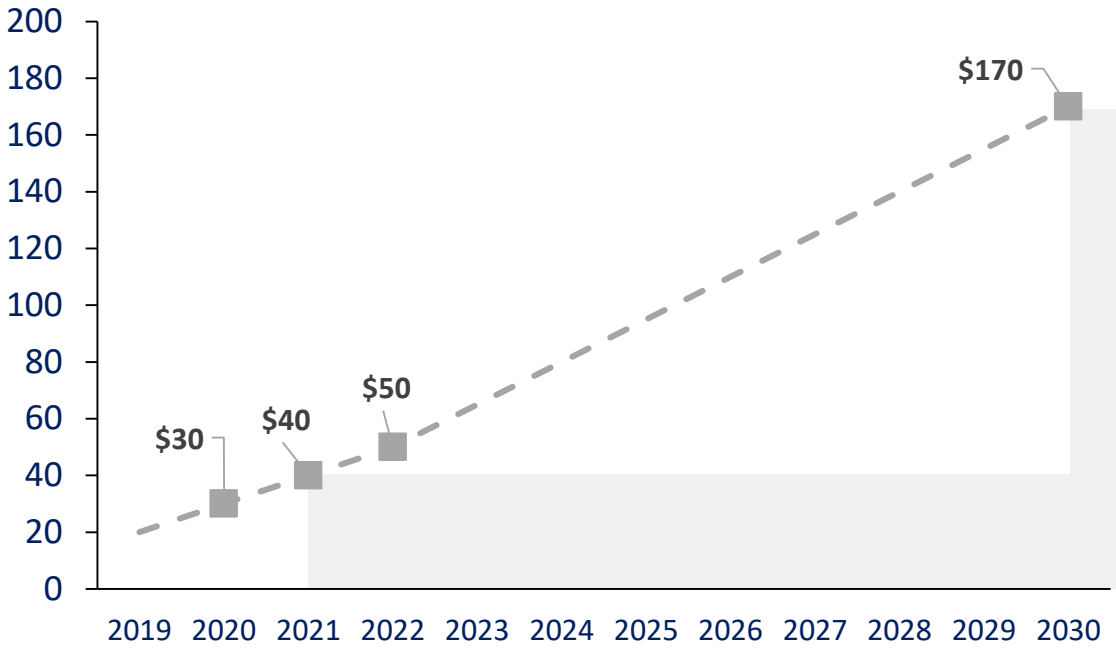


	Fuel standards and carbon tax driving CCUS investments	**Tax credits and carbon credits** driving CCUS investments	**Strong intent**, but no policy in place
Key policy drivers	**Clean Fuel Standard (CFS)** CCS one of the key pathways to reduce 'upstream' emissions for liquid fuels	**45Q Tax Credit** $35/tonne tax credit for EOR and $50/tonne for storage	**Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth) (OPGGSA)**
	Carbon Tax Current C$40/tonne carbon tax with proposal to C$170/tonne by 2030 higher than CCUS for nearly all emitters	**California Low Carbon Fuel Standards (CA LCFS)** ~$200/tonne credit in late 2020; potential to generate tradeable carbon offsets	**First Low Emissions Technology Statement 2020**

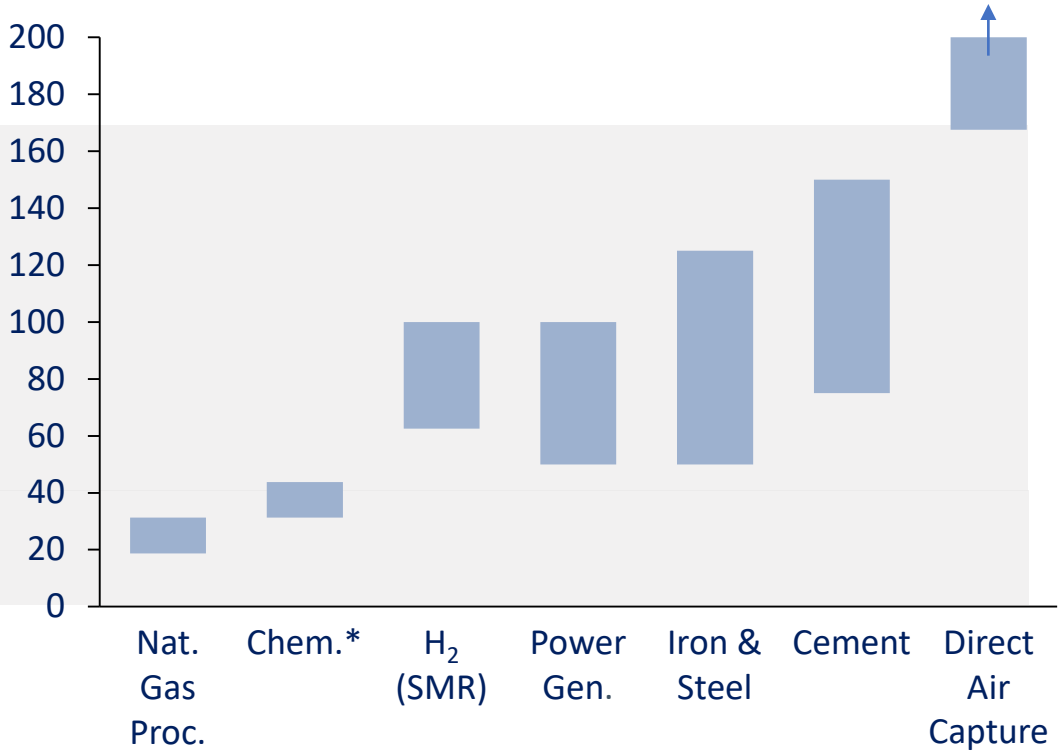
ENERFLEX *Source: Literature search; Enerflex analysis*

Canada: Proposals Could Put Everything in Play

Proposed Federal Carbon Taxes
(C$/metric ton)



Levelized Cost of CO_2 Capture by Industry
(C$/metric ton)

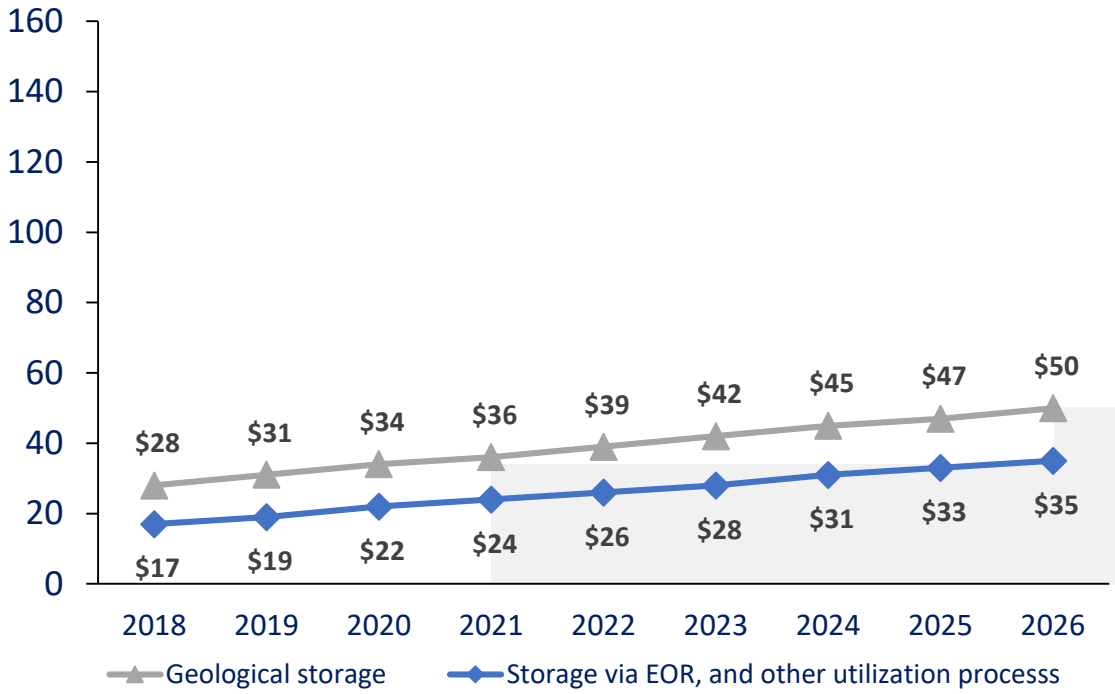


* *Ammonia, bioethanol, and ethylene oxide*

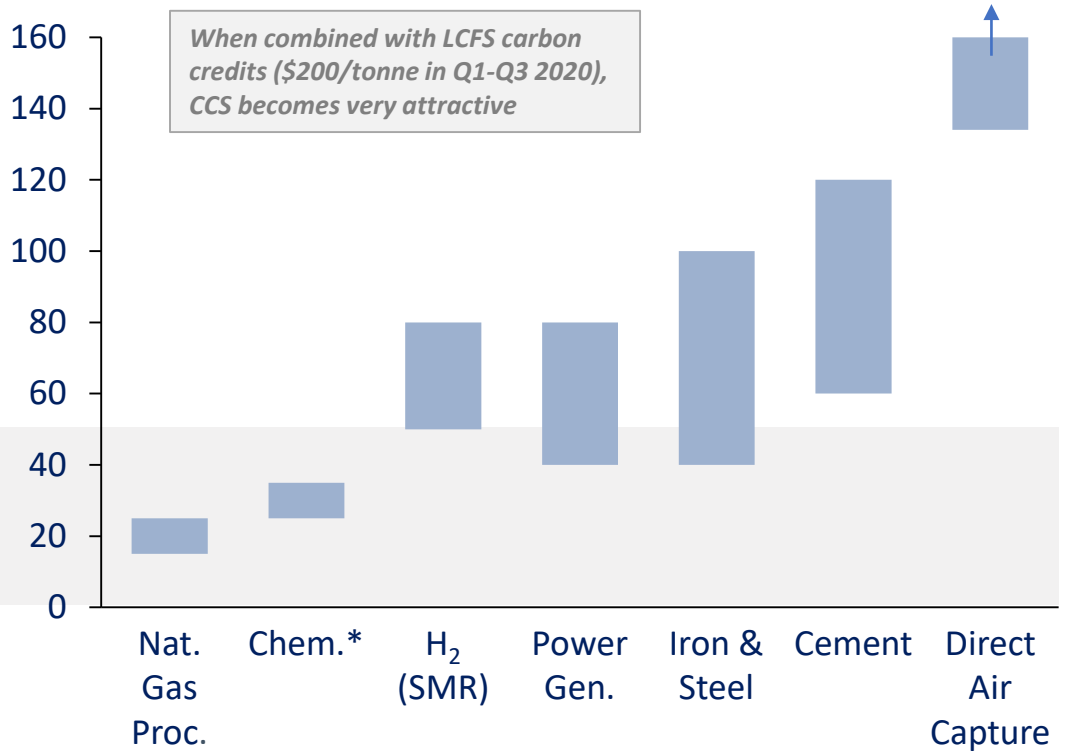
Source: Literature search; IEA (2020), CCUS in Clean Energy Transitions, IEA, Paris; Enerflex analysis

US: Current 45Q Credits Support Only Some CCUS

Federal 45Q tax credits
(US$/metric ton)



Levelized Cost of CO_2 Capture by Industry
(US$/metric ton)



Minimum size: 500 kt/yr for power plants, and 100kt/yr for DAC and other industrial facilities.
Credits are available for 12 years beginning when the carbon capture equipment is placed in service.

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** Ammonia, bioethanol, and ethylene oxide*
Source: Literature search; IEA (2020), CCUS in Clean Energy Transitions, IEA, Paris; Enerflex analysis

TAKEAWAYS

Expertise

Decades of experience in delivering CCUS, RNG, and H_2 solutions, each of which continue to align with Enerflex's core competencies of "Technical Excellence in Modular Equipment".

Addressable Market

The addressable market for decarbonization solutions is likely to be significant.

Supportive Policy

Continued governmental focus on policy development should support decarbonization efforts in multiple Enerflex geographies.

58k tpy CO_2 Processing Facility, Canada


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