# ANNUAL REPORT - 2021-





# Vision

To be the leading energy industry association providing the best value for its members.

# **Mission Statement**

Noia's mission is to promote the responsible development of East Coast Canada's hydrocarbon resources and to facilitate our membership's participation in the global energy industry.

# **Background**

Founded in 1977, the Newfoundland and Labrador Oil & Gas Industries Association (Noia) is the largest offshore oil and gas industries association in Canada. With nearly 460 members in Newfoundland and Labrador, Canada and around the world, Noia represents the supply and service sector in the oil & gas industry.

Noia believes that development of hydrocarbon resources in East Coast Canada will contribute to sustainable economic growth and prosperity for the people of the region.

Noia has a stake in the sustainable development of the region's petroleum resources and in the responsible development of our offshore resources. Noia supports its members through three core business areas:

- Being an ADVOCATE to support the responsible and timely development of the province's hydrocarbon resources and to encourage further local participation in oil and gas projects;
- Undertaking activities to INFORM the public and decision makers about the importance of the offshore oil and gas industry to Newfoundland and Labrador and Canada and to inform members about opportunities in the oil and gas sector both locally and globally; and,
- Providing opportunities for members to ENGAGE and collaborate with others to promote growth within their businesses both at home and abroad.



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# OUTGOING BOARD MEMBERS

Chair **James Parmiter** 

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Past-Chair Karen Winsor

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Director Denis Mahoney

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**Corrina Martin** 

Accounting Coordinator

Charlene Johnson

Chief Executive Officer

Jennifer Oliver

Administrative Assistant

Ken Morrissey

Senior Advisor - Communications,

Research and Policy

Mike Daley

Events and Sales Manager



# MESSAGE FROM THE CHAIR

It has been an honour to serve as the chair of the Board of Directors for fiscal 2021-2022.

The past twelve months have seen unprecedented macro-level discussions on global energy markets and on Newfoundland and Labrador's role therein. The social and economic impacts of the COVID-19 pandemic coupled with the collapse, and subsequent recovery, of oil prices set the stage for another turbulent year for many members. The importance of a strong, united voice representing our members has been critical during this period.

Noia has provided this voice through direct advocacy and leadership on all fronts. We ensured issues facing our industry, along with its national economic importance, remained top of mind for the public throughout the year - especially during the provincial and federal elections. Our advocacy was also seen on major milestones in our industry including the Terra Nova Asset Life Extension and the Bay du Nord Environmental Assessment process.

After almost two years, we were thrilled to host in-person events again and have our voice heard face to face. It was great to see so many members at our Annual Conference in September, our holiday reception in December and at our diversity and inclusion session.

The most lasting impact from this term will likely be the review of Noia's vision, mandate, and name resulting in the launch of Energy NL in March 2022. Energy NL formalizes our members' commitment to the energy evolution and advancing all forms of energy. This process involved extensive membership consultation and engagement with all stakeholders.

Global demand for energy dictates that renewables and non-renewables must coexist and be developed responsibly and that is where Energy NL will deliver. Some may debate the future composition of the global energy supply curve however, under any scenario, Energy NL will play a critical role thanks to the vast energy options our province has been endowed with.

I am grateful for the opportunity to have served with the exceptional group of individuals who work tirelessly day in, day out to ensure the betterment of our industry. The support of our members, staff, CEO and fellow directors enables our collective success.

While challenges undoubtedly remain, I believe in this team and I believe that they are well positioned to ensure we continue to effectively serve our members and our province.

Sincerely,

James G Parmiter





# MESSAGE FROM THE CEO

To say 2021 was an exhilarating year is an understatement. It was a year marked with resiliency and recovery, as Noia members worked hard to maintain their operations and get the offshore oil and gas industry up and running again.

While at the end of 2021 we were not exactly where we hoped we would be before the pandemic struck, the industry began to rebound. There were many positive signals such as the announcement that the Terra Nova FPSO ALE would proceed and news of an increased role of Cenovus Energy and Murphy Oil in the project.

Other highlights included Hebron producing its 100 millionth barrel of oil and Qatar Energy purchasing a 40% interest in an ExxonMobil Canada license. It is always an encouraging sign when a new player enters our offshore industry.

Throughout much of 2021, Noia worked tirelessly advocating for the approval of the Bay du Nord project by the Environmental Assessment Agency of Canada. Considerable time was spent informing and educating the public, through both traditional and social media, of the environmental and economic benefits of the Bay du Nord project - a project that will be the least carbon intensive oil project in Canada.

Noia also undertook extensive consultations with members about the future of the organization. Two clear results were revealed in the consultation process: firstly, oil and gas has a future in the province with Noia continuing to be its champion, and secondly, the energy evolution is real and we must be ready, adaptable, and engaged.

As a result of these extensive consultations, Noia rebranded and now we have an updated vision and mandate as well as a new name – Energy NL. The new name clearly articulates our new focus on all forms of energy. We are Energy NL and we are Newfoundland and Labrador's Energy Network. Our vision is for a sustainable and prosperous, lower carbon energy industry. In the years to come, we will work to maximize the benefits from all energy resources as we continue to meet demand and reduce emissions.

As we look towards the future, it is shaping up to be an exciting time for our industry. Things are finally getting back on track, and we look forward to continuing to work together to seek opportunities both home and abroad. Energy NL will be the network that brings our members together and helps them find prosperity and success. Let's build on our past to ensure a bright future.

Sincerely,

Charlene Johnson

**Charlene Johnson**CEO





# Finance, Audit & Risk

Jennifer Haley Aker Solutions Canada

Kristina Ennis People Stuff

**Gerry Mayo** PF Collins International Trade Solutions

# **Governance & Human Resources**

**Dorothy Keating** Noseworthy Chapman

Jeremy Whittle Crosbie

**Gregory Stacey** KCA Deutag Drilling Canada

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**Beverley Evans** KBRS - Knightsbridge Robertson Surrette

**Cheryl Andrews** Alec G. Henley Group

Tanya O'Neill Kvaerner

Samantha Lorenzen ExxonMobil Canada

Charlene Johnson Noia

# **Conference Committee**

Karen Winsor Atlantic XL

Margot Bruce O'Connell ExxonMobil Canada

**Alex Collins** Equinor Kieran Hanley econext **Heather Beresford** enaimco

**Lesley Anne James** Memorial University

**Richard Wright** OilCo James Parmiter Cahill Group

# Research, Policy & Communications

**James Parmiter** Cahill Group

**Christian Somerton** Deacon Investments Caron Hawco Caron Hawco Group Inc.

Karen Winsor Atlantic XL **Sheldon Lace** Atlantic Towing

# Noia-Hibernia Scholarship

Kristina Ennis People Stuff Jeremy Whittle Crosbie

# INDUSTRY HIGHLIGHTS TWENTY **21**

# 2021 INDUSTRY HIGHLIGHTS

# Hebron

Data from the Canada-Newfoundland and Labrador Offshore Petroleum Board shows that in 2020-21, more than half of the nearly 100 million barrels of crude produced at three major oil fields came from one project: Hebron. Throughout the year, Hebron continued to operate near full production levels. For the first nine months, Hebron oil production totaled 38.6 MMbbls, down 1.8% or 712,000 barrels from the same period in 2020. According to the Government of Newfoundland and Labrador, as of June 30, 2021, there were 1,102 people working on the Hebron project and 94.5% were residents of Newfoundland and Labrador.

### Hibernia

Newfoundland and Labrador's first offshore installation stopped drilling in May 2020 for a year and a half. While there were no new wells drilled in 2021, Hibernia oil production did continue throughout 2021 with existing wells, though at a slight decrease of 12.4% or 4.1 MMbbls in the first 9 months of 2021, relative to production in the same period of 2020. As of June 30, 2021, there were 942 people working on the Hibernia project, 95.5% were residents of Newfoundland and Labrador.

# Terra Nova

After months of concern about the future of the Terra Nova FPSO, largely due to the impacts of COVID-19 and the crash of oil prices, on June 16 it was announced that an agreement in principle had been reached for the Asset Life Extension (ALE) project.

Further, on September 8, Suncor Energy announced that the Terra Nova project co-owners finalized an agreement to restructure ownership and move forward with the Terra Nova ALE project. Suncor Energy, Cenovus Energy, and Murphy Oil now control 100 per cent of the project. Suncor Energy owns 48 per cent of the project, up from 38 per cent, Cenovus Energy owns 34 per cent, up from 13 per cent, and Murphy Oil owns 18 per cent, up from 10 per cent.

The agreement included government support of up to \$205 million from the Oil and Gas Industry Recovery Assistance Fund on a matching contribution basis, and supported local work related to the ALE project, as well as royalty relief valued at \$300 million. Suncor Energy indicated that the ALE development is expected to extend the life of the project by approximately 10 years, providing an additional 70 MMbbls of production.

The Terra Nova FPSO underwent maintenance work at the Bull Arm fabrication site prior to sailing to a dry dock in Ferrol, Spain in December. It is anticipated the Terra Nova will return to operations in offshore Newfoundland and Labrador before the end of 2022.



Bay dy Nord FPSO rendering. Photo credit: Government of Newfoundland and Labrador

# White Rose

The White Rose field and its satellite areas (North Amethyst, South White Rose, and West White Rose) produced 5.9 MMbbls for the first nine months of 2021, a decrease of 15.5% or approximately 1.1 MMbbls relative to the same period in 2020. As of June 30, 2021, there were 916 people working in the province on the White Rose project (including the West White Rose development).

It was announced on October 19, that the Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) had laid three charges against Husky Oil Operations Limited (now Cenovus Energy) for alleged offences related to a spill of petroleum in the White Rose Field in November 2018. The matter remains before the courts.

# **West White Rose**

In the Spring of 2020, Husky suspended all construction activities related to the West White Rose project due to safety concerns pertaining to COVID-19. As of the end of 2021 construction had not resumed, though there were important developments surrounding the project.

Suncor Energy announced on September 8 it entered into a conditional agreement to increase its interest in the White Rose asset subject to a restart decision on the West White Rose project. As part of the conditional agreement, Cenovus Energy, the operator, will

complete a restart evaluation for the West White Rose project by mid-2022.

Should the project economics be robust enough for a restart, Suncor Energy agreed to increase its interest in the White Rose offshore field by 12.5% (from 27.5% to approximately 40%) in exchange for a cash payment by Cenovus Energy to Suncor Energy. Suncor Energy would assume capital commitments on the 12.5% additional interest on a go-forward basis only.

The provincial government through the Oil and Gas Industry Recovery Assistance Fund made a significant contribution to the project with \$41.5 million which the partner companies were required to match to undertake in-province work relating to the West White Rose Project and maintain jobs.

The proposed work included activities necessary to support a potential restart of the project such as topside fabrication, procurement, and subsea and marine operations. The work provided in-province employment for 169 people in project management and engineering, as well as 162 tradespersons in Argentia and Marystown for a total of 331 people.

# Bay du Nord

In 2021, there were signs Equinor and its partners, Cenovus Energy and BP, were on a positive path to approving the Bay du Nord project. In November, Al Cook, a senior executive with Equinor, publicly stated a final investment decision is expected within the next two years, with first oil possible by 2028.

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Based on the original project configuration, Bay du Nord was reported to have a reserve estimate of 300 MMbbls of recoverable oil, and the expected field life of the project at the time was between 12 and 20 years. There is potential for a greater tally with confirmed hydrocarbon finds at Cappahayden and Cambroil included.

Equinor said two companies, KBR and Aker, are doing conceptual studies of an FPSO for the Bay du Nord field development. Based on the recent discoveries as part of the exploration campaign, the company is now looking to enhance the capabilities of an FPSO that could produce up to 200,000 barrels per day, up from the original design of 150,000.

In August of 2021 the Environmental Assessment Agency of Canada recommended approval of the Bay du Nord project. However, in December, the Minister of Environment and Climate Change Canada delayed the final decision of the project. After multiple delays, the project received ministerial approval in April 2022.

# **North Atlantic Refinery**

In January, the provincial government entered into a funding agreement with the North Atlantic Refining Limited Partnership (NARL LP) to keep the refinery in warm idle mode while the owner continued to search for a buyer or investor. The \$16.6 million funding agreement supported 75 per cent of eligible labour costs of refinery employees and 50 per cent of eligible non-labour costs in Newfoundland and Labrador associated with the refinery warm idle and restart preparation related activities while the refinery remained offline.

The agreement protected the asset for future restart, helped to mitigate the restart costs, and increased employment levels to 200 full-time equivalents on an interim basis - with the potential for more with a restart.

On November 30, the provincial government announced that it reached an agreement with NARL LP and involved parties to facilitate Cresta Fund Management's acquisition of a majority interest in the refinery. As a result, Come by Chance refinery facility would be rebranded as Braya Renewables Fuels and converted to renewable diesel and sustainable aviation fuel production.

There will be approximately 200 full-time jobs when the refinery reopens and potentially more when production ramps up.

According to Cresta Fund Management, the first phase of the conversion will change the refinery to a facility capable of producing 14,000 barrels of sustainable aviation fuel and renewable diesel by about mid-2022. The second phase will seek to double the capacity of the refinery.

# Offshore Oil and Gas Recovery Task Force

The Oil and Gas Industry Recovery Task Force delivered its Oil and Gas Industry Recovery Assistance (OGIRA) recommendations to the provincial government on November 18, 2020 and submitted its final report to the Industry Council on March 12, 2021. The report was subsequently submitted to the provincial government on April 27 following review by the Industry Council.

Two days later the report was released to the public with 32 main recommendations and 20 ancillary recommendations to drive the recovery of the oil and gas industry in Newfoundland and Labrador.

On June 24, the provincial government announced the establishment of a committee of industry experts to provide implementation oversight and ensure recommendations of the Oil and Gas Recovery Task Force are addressed.

Committee members included:

- Chair Pierre Tobin, Assistant Deputy Minister Industry, Energy and Technology;
- Nena Abundo, Department of Industry, Energy and Technology;
- Paul Barnes, CAPP;
- Stephanie Curran, Industry Council;
- Tim Gardiner, NRCan;
- Charlene Johnson, Noia;
- Jim Keating, OilCo;
- Andy Noseworthy, Assistant Deputy Minister Clean Technologies, Innovation, Science and Economic Development Canada;
- Scott Tessier, CEO CNLOPB; and,
- Karen Winsor, Noia Chair and Task Force Co-Chair.

# Further Assistance for the Offshore Industry

On January 4, the Department of Industry, Energy and Technology announced that they were accepting applications through a Call for Proposals to support oil and gas supply and service sector projects through the Offshore Oil and Gas Industry Recovery Assistance Fund. There was approximately \$32 million allocated to the supply and service sector from the \$320 million provided by the federal government to support direct and indirect employment in the provincial oil and gas sector, as well as activities that generate environmental or co-benefits.

Proposed projects were required to focus on industry-led activities that will sustain the Newfoundland and Labrador offshore oil and gas industry in the short-term and drive the recovery over the long term. Projects had to commence no later than June 1, 2021 and conclude by December 31, 2022.

Subsequently, the Government of Newfoundland and Labrador announced in November financial support for 26 supply and service projects, totaling approximately \$35.5 million.

Of the 26 approved projects, five are non-commercial and 21 are commercial and are expected to create or maintain up to 230 Full-Time Equivalent positions (FTEs) in Newfoundland and Labrador.

Offshore Oil and Gas Industry Recovery
Assistance Fund Projects here

### **LNG**

As discussed at Noia's Annual Conference, a development to supply international energy markets with liquified natural gas from the province's offshore is being proposed by a number of participants in the Newfoundland and Labrador energy sector.

LNG Newfoundland and Labrador Limited, which is working in partnership with the Miawpukek First Nation and First Nations Major Projects Coalition, is proposing to develop an offshore gas hub in the Jeanne d'Arc Basin, as well as a pipeline connecting the facility to Grassy Point in Placentia Bay. The development would include a natural gas liquefication facility and marine export transport terminal at Grassy Point.

The project was registered for environmental assessment on November 23, 2021. The deadline for public comments was December 30, with the minister's decision due in early 2022.

# **Exploration**

In June, ExxonMobil Canada issued an expression of interest (EOI) for an exploration rig to carry out further exploration work on its Hampden prospect in 2022. The EOI closed on July 9, but details of the contract have yet to be announced.

Bull Arm Oil Rigs. Photo credit: CBC News





Terra Nova. Photo credit: Paul Daly

On October 24, ExxonMobil Canada announced an agreement was signed with Qatar Energy, which will see Qatar Energy hold a 40% participating interest in exploration licence 1165A, where ExxonMobil Canada plans to further drill the Hampden K-41 exploration well. This represents Qatar Energy's first entry into the Canadian offshore oil industry.

CNOCC wrapped up drilling the Pelles prospect, its first exploration well offshore Newfoundland and Labrador. The prospect was located within license EL 1144. The wildcat was originally set to spud in early 2020 but was delayed due to impacts of the COVID-19 pandemic. The company confirmed that drilling operations onboard drillship Stena Forth were completed.

# Offshore Exploration Initiative Eligibility **Amendment**

On December 30, the Honourable Andrew Parsons, Minister of Industry, Energy and Technology, announced an amendment to the eligibility criteria under the Offshore Exploration Initiative allowing qualified operators an additional year to drill.

The deadline to spud a well Exploration License that was issued in or prior to 2019 was extended from December 31, 2022 to December 31, 2023.

# **NL Land Tenure Activity**

In April, the Canada-Newfoundland and Labrador Offshore Petroleum Board issued a Call for Bids NL16-CFB03 (Labrador South Region). This Call for Bids consisted of 10 parcels and a total of 2,294,340 hectares. This was the only Call for Bids in 2021.

On December 22, the C-NLOPB advised that no bids had been received for the Call for Bids NL 16-CFB03 in the Labrador South Region.

Due to the economic circumstances from the ongoing global pandemic, the C-NLOPB conducted a review on the active land tenure areas. As a result, the C-NLOPB amended its Scheduled Land Tenure System in relation to the timing of four Low Activity sectors: NL02-SEN, NL02-LS, NL01-SN and NL01-NEN.

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The revised schedule is as follows:

- NL02-SEN (South Eastern Newfoundland), previously scheduled to close in 2021, will be extended and will close in 2023.
- NL02-LS (Labrador South) is now scheduled to close in 2025. It was previously scheduled for 2023.
- NL01-SN (Southern Newfoundland) is now scheduled for 2027. It was previously scheduled for
- NL01-NEN (North Eastern Newfoundland) is now scheduled for 2029. Initially set to close in 2024.

The C-NLOPB decided not to proceed with a Call for Bids in the Jeanne d'Arc or South Eastern Regions in 2021. The decision to proceed with future Call for Bids in the Jeanne d'Arc Region will be assessed on an annual basis, per the C-NLOPB's Scheduled Land Tenure System.

# Other Maritime News

In July, Pieridae Energy announced it would not proceed with its proposal to build a processing plant and export facility for liquefied natural gas in Goldboro, Nova Scotia.

In October, Alton, a subsidiary of Calgary-based energy company AltaGas, announced that after years of delays, court hearings, and strong opposition, the Alton Gas project on the Shubenacadie River in Nova Scotia was cancelled.

The future of the Bear Head LNG project, a proposal to bring in natural gas to Port Hawkesbury, Nova Scotia from Western Canada or the U.S. and then export it to Europe, is uncertain after the company behind the project tried to sell.

The Canada-Nova Scotia Offshore Petroleum Board issued a call for bids in May for exploration of two parcels in the southwestern Scotian Slope. The call was open for six months and the board received no bids.

# Atlantic Loop

There has been optimism surrounding the development of an Atlantic Loop energy transmission network that would move hydroelectricity from Newfoundland and Labrador and Quebec to meet Maritime and Atlantic energy needs through an upgraded grid. The project is supported by the Government of Canada and the four Atlantic premiers.

Yet, much clarity remains to be provided on the potential project referenced in the 2020 federal Speech from the Throne, as no concrete decisions have been publicly communicated as elected officials indicate more work on scope and cost of the project must take place.

# **Net Zero Project**

Newfoundland and Labrador and the Government of Canada are committed to net-zero emissions in Canada by 2050. As part of achieving this commitment, provincial Industry, Energy and Technology Minister Andrew Parsons announced \$1M in provincial funding for a net zero project on the final day of the Noia Oil & Gas Conference.

The Net Zero Project is a collaboration between Noia, econext, and OilCo to find pathways to achieving net zero within the offshore industry and facilitate the development, demonstration, and adoption of clean growth strategies and technologies.



# NOIA ADVOCACY

# Terra Nova FPSO Asset Life Extension Project

Economic Study of Terra Nova FPSO Asset Life Extension

As part of the advocacy to support the Terra Nova FPSO Asset Life Extension (ALE) project, Noia hired Jupia Consultants, led by David Campbell a former Chief Economist with the Government of New Brunswick, to model the economic impacts of the project and the continued operation of the FPSO for 10 additional years. The fate of the project had been in doubt for months due to the impacts of COVID-19 and the crash of global oil prices as the project proponents were analyzing whether to continue with the proposed ALE.

The economic impact report by Jupia Consultants used Statistics Canada data, as well as data available from Budget 2021 such as \$64 USD per barrel oil price and an average royalty equivalent to \$11 per barrel and an assumed \$350 million capital investment into the life extension project. The study found that the project has the potential to support over 1,700 jobs and \$138 million in wages during the asset life extension project stage and almost 3,400 jobs and \$139 million in wages annually during its ten years of operation in Newfoundland and Labrador.

Further, provincial and municipal governments stand to receive a total of almost \$1.5B over that same period, including \$880M in royalties, \$120M in corporate income taxes, and \$485M in other taxes.

# Terra Nova Rally

Noia CEO Charlene Johnson spoke during a rally organized by Unifor Local 2121 to support the Terra Nova FPSO ALE project. This rally occurred on June 14 on the steps of the Confederation Building in St. John's and included participation by hundreds of industry supporters, including offshore workers and their families. Some of the speakers included Dave Mercer, President of Unifor Local 2121 which represents workers on many offshore production facilities, who spoke to the importance of the project, and Geoff Eaton, Executive Director of Young Adult Cancer Canada (YACC) who also spoke about the importance of the offshore industry to charities and not-for-profits.

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# Public Opinion Poll

In June, Noia engaged a public opinion firm to survey Newfoundlanders and Labradorians about their support for the offshore oil and gas industry, and the Terra Nova Project specifically. Not surprising to Noia, the vast majority of respondents supported the industry and efforts to ensure the Terra Nova Project underwent the Asset Life Extension project and continued to operate offshore.

When it came to the Terra Nova Project, 88% agreed that it has a significant impact on the provincial economy. When asked if they support offshore oil and gas development in Newfoundland and Labrador, 83% of respondents indicated they either completely or mostly support the industry.

# **Provincial General Election 2021**

Newfoundland and Labrador held a Provincial General Election in early 2021. As part of its advocacy efforts, Noia wrote leaders to all provincial political parties seeking responses to important questions facing the offshore oil and gas industry.

The questions covered a wide range of industry issues, including: local content and protection of the Atlantic Accord; support for the local supply and service sector; incentives for offshore exploration and development projects to attract investment and stimulate activity; promotion of the offshore; life-of-field benefits; seismic surveys; emissions reduction; health and safety; and, creating a globally competitive regulatory regime.

# Federal Election 2021

During the 2021 Federal General Election, Noia asked party leaders how they would support the offshore oil and gas industry if they were to form the next government. Specifically, Noia asked how a government under their leadership would ensure the supply and service sector of Newfoundland and Labrador benefits from the tremendous resources offshore and how they, as prime minister, would enable our industry to reach its full potential. Topics included the Atlantic Accord and joint management, global

competitiveness, reaching net zero targets, industry recovery and achieving an internationally competitive regulatory regime. In addition, Noia used social media platforms to encourage people to question local candidates on how they would support the offshore oil and gas industry if elected.

Noia submitted a discussion document on behalf of its members to the Ocean Noise Strategy for Canada in January 2021.

Noia's submission emphasized engaging stakeholders involved in the ocean economy in the Ocean Noise Strategy for Canada. The submission communicated the importance of using scientific data to inform the development of a strategy and the need for a high degree of visibility to ensure all those involved in the ocean economy are engaged.

Noia recommended a collaborative engagement process be established to discuss ocean noise in an open format. This would include bringing together interested representatives of industry, academia, government, etc. for collaborative sessions.

Noia concluded their submission by reiterating the responsibility of all participants in the ocean economy to be proactive in environmental stewardship, conservation, and protection.

# **National Research Council Canada**

On February 10, CEO Charlene Johnson made a presentation on Canada's offshore oil and gas industry to the National Research Council Canada. She provided an overview of who Noia represents, current and future industry value, advocacy efforts, impacts of COVID-19 on the offshore industry and Newfoundland and Labrador, and also discussed what is next for the energy industry in terms of clean energy, cleantech, and digitalization.

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# Standing Senate Committee on Energy, the **Environment and Natural Resources**

On February 11, Charlene Johnson appeared before the Standing Senate Committee on Energy, the Environment and Natural Resources, to offer comments on Bill S-3, An Act to Amend the Offshore Health and Safety Act. She commended the Senate for bringing forth the bill and for attempting to advance the process. Noia voiced their support for the bill and the need to get the process completed in a timely manner.

# **Standing Committee Natural Resources**

On May 10, Johnson had the opportunity to speak during a meeting of the House of Commons Standing Committee for Natural Resources to offer comments on behalf of Noia on Bill S-3. An Act to Amend the Offshore Health and Safety Act.

Charlene Johnson stated Noia members were supportive of the efforts to advance and complete the process and support Bill S-3. She emphasized the importance of ensuring it was done right and that it avoided any unnecessary duplication with other legislation.

Charlene concluded her remarks by saying Noia supports the completion of the process in a timely manner, one that includes a holistic approach to offshore regulations and considers the demonstrated commitment of the industry to ensure the safety of each and every individual who works offshore Newfoundland and Labrador.

# **Other Speaking Opportunities**

On June 9. Charlene was a member on the Board of Trade's Outlook Panel where she answered questions about the future of the offshore industry, the Emissions Reductions Fund, and the Net Zero Project.

She also spoke at the Placentia Bay Industrial Showcase in Placentia on October 26. As part of this presentation Charlene provided attendees with an overview of Noia, an update on offshore projects, as well as shared information about the future of the industry and the economic value of the Bay du Nord project.

On October 28, Charlene participated in a Trades NL event titled "Building Our Province Together." Similar to previous presentations, this one was oriented to labour leaders and skilled tradespeople and Charlene provided an overview of the industry, updates on exploration and seismic programs activities, and discussed the future direction of Noia.

# Social Media & Traditional Media

Noia used social media throughout 2021 to highlight the economic importance of the offshore oil and gas industry for both the province and country. During the provincial and federal general elections, Noia used Facebook, Twitter, LinkedIn, and Instagram to encourage people to guestion their local candidates on how they will support the industry. This campaign was enhanced by an uptake from member companies and supporters who shared their concerns as well as Noia's posts.

Traditional media was an important avenue to communicate Noia's advocacy efforts. CEO Charlene Johnson and Board Chair James Parmiter actively pursued and participated in local, national and international media opportunities.





# **NOIA EVENTS**

# **Golf Tournaments**

Noia was thrilled to offer not one, but three, golf tournaments over the summer. Friday, June 18 at The Wilds Resort, Salmonier; Friday, July 30 at GlenDenning Golf, St. John's; and Thursday, August 26 at Terra Nova Resort in Port Blandford.

# Virtual Annual General Meeting

Noia's Annual General Meeting was held virtually on May 12. The meeting included reports from the CEO and the Treasurer, presentation of PIHRC Educator Award, remarks from the outgoing and incoming chair, presentation of Service Awards, and the announcement of successful candidates for the 2021 Noia Board of Directors.

# Virtual Lunch and Learns

On Friday, April 30, Noia offered members the first in a series of virtual Lunch and Learns. Denis Mahoney, Partner, McInnes Cooper, provided an overview on the lessons learned from COVID-19 about the employment relationship.

On May 18, Noia partnered with the Ocean Startup Project to offer member's a Lunch and Learn on Exploring Ocean Opportunities through the 2021 Ocean Startup Challenge. Representatives from the Ocean Startup Project shared details on the 2021 Ocean Startup Challenge's \$1.4 million in funding through non-payable loans available for entrepreneurs and innovators developing solutions to ocean industry problems.

Noia also partnered with BDC to offer a Lunch and Learn. On Tuesday, June 22, Jim Garland, Manager, Major Accounts with BDC, provided members with pertinent information on financing their business during tumultuous times.

On June 29, Noia partnered with Memorial University's Husky Centre for a Lunch and Learn. Sarah Teo, Manager of the Husky Centre, at the Faculty of Business Administration, shared information on how they can provide access to funding, as well as programs and services to support the supply and service sector of the oil and gas industry in Newfoundland and Labrador.

### SUPPLIER DEVELOPMENT

### Terra Nova Asset Life Extension

In August, Noia offered members an online supplier development session on the Terra Nova Asset Life Extension project. Speakers from Suncor Energy included: Josee Tremblay, VP, East Coast Exploration & Production; Karen Kelly, General Manager, Terra Nova Exploration & Production; and Glen Walbourne, Manager, Supply Chain Exploration & Production.

# ExxonMobil Canada - Leading the Way Through **Digital Transformation**

Noia offered a virtual supplier development session in March which focused on ExxonMobil Canada's digital initiatives, R&D and innovation, and digital success of both their company and suppliers. Peter Larden, President of ExxonMobil Canada, provided a virtual tour of ExxonMobil Canada's new office in St. John's and introduced incoming president of ExxonMobil Canada, Lazaro Cosma.

# Mexico Offshore Oil & Gas Supply Chain **Opportunities Webinar**

In October, Noia - as part of the ATIGS Oil and Gas Sector Committee - hosted a webinar Our Mexico Offshore Oil & Gas Supply Chain Opportunities. Guest speakers shared opportunities in Mexico for Noia supply and service member companies. Speakers included Caron Hawco, Caron Hawco Group Inc.; Amber Mackereth, International Trade Consultant; and Miguel Gonzalez, Trade Commissioner, Embassy of Canada to Mexico.









# **Supplier Development Session: Creating a Diverse** and Inclusive Workplace

On November 17, Noia was pleased to offer members a one-day diversity and inclusion session at the Delta St. John's Hotel and Convention Centre, titled Creating a Diverse and Inclusive Workplace.

Hilary Edmunds, Training Facilitator with First Light, provided the audience with an extensive overview of First Light and the importance of understanding and including Indigenous cultures in all organizations.

Kathy Hawkins, Program Manager with InclusionNL, passionately and enthusiastically spoke about creating barrier-free places, practices, and processes for organizations. She focused on the foundation required to build accessibility confidence and shared an interesting statistic that 22% of Canadians have at least one disability. This represents 6.2 million people in Canada.

Karen Walsh, Executive Director of the Office to Advance Women Apprentices, spoke about progressing women in trades by giving an overview and model for inclusion. She also discussed the role of women in the oil and gas industry and shared how to address barriers that limit the entry and advancement of women in trades.

The last speaker of the morning session was Stephanie Howlett, the CEO of DiversityNL. Stephanie provided a business case for diversity and inclusion in organizations. She shared important tips on successfully implementing DEI strategies, reasons why diversity, equality, and inclusion are financially beneficial, as well as a strategic model to implement within any organization.

Throughout the session, attendees had the opportunity to network and visit exhibitor booths in the lobby adjacent to the main session room. Noia was pleased NLOWE, WRDC, CCRW/CCRT (Canadian Council on Rehabilitation and Work), Esteem Women, Trades NL, TD Bank, InclusionNL, and the Office to Advance Women Apprentices participated in the session through their respective booths. These exhibits provided attendees information about the organizations and how they can help members enhance their diversity and inclusion practices.

During lunch, the keynote speaker was Amorell Saunders N'Daw, Partner and EDI Lead with KBRS. Amorell gave an inspiring and powerful presentation that focused on businesses' vital role in supporting diversity and inclusion in tangible ways. Amorell also spoke of why it is important not to judge or form opinions of people based on physical characteristics or traits.











# **Annual Oil & Gas Conference**

Noia hosted its first in-person annual conference in over a year and half on September 21 – 22 at the St. John's Convention Centre. Themed Resilient & ReEnergized, the conference focused on the future, clean technology, and the benefits of local content practices for communities with resource development projects.

The first day of conference included an address from Premier Andrew Furey who concentrated on the important impact the Newfoundland and Labrador offshore oil and gas industry will have for the future and the innovation required to reach our potential. Significant discussion occurred on lowering carbon emissions in the offshore and a potential LNG project was presented to delegates which would also be the first Indigenous participation in an offshore energy project in the province. Keynote luncheon speaker Chris Slubicki highlighted the ESG values of Canadian energy and its importance in meeting global demands.

Day two included discussions on collaboration in the new normal, as well as market opportunities and operational diversification. The keynote luncheon speaker was Bethany Downer, Chief Communications Officer, Hubble Space Telescope and Director of Communications, STAR HARBOUR, who shared important similarities between the offshore industry and space industry. The afternoon session focused on next steps for reaching our potential, including the role of educational institutions, the provincial government, and our next potential offshore facility.

Provincial Industry, Energy and Technology Minister Andrew Parsons spoke during the final session and reaffirmed the province's commitment to reenergizing and advancing Newfoundland and Labrador's offshore oil and gas industry and announced \$1M in funding for Noia and econext for a net zero project in the offshore oil and gas industry. Memorial University President Dr. Vianne Timmons spoke to delegates about the role the university will play in the province's economic recovery and the exceptional talent that are a product of our very own educational institution. Six operators gave updates over the twoday conference: Equinor, ExxonMobil Canada, Suncor Energy, Cenovus Energy, CNOOC, and OilCo.

The 2021 conference concluded with the NL Energy Shave which saw members of the offshore oil and gas industry raise over \$265,000 for Young Adult Cancer Canada (YACC), a national charity based in Newfoundland and Labrador that supports young adults living with cancer. Leading the NL Energy Shave, Mark Collett, COO of Crosbie, raised the largest amount in the history of YACC and shaved his head for the cause. It was an exciting end to a fantastic conference, creating a sense of unity and hope, as the industry came together to learn, network, and plan for the future and give back to this important cause.



# SUPPORTING EDUCATION

The Noia-Hibernia Scholarship was established in 1997 – the year the Hibernia platform was completed and started producing oil. It is designed to foster the bright minds that will shape the future of our region's oil and gas industry.

Valued at \$1,000, the Noia-Hibernia Scholarship is presented each year to a graduating high school student in Newfoundland and Labrador who is intending to pursue a petroleum-related career. While recognizing academic excellence, the scholarship also focuses on extracurricular activities.

Emily Morrissey of Cuslett was the recipient of the 2021 Noia-Hibernia Scholarship. A graduate of Fatima Academy in St. Bride's, Emily plans to pursue a Bachelor of Commerce (co-operative education) with the Department of Business at Memorial University. She plans to further her education to become a chartered accountant and work within the provincial oil and gas industry.

# Flight 491 Legacy Fund

The Flight 491 Legacy Fund Bursary and Scholarship Program was established to honour the memory of the victims of the crash of helicopter Flight 491 on March 12, 2009.

The legacy fund was an initiative of three stakeholder groups – Noia, CAPP, and the St. John's Oilfield Technical Society – which solicited donations by corporations and individuals totaling over \$1.4 million at the time of the endowment agreement signing.

The awards, valued at a portion of the income on the endowment, are open to full-time undergraduate students entering their first year of study at Memorial University, the Fisheries and Marine Institute, and the College of the North Atlantic. A bursary is awarded based on demonstrated financial need and is renewable for up to three additional years of consecutive full-time study provided the recipient continues to maintain clear academic standing. A scholarship is awarded on the basis of scholarship standing and is renewable for up to three additional years of consecutive full-time study provided the recipient continue to maintain scholarship standing.

# TWENTY **21**

In 2021, the following students were selected by the postsecondary institutions to receive scholarships and bursaries:

# MEMORIAL UNIVERSITY

# Flight 491 Legacy Fund **Bursary Recipient** Isabel Hatcher

Chapel's Cove, NL

# Flight 491 Legacy Fund **Scholarship Recipient**

**Austin Burt** 

Carter's Cove, NL

# Flight 491 Legacy Fund **Bursary Renewals**

Chelsea Beaton, Peterview, NL Jessica Canning, Grand Falls – Windsor, NL **Emily Watkins**, Durrell, NL

# Flight 491 Legacy Fund **Scholarship Renewal**

Benjamin Stanley, St. John's, NL Polina Konstantinova, St. John's, NL

# **COLLEGE OF THE NORTH ATLANTIC**

# Flight 491 Legacy Fund **Bursary Recipient** Emily Randell,

Clarenville, NL

# Flight 491 Legacy Fund **Scholarship Recipients**

Nicholas Dawe, Hillview, NL Brendan Marshall, Barton, NL Charles Brooks, Weymouth, NL Kiefer Kelly, Clarenville, NL James Innes MacDonald, Dartmouth, NS

# Flight 491 Legacy Fund **Bursary Renewals**

Mackenzie Genge, Anchor Point, NL Hillary Peddle, Hillview, NL Adam Aucoin, Kippens, NL Jenna Beach, Clarenville, NL

# Flight 491 Legacy Scholarship Renewal Kerilyn Summers, Mount Pearl, NL

# MARINE INSTITUTE

# Flight 491 Legacy Fund **Bursary Recipient** Sophia Ivanova, St. John's, NL

# Flight 491 Legacy Fund **Scholarship Recipients**

Emily Reid, Whitbourne, NL Kate Marshall, Chester Basin, NS Morgan Whelan, Colliers, NL

# Flight 491 Legacy Fund **Bursary Renewal**

Jayden Reginald Loveless, Seal Cove, Fortune Bay, NL

# Flight 491 Legacy Fund **Scholarship Renewals**

Courtney Osmond, Lewisporte, NL Lucas Dorrance, Cambridge, NS Amber Tremblett, New Harbour, NL

**Financial Statements** Year Ended February 28, 2022



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# INDEPENDENT AUDITOR'S REPORT

To the Members of Newfoundland & Labrador Oil & Gas Industries Association Inc. (Operating as Energy NL)

# Opinion

We have audited the financial statements of Newfoundland & Labrador Oil & Gas Industries Association Inc. (Operating as Energy NL) (the association), which comprise the statement of financial position as at February 28, 2022, and the statements of changes in net assets, revenues and expenditures and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the association as at February 28, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

# Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the association in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(continues)

Independent Auditor's Report to the Members of Newfoundland & Labrador Oil & Gas Industries Association Inc. (Operating as Energy NL) (continued)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

St. John's. Newfoundland and Labrador April 20, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS

Harris Lyan Refessional Corporation

# **Statement of Financial Position**

February 28, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 161,821	\$ 210,494
Term deposits Accounts receivable (Note 3)	1,540,312 470,318	1,173,095 301,718
Prepaid expenses	107,934	62,179
	2,280,385	1,747,486
	, ,	
CAPITAL ASSETS (Note 4)	21,266	29,130
INTANGIBLE ASSETS (Note 5)	28,001	56,002
SCHOLARSHIP FUND INVESTMENTS (Note 6)	21,679	21,774
	\$ 2,351,331	\$ 1,854,392
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable (Note 7)	\$ 263,033	\$ 132,486
Deferred revenue (Note 8)	1,043,314	770,229
	1,306,347	902,715
LONG TERM DEBT (Note 11)	40,000	30,000
	1,346,347	932,715
NET ASSETS		
General fund	983,305	899,903
Scholarship fund (Note 6)	21,679	21,774
	1,004,984	921,677
	\$ 2,351,331	\$ 1,854,392

LEASE COMMITMENTS (Note 10)

ON BEHALF OF THE BOARD

Gerry Mayo

Director

Director

# **Statement of Changes in Net Assets**

	General Fund	S	Scholarship Fund	2022		2021
NET ASSETS - BEGINNING OF YEAR EXCESS OF REVENUES OVER	\$ 899,903	\$	21,774	\$ 921,677 \$	6	1,096,788
EXPENSES FAIR VALUE CHANGE	83,402		- (95)	83,402 (95)		(174,847) (264)
NET ASSETS - END OF YEAR	\$ 983,305	\$	21,679	\$ 1,004,984	;	921,677

# **Statement of Revenues and Expenditures**

	2022		2021 14 months
REVENUES			
ACOA and PIHRC Projects (Schedule 1)	\$ 619,817	\$	690,961
Membership fees	459,519		568,553
Annual conference	423,320		-
Seminars and events	93,981		99,301
Publications	43,584		113,696
Interest income	6,585		11,040
Miscellaneous	8		6,984
Amortization of deferred capital contributions	-		28,125
	1,646,814		1,518,660
EXPENSES			
Administration (Schedule 2)	994,447		1,107,100
ACOA and PIHRC Projects (Schedule 1)	426,888		716,899
Annual conference	101,579		4,927
Programs	63,029		38,335
Seminars and events	35,496		9,855
Amortization of intangible assets	28,001		51,045
Amortization of tangible assets	22,036		19,638
Publications	7,507		34,327
	1,678,983		1,982,126
DEFICIENCY OF REVENUES OVER EXPENSES FROM			
OPERATIONS	(32,169)		(463,466)
OTHER INCOME			
Canada Emergency Wage Subsidy Revenue	79,746		255,870
Small Business Assistance Program Revenue	10,000		10,000
Canada Emergency Business Account (Note 11)	10,000		10,000
Canada Emergency Rent Subsidy Revenue	15,825		12,749
	115,571		288,619
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 83,402	\$	(174,847)

# **Statement of Cash Flows**

		2022		2021 14 months
OPERATING ACTIVITIES				
Excess (deficiency) of revenues over expenses Items not affecting cash:	\$	83,402	\$	(174,847)
Amortization of capital assets		22,036		19,638
Amortization of intangible assets		28,001		51,045
		133,439		(104,164)
Changes in non-cash working capital:				
Accounts receivable		(168,600)		289,417
Accounts payable		130,547		(71,645)
Deferred revenue		273,085		57,022
Prepaid expenses		(45,755)		184,639
		189,277		459,433
Cash flow from operating activities		322,716		355,269
INVESTING ACTIVITIES				
Purchase of capital assets		(14,172)		(1,746)
Transfer to Scholarship fund		-		(10,000)
Cash flow used by investing activities		(14,172)		(11,746)
FINANCING ACTIVITY				
Proceeds from long term financing		10,000		30,000
INCREASE IN CASH FLOW		318,544		373,523
Cash - beginning of year		1,383,589		1,010,066
CASH - END OF YEAR	\$	1,702,133	\$	1,383,589
CASH CONSISTS OF:				
Cash	\$	161,821	\$	210,494
Term deposits	Ψ	1,540,312	Ψ	1,173,095
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# **Notes to Financial Statements**

# Year Ended February 28, 2022

### PURPOSE OF THE ASSOCIATION

Newfoundland & Labrador Oil & Gas Industries Association Inc. (the "Association" or "Noia") is incorporated provincially under the Corporations Act of Newfoundland and Labrador as an organization without share capital. Noia members share a common interest in the offshore / onshore oil and gas sector.

Noia's mission is to promote the responsible development of East Coast Canada's hydrocarbon resources and to facilitate its membership's participation in the global energy industry.

Noia is a non-profit organization under the Income Tax Act (Canada) and is not subject to income tax.

# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

# Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for notfor-profit organizations (ASNFPO).

# Revenue recognition

Noia follows the deferral method of accounting for contributions, which primarily include grants and certain government assistance amounts. Annual conference revenue is recognized as the services are provided. Membership fees are billed on an annual basis and are recognized as revenue over the twelve-month membership period. Restricted contributions that have been designated for special projects, such as capital expenditures, are deferred when initially recorded in the accounts and recognized as revenue in the year in which the related expenses are recognized. Unrestricted contributions are recognized as revenue when received or receivable. All other revenue is recognized when services are provided and collection is reasonably assured.

# Cash equivalents

Cash and cash equivalents consist of of cash on hand and balances with chartered banks, high interest savings accounts and term deposits.

# Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

(continues)

# **Notes to Financial Statements**

# Year Ended February 28, 2022

# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

# Capital assets

Capital assets are stated at cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

30% declining balance method Computer equipment Furniture and fixtures 20% declining balance method Leasehold improvements 4 years straight-line method

# Intangible assets

The supplier capability database is being amortized on a declining balance method at a rate of 50%.

The website is being amortized on a declining balance method at a rate of 50%.

# Leases

Leases are classified as operating leases. Rental payments under operating leases are expensed as incurred.

# Contributed services

The fair value of contributed materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

# Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for notfor-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

# 3. ACCOUNTS RECEIVABLE

	2022	2021		
Atlantic Canada Opportunities Agency	\$ 41,885	\$	17,149	
Government of Newfoundland and Labrador	34,750		55,949	
Source deductions over remitted	13,750		-	
Accounts receivable - trade	379,933		228,620	
	\$ 470,318	\$	301,718	

# **Notes to Financial Statements**

# Year Ended February 28, 2022

# CAPITAL ASSETS

4.	CAPITAL ASSETS						
		Cost	ccumulated mortization	N	2022 let book value	l	2021 Net book value
	Computer equipment Furniture and fixtures Leasehold improvements	\$ 133,671 43,113 50,000	\$ 116,717 38,801 50,000	\$	16,954 4,312 -	\$	7,011 5,390 16,729
		\$ 226,784	\$ 205,518	\$	21,266	\$	29,130
5.	INTANGIBLE ASSETS				2022		2021
	Website development Accumulated amortization			\$	78,922 (50,921)	\$	78,922 (22,920)
				\$	28,001	\$	56,002

# 6. SCHOLARSHIP FUND

In 1997, the Association announced the establishment of the "NOIA Hibernia Commemorative Scholarship Fund" (the "Scholarship Fund"). The Association internally restricted net assets to fund the Scholarship Fund. As at February 28, 2022, the Scholarship Fund had a balance of \$21,679 [2021 - \$21,774]. The Scholarship Fund offers an annual scholarship of \$1,000 to a graduating Newfoundland and Labrador high school student entering post-secondary studies with the intention of pursuing a petroleum-related career. The scholarship is presented to the applicant who best meets the academic and extra-curricular criteria. In 2022, one \$1,000 scholarship was awarded [2021 - one \$1,000 scholarship]. The Scholarship Fund is invested in non-callable Canadian denominated debentures, bearing an interest rate of 6.15% and maturing in 2028 with interest earned being reinvested. In 2022, the fair value of the debentures decreased by \$95 [2021 - \$264].

# 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
Accounts payable - trade Accrued liabilities HST collected	\$ 129,979 93,713 39,341	\$ 27,051 79,283 26,152
	\$ 263,033	\$ 132,486

# **Notes to Financial Statements**

# Year Ended February 28, 2022

# 8. DEFERRED REVENUE

	2022		2021
Membership fees	\$ 277,893	\$	281,001
Annual conference	112,691		217,031
Annual sponsorships	223,365		75,000
Funded Projects	35,891		99,770
Labour Market Development Program (PIHRC)	-		97,427
Net Zero project	393,474		
	\$ 1,043,314	\$	770,229

- a) During 2022, the Association received \$52,841 [2021 and prior years \$521,304] in contributions relating to the work for activities of the Petroleum Industry Human Resources Committee ("PIHRC"), for which the Association is the coordinating agency. In 2022 the Association incurred \$146,433 [2021 and prior years \$427,712] in costs relating to the project. This amount has been recorded as an expense and corresponding revenue has been recorded. The project is now complete.
- b) The Association offers an Annual Sponsorship Program. Members are offered the opportunity to becoming an Annual Platinum, Gold, or Silver Sponsor. As at February 28, 2022 there were 26 sponsorships totaling \$223,365 deferred for the 2023 year. Annual sponsorship fees related to the current year have been allocated between the various revenue accounts on a pro-rata basis.
- c) The Association collects registration and booth fees for the following year's conference in the current year. As at February 28, 2022 the total amount collected relating to the fall 2022 conference was \$112,691 [2021 \$217,031] and has been included in deferred revenue.
- d) The Association recognizes membership fees to income on a monthly basis. When a member is billed for its membership fee, the entire amount is deferred and 1/12 of the total amount is recognized to income each month. At February 28, 2022 the Association had \$277,893 [2021 \$281,001] in deferred membership fees.
- e) In November 2021 the organization entered into an agreement with the Government of Newfoundland and Labrador with respect to the NL Offshore Oil and Gas Industry Recovery Assistance Fund (Net Zero Project). The project is industry-led and will assist with supporting NL offshore oil and gas industry in the short-term and drive recovery of the NL oil and gas sector over the long term. As at February 28, 2022 the organization had received the first 50% advance of \$520,632 and incurred \$114,441 in costs.

# **Notes to Financial Statements**

# Year Ended February 28, 2022

### 9. FINANCIAL INSTRUMENTS

The association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the association's risk exposure and concentration as of February 28, 2022.

# (a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The association is exposed to credit risk from members. The association has a significant number of members which minimizes concentration of credit risk.

# (b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. As at February 28, 2021, the Association had cash and cash equivalents in the amount of \$1,702,133 (2021 - \$1,383,589). To the extent that the Association does not believe it has sufficient liquidity to meet current obligations, consideration will be given to obtaining additional funds through third-party funding or membership rate increases, assuming these could be obtained. All of the Association's financial liabilities are short-term in nature and are subject to normal trade terms.

# (c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The association has no debt and believes its interest rate risk is not significant.

# 10. LEASE COMMITMENTS

The association has a long term lease with respect to its premises. The lease contains renewal options and provides for payment of utilities, property taxes and maintenance costs. Future minimum lease payments as at February 28, 2022, are as follows:

2023	\$ 83,657
2024	80,366
2025	83,457
2026	86,548
2027	89,639

# 11. CANADA EMERGENCY BUSINESS ACCOUNT

On April 9, 2020 the Government of Canada launched the Canada Emergency Business Account. This loan was intended to support businesses by providing financing for their expenses that could not be avoided or deferred as they take steps to safely navigate a period of shutdown. The \$40,000 loan is interest free and repaying the balance of the loan on or before December 31, 2023 will result in loan forgiveness of 25%. The \$10,000 forgivable portion of the loan has was recognized as revenue in the prior year. The program was subsequently expanded by and additional \$20,000 of which 50% is forgivable if repaid by December 31, 2023. The \$10,000 forgivable portion of the loan has been recognized as revenue in the current year.

# **Notes to Financial Statements**

# Year Ended February 28, 2022

# 12. OTHER MATTERS

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the association's operations as at the date of these financial statements.

# 13. SUBSEQUENT EVENT

On March 22, 2022 the Organization rebranded as Energy NL with a mandate to facilitate member participation in the evolving energy industry by advocating for local sustainable development, seeking opportunities locally and globally, and creating connections that advance the industry.

# Schedule of Revenues and Expenditures ACOA and PIHRC Projects

(Schedule 1)

	2022	2021 14 months
REVENUES		
Diversity and Inclusion	\$ 24,591	\$ _
Preparing for the Potential (Conference)	36,475	438,520
Guyana Oil & Gas Export Opportunity	63,865	46,067
Conference	-	87,393
Offshore Technology Conference	41,885	-
Net Zero Project	114,442	-
Labour Market Development Program (PIHRC)	149,518	118,981
Innovation and Business Development Fund	189,041	-
	619,817	690,961
EXPENSES		
Diversity and Inclusion	30,680	_
Preparing for the Potential (Conference)	36,475	425,015
Guyana Oil & Gas Export Opportunity	67,362	45,988
Conference	-	126,915
Offshore Technology Conference	50,000	- -
Net Zero Project	102,650	_
Labour Market Development Program (PIHRC)	139,721	118,981
	\$ 426,888	\$ 716,899

# **Schedule of Administration Expenses**

(Schedule 2)

	2022	2021 14 months
EXPENSES Salaries and wages Rental Consulting fees Advertising and promotion Office Professional fees Other Telephone Interest and bank charges Training	\$ 641,688 85,537 83,975 77,110 23,349 22,772 19,518 17,618 15,240 7,640	\$ 839,530 103,050 61,997 10,532 22,441 15,950 18,978 14,098 16,675 3,849
	\$ 994,447	\$ 1,107,100



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