ANNUAL REPORT



2022





Vision

A sustainable and prosperous, lower carbon energy industry.



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.



Background

Energy NL was founded in 1977 to represent the supply and service sector of the energy industry. Today Energy NL represents approximately 500 member organizations worldwide which are involved in, or benefit from, the energy industry of Newfoundland and Labrador.

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Thank you to our 2022 Sponsors



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Jeremy Whittle, Director Crosbie

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Energy NL Staff

Charlene Johnson
Chief Executive Officer

Beverley BishopOperations Manager

Mike Daly
Events & Sales Manager

Robin Kieley
Manager of Sustainable Energy Initiatives

Corrina Martin

Shelley Moores

Accounting Coordinator

Membership Engagement Coordinator

Ken MorrisseySenior Advisor Communications, Research and Policy

Jennifer Oliver
Administrative Assistant

04

MESSAGE FROM THE CHAIR



It has been a busy year and an enjoyable term as chair of the board of directors for Energy NL. The last 12 months have been challenging, yet rewarding, as Energy NL experienced significant successes and growth. Most notably, the organization underwent an evolution from Noia to Energy NL and it was a privilege to serve as chair for the first full year as Energy NL.

The change in mandate, mission, and vision of the association was certainly a key highlight from the last year and has already opened new opportunities for our membership. It was a methodical change that saw Energy NL incorporate renewable energy into its framework. The rebrand reflected activities of members and was informed by an extensive 18-month consultation process with members. Having served as vice chair during the consultation process and chair shortly after the change was made, I had the unique opportunity of speaking with so many members who had the best interest of the association and sector in mind when they provided their input. It was clear to me that our membership not only supported this change, they wanted it, and they wanted it done right. I believe it has been done right and we will continue to see immense success as a result.

While we were executing the change to Energy NL, it was incumbent upon us as a board to continue to represent our members and advocate for our energy industry. From our lower carbon oil to world-leading expertise in harsh weather environments, we remained steadfast in our commitment to advocate for the skills and capabilities that make us unique and built our industry. Our advocacy will continue in the weeks and months ahead, including for a final benefits agreement on Bay du Nord which ensures a thriving supply and service sector. I look forward to continuing to work with the board of directors and our members on these important files.

Thank you to my colleagues on the board of directors for your support and effort during the last term. Your knowledge and dedication have been immeasurable. Thank you to the hard-working and diligent staff of Energy NL for their efforts on behalf of our sector. And, thank you to each and every member of Energy NL for your support, your advice, and your confidence. I appreciated the engaging conversations, the insight, and the challenges. I trust I earned that support and look forward to lending my advice as past chair.

Sincerely,

Christian Somerton

Chair

MESSAGE FROM THE CEO



2022 certainly was a busy year for Energy NL and the energy industry. Most notably our organization underwent a member-driven transformation from Noia to Energy NL.

In March, the supply and service sector of the Newfoundland and Labrador energy industry took a bold new step forward as Noia announced it was changing its vision, mandate, and name. This came after an extensive consultation process with members, which clearly indicated the association must expand its mandate to engage other energy sectors. In fact, over 90% of those who participated in the consultation process felt that the association should diversify. Many Energy NL members had already been engaged in the renewable energy space and recognized the future opportunities within the sector. While evolving as an association is never easy, it clearly was the right thing to do to support our members. As part of the mandate change, it was announced that Energy NL had hired Robin Kieley as Manager of Sustainable Energy Initiatives to work with members looking to learn more about the renewable energy sector.

This year an important collaboration between Energy NL, econext and OilCo. - The Net Zero Project - commenced. The objective of The Net Zero Project is to pursue energy resilience and sustainability, with a primary objective of identifying the pathway to net zero for the offshore oil and gas industry. Energy NL has been proud to partner with these organizations and I look forward to this collaboration and the exceptional work of the Net Zero Project continuing in 2023.

With reduced Covid restrictions, members were happy to come together once again for networking opportunities such as the Energy Night's at the Growlers basketball and hockey games, our golf tournament at The Wilds, our Energy NL Annual Conference & Exhibition 2022, the 1st Annual Energy NL Industry Achievement Awards Gala, and a celebration of the 25th Anniversary of Hibernia. It was a busy year for industry events, with large turnouts and lots of positive feedback and excitement from our members who were glad to once again be able to network with their industry peers.

In closing, I encourage you to read this annual report and learn more about Energy NL and our efforts on your behalf, especially our advocacy work, which is a critical aspect of what we do. Each day our staff works to ensure your voice is heard and your organization has every opportunity to succeed. We pride ourselves on these advocacy efforts and commit to continuing it in 2023.

We have been through an extremely busy and productive year and 2023 will most likely be even busier while also offering much promise. The future of our energy industry remains extremely bright, and I look forward to the opportunities, the challenges, and the successes ahead.

Sincerely,

Charlene Johnson

CEO

ENERGY NL COMMITTEES

Research & Policy

James Parmiter
Christian Somerton
Gerry Mayo
Caron Hawco
Jeremy Whittle
Richard Mandeville
Kristina Ennis

Finance & Audit

Sheldon Lace Stephanie Gruchy Andrew Short

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Margot Bruce O'Connell



Bay du Nord

The board of directors and staff put considerable efforts into advocating to the Government of Canada for approval of the environmental assessment of the Bay du Nord project. This advocacy included an extensive social media campaign, meetings, and letter writing campaigns to government officials. Locally, Energy NL Charlene Johnson appeared on numerous media programs such as NTV's Issues and Answers to educate and advocate for the project.

Energy NL also hired an economist to quantify the potential impacts of the project. This information was used to educate the Government of Canada on the overwhelming economic benefits this project would have for Newfoundland and Labrador and Canada and how it would be an environmental leader in energy development. Energy NL drafted informational materials to share with Members of Parliament about the project and CEO Johnson published a national op-ed on Bay du Nord and its value to Canada.

On March 4, Energy NL issued a news release addressing the delays of the Bay du Nord environmental assessment approval process. Once the Government of Canada approved the environmental assessment for the Bay du Nord project on April 6, 2022, Johnson joined Premier Furey and Minister Andrew Parsons for a media availability to speak to the decision and its potential impact on the energy sector.

Government of Canada

Energy NL made a written submission, and on May 9, CEO Johnson presented to the House of Commons Standing Committee on Natural Resources regarding the federal discussion paper on a Just Transition.

Energy NL highlighted the need for training and re-training, financial support for research and development, responsibilities of governments, difference in geographical regions, and the role of technology to meet net zero.

Energy NL wrote a letter to Minister Wilkinson expressing it's disappointment and concern with the delay in the offshore call for bids process and early in the year held a productive meeting with Minister Wilkinson and members from the offshore energy sector which helped outline some of the issues and concerns with offshore development, and find solutions to help the world receive reliable and cleaner energy.

CEO Corner

Each month, CEO Johnson issued a blog post known as "CEO Corner" with timely information and updates pertaining to the energy industry in Newfoundland and Labrador. Members could read the post online, through social media, or in The Conduit, (Energy NL's daily email). It was an additional method for Energy NL to stay connected and share information with the membership.

Offshore Northern Seas (ONS) 2022 Exhibition and Conference

Energy NL along with the governments of Newfoundland and Labrador and Nova Scotia coordinated the Atlantic Canada delegation that travelled to Offshore Northern Seas 2022 in Stavanger, Norway from August 29 – September 1. It was an opportunity to showcase Atlantic Canada's energy supply and services capabilities and technologies to the international energy industry, build networks and establish contacts, participate in B2B meetings, lay the groundwork for future partnerships and collaborations, as well as promote the Atlantic region to investors and potential new partners.

Government of Newfoundland and Labrador

In January, the Government of Newfoundland and Labrador made the decision to pause financial support for the offshore seismic survey program. Yearly seismic surveys yield data which oil companies use to determine potential for development in Newfoundland and Labrador's offshore environment. The association voiced its opposition to the decision through a news release and media interviews. CEO Johnson said the seismic surveys "de-risk the investment" for companies, noting that countries like Norway and the United Kingdom invest in similar programs every year.

Speaking Engagements

- Canada's Building Trades Unions conference (CBTU) April 26, 2022
- Edward Jones (Professional Development Session) June 3, 2022
- Pension Management Association Sept 29, 2022
- PEGNL (Connections East) Sept 30, 2022
- econext Conference October 20, 2022
- Placentia Bay Industrial Showcase October 25, 2022
- MUN Engineering (Graduate Class) Nov 10, 2022
- NLOWE Symposium Nov 17, 2022
- Chartered Professional Accountants (CPA) of Newfoundland and Labrador PD Day, December 4, 2022.
- McInness Cooper Advisory Leadership Forum- Dec 8, 2022



Hibernia

Hibernia began producing oil on November 17, 1997, making it Newfoundland and Labrador's first offshore production platform. As of August 2022, the project had produced more than 1.2 million barrels of oil with almost 580 million barrels in remaining proven and possible reserves.

As of September 30, 2022, the project was employing nearly 1,200 highly skilled professionals in a variety of professions, and it continues to support the economy through service contracts and sub-contract employment.

The Hibernia field was first discovered in 1979 and was expected to have a life of 20 years, but through extended-reach drilling, geological and reservoir modelling technology and daily maintenance and operations of the equipment, the project life of the project has been extended beyond 2040.

In June, the Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) updated the most likely estimated ultimate recovery (EUR) for the Hibernia field offshore Newfoundland and Labrador. The proven and probable (2P) EUR for the field is now 1.812 million barrels of oil, based on data acquired from drilling and production activities along with an updated, long-term drill schedule. The previous 2P EUR from 2014 was 1.644 million barrels of oil.

On July 5, the C-NLOPB charged Hibernia for a 2019 oil spill. ExxonMobil has pleaded not guilty to the charges and the case will be heard in court in 2023.

November 17 marked the 25th anniversary of first oil for Hibernia. The total royalties received to date by the province, including the Hibernia Southern Extension, are approximately \$14.8 billion.

Terra Nova

The Terra Nova has not produced oil since late 2019, and a scheduled overhaul in 2020 was cancelled due to the pandemic. A change to ownership structures, and financial support from the provincial government helped save the project.

In preparation for the asset life extension project, commonly referred to as the ALE, the vessel was stationed in Bull Arm where significant work was undertaken prior to sailing for Spain. Energy NL members and other industry participants undertook a variety of detailed work on the project such as inspections, insulation removal, and work on coatings, pressure vessels, and the heat tracing system. They also conducted maintenance and ongoing preservation of the vessel and its systems while not in production.

The FPSO left for Spain on December 14, 2021 with a planned return to Newfoundland and Labrador in the summer. While impacted by delays, the vessel returned to Newfoundland and Labrador in early February of 2023.

According to Suncor's most recent industrial benefits report, some 574 people were working on the Terra Nova project at the end of March 31, 2022 including 486 residents of Newfoundland and Labrador.

Once reinstalled offshore, the asset life extension project is expected to extend production life by about 10 years, providing an additional 70 million barrels of oil.

West White Rose

On May 31, Cenovus Energy and its partners announced it had agreed to restart the West White Rose Project offshore Newfoundland and Labrador. This announcement came 16 months after the joint venture owners worked tirelessly to restructure and de-risk the Concrete Gravity Structure project that was 65% completed.

Cenovus Energy and Suncor Energy, as part of the restructuring, have entered into an agreement whereby Cenovus will decrease its working interest in the White Rose field and satellite extensions while Suncor will take a larger stake, with the approval of the West White Rose project restarting. Cenovus reduced its stake in the original field to 60% from 72.5% and to 56.375% from 68.875% in the satellite extensions. Nalcor has a 5% working interest in the satellite fields.

Contributing to the decision to restart the project was an amended royalty structure with the Government of Newfoundland and Labrador that provides safeguards to the project's economics in periods of low commodity prices. First oil from the platform is anticipated in the first half of 2026, with peak production anticipated to reach approximately 80,000 barrels per day.

Come By Chance Refinery

Braya Renewable Fuels purchased the refinery in December 2021 to convert it to produce renewable diesel and sustainable aviation fuel. Renovations were ongoing when on September 2 an explosion at the Come By Chance refinery saw eight workers injured – one of whom died in hospital over a month later. Relevant police and workplace safety investigations into the matter are ongoing.

Land Tenure

In May, the C-NLOPB issued Calls for Bids for Exploration Licenses in the Eastern Newfoundland and Southeastern Newfoundland regions. In November, The C-NLOPB announced that the process saw five successful bids by operators for parcels totaling \$238,075,321. BP Canada had one sole bid and partnered with Equinor Canada for three joint bids. ExxonMobil Canada partnered with QatarEnergy for another bid.

Three of the successful bids were made by partners Equinor and bp Canada and are adjacent to the massive Bay du Nord discoveries in the Flemish Pass. BP Canada also acquired 100 per cent ownership of a single license in the Orphan Basin that borders a parcel on which it plans to carry out exploration activities in 2023.

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Wind/Hydrogen Energy in Newfoundland and Labrador

In early April, the Government of Newfoundland and Labrador lifted a moratorium on wind projects and things began moving very quickly with a number of companies expressing interest in developing projects in the province. Through the land nomination process initiated by the provincial government, 31 nominations were received in October. Subsequent to the call for nominations process, the government initiated a call for bids process in December where select parcels of land across the island portion of the province were made available for bids. The calls for bids process would include a two-phase review with the first phase conducted on all bids based on criteria such as company experience and financing and the second phase – scheduled to commence in April 2023 – to include a more in-depth review of the bids based upon the guideline document prepared by the provincial government. In February 2023, the Government of Newfoundland and Labrador released the Wind-Hydrogen Fiscal Framework which outlined annual charges for Crown land, a Wind Electricity Tax, details of the water use fees and a water royalty. Energy NL subsequently engaged with its members and the provincial government regarding clarification of certain aspects of the fiscal framework.

In August, CEO Johnson attended a hydrogen expo in Stephenville where the Canada-Germany Hydrogen Alliance was signed by both nations. Prime Minister Justin Trudeau and German Chancellor Olaf Scholz were in Stephenville and signed the MOU which signaled to the world that Newfoundland and Labrador can help supply global energy demands.

Further, the Government of Newfoundland and Labrador signed an MOU with the City of Hamburg and representatives of Energy NL were in Europe with members of econext, the association representing the Newfoundland and Labrador environmental industry, as part of a learning tour about wind and hydrogen projects and markets.

Bay du Nord

Norwegian oil company Equinor and its partners plan to develop Bay du Nord in the Flemish Pass, about 500 kilometers east of St. John's. This will be the most remote offshore project in the world, and also one of the lowest carbon emitting projects.

Equinor and its partner, bp Canada, drilled an exploration well on a prospect called Sitka, and an appraisal well on a previous discovery called Cambriol. Unfortunately, the companies said they failed to find commercial oil or gas. Both wells were drilled by the semi-submersible rig West Hercules.

On April 6, Steven Guilbeault, Minister of Environment and Climate Change Canada gave approval for the Bay du Nord project to proceed based on a thorough and science-based environmental assessment conducted by the Impact Assessment Agency of Canada. Minister Guilbeault pointed out that the project is subject to 137 conditions, including that it be net zero by 2050.

LNG

The proponents of a new floating liquified natural gas project for Newfoundland and Labrador, are planning a gas hub located in the Jeanne d'Arc Basin. The hub would be located within 30 kms of existing fields and export natural gas from those fields to a floating liquid natural gas facility located in the port of Grassy Point via a 600 km subsea pipeline. While still a concept, a lot of preliminary work has been undertaken and the project has been submitted for provincial environmental assessment. The proponents estimate capital costs to be approximately \$10 billion, with between 1,300and 1,500 direct construction jobs at peak. There is potential for 400 permanent jobs for the facility.

Atlantic Canada

In August, Nova Scotia selected five wind projects to produce electricity from renewable sources, each majority-owned by one or more Mi'kmaw communities. The five projects are expected to generate 372 megawatts or 1,373 gigawatt hours per year of electricity, approximately 12 per cent of Nova Scotia's total energy consumption. When the projects are complete in 2025, the province will be able to generate 70 per cent of its electricity from renewable sources.

The five projects selected are:

- Benjamins Mill Wind near Falmouth in Hants County, developed by Natural Forces Development and WMA.
- Ellershouse 3 Wind in Hants County, developed by Potentia Renewables and Annapolis Valley First Nation.
- Higgins Mountain Wind Farm near Wentworth in Colchester and Cumberland counties, developed by Elemental Energy and Sipekne'katik First Nation.
- WEB Weavers Mountain Wind near Marshy Hope in Pictou and Antigonish counties, developed by SWEB Development and Glooscap First Nation.
- Wedgeport Wind Farm Yarmouth County, developed by Elemental Energy and Sipekne'katik First Nation.

Additionally, Bear Head is a proposed green hydrogen and ammonia production, storage, and loading facility in Point Tupper, Nova Scotia. Bear Head has a capacity of up to three gigawatts including two gigawatts of hydrogen electrolyzsers and at full build out and peak power inflow, the facility could produce 350,000 tonnes of hydrogen and two million tonnes of ammonia per year.

EverWind Fuels announced on Dec. 22 that they entered into a memorandum of understanding with the Government of Nova Scotia to exclusively apply for and obtain a lease for Crown land, which is predominantly located within the Municipality of the District of Guysborough. In February 2023, Everwind received environmental approval from the Government of Nova Scotia for a green hydrogen and green ammonia project in Point Tupper, with agreements to deliver green ammonia to off-takers E.ON and Uniper by 2025.



NETWORKING WITH ENERGY NL

Annual General Meeting

Energy NL held its first Annual General Meeting under its new name on April 26. The meeting occurred virtually and included reports from the CEO and treasurer, remarks from the incoming and outgoing chairs, and results of the board of director's election process.

Christian Somerton of Deacon Investments was named Chair of the Board of Directors. Gerry Mayo of PF Collins International Trade Solutions was acclaimed as Vice Chair, while Sheldon Lace of Atlantic Towing was acclaimed as Treasurer. Each year, the Vice Chair of the preceding year serves as Energy NL Chair.

Energy NL was pleased that 10 industry members put their names forth for election for five vacant director positions, with the following individuals elected to serve two-year terms:

- · Stephanie Gruchy, Pennecon;
- Jennifer Haley, Aker Solutions Canada;
- Richard Mandeville, TechnipFMC;
- Beth McGrath, McInnes Cooper; and,
- · Andrew Short, Integrated Logistics



Concluding their term and acknowledged during the AGM for their service to Energy NL were:

- Dorothy Keating, Noseworthy Chapman;
- Denis Mahoney, McInnes Cooper; and,
- Greg Stacey, KCA Deutag Drilling Canada;

Energy NL Annual Conference & Exhibition 2022

The 2022 edition of Energy NL's annual event featured the return of an exhibition area featuring over 40 exhibitors and a pre-conference social. Conference provides members and delegates a unique opportunity to network with their colleagues and learn more about upcoming activities and opportunities in the supply and service sector. The conference theme was "Our Place in the Global Energy Mix" and initiated important dialogue about the role of the Newfoundland and Labrador energy mix in the energy evolution.

Day one of the Energy NL conference included presentations focused on how existing and future energy opportunities can play a leading role in meeting global demand. Discussions included opportunities in the hydroelectric sector and how the offshore regulator dealt with a pandemic and an upcoming mandate change. Premier Andrew Furey began the day with an address that emphasized the importance of the energy industry to Newfoundland and Labrador and offered the commitment of the provincial government to ensure its strong growth. Premier Furey also touched on the positive announcement of the restart of the CGS project of Cenovus Energy in Argentia. Jonathan Brown, Senior Vice-President, Atlantic Region for the company offered an exceptional lunch keynote address that provided specific details of the CGS, including plans to restart construction and have first oil by 2026.

The second day included engaging presentations about the world-class energy resources in the province, such as the significant renewable energy potential which was the focus of a panel discussion by industry leaders in the wind and hydrogen sector. Pattern Energy and the Port of Argentia made a significant announcement that they have signed an Option to Lease Agreement for a potential wind energy and green hydrogen project. Punctuating the day was an insightful presentation by David Hutchens of Fortis Inc that showcased how a Newfoundland and Labrador company can accomplish great things in the global energy space and how renewable and non-renewable energies will be needed, together, for some time.

The final day of the conference began with the Honourable Andrew Parsons, Minister of Industry, Energy and Technology, who shared enthusiasm for the future of the energy industry in Newfoundland and Labrador. He touched on the funding provided by the Government of Newfoundland and Labrador for The Net Zero Project. The final day included keynote speakers that discussed low carbon energy potential and feasibility, carbon capture and offshore storage potential, as well as international opportunities for local companies as well as supplying global markets. Rachel McCormick, Consul General of Canada in Dallas offered the keynote lunch and emphasized the business linkages between Canada and the United States.

Energy NL Night at the Growlers Hockey and Basketball Games

Energy NL held Energy Night at the Newfoundland Growlers hockey game on Saturday, April 9 and the Newfoundland Growlers basketball game on Friday, July 28. These were two amazing opportunities to bring the industry together for family-friendly events while also raising awareness about the energy industry in the province. Energy NL held various trivia contests and ticket giveaways leading up to these two events which engaged the wider community and helped share information about the sector.

Annual Golf Tournament

The Energy NL Annual Golf Tournament took place on Thursday, July 21 at The Wilds Golf Course. It was an exceptional day of networking that included a dinner and evening entertainment to a sold out gathering of members and supporters.

Offshore Technology Conference (OTC) Poolside Reception

Energy NL was pleased to host a poolside reception on May 1 during the Offshore Technology Conference (OTC) in Houston, Texas. The reception took place at the DoubleTree by Hilton Hotel Houston, through the support of Platinum Sponsors Atlantic Towing, TD Bank, and Crosbie Group.

Lunch and Learn

To assist members in better understanding the revisions to two ongoing consultation processes pertaining to the energy industry, Energy NL hosted a lunch and learn virtual session with the Canada – Newfoundland and Labrador Offshore Petroleum Board on Friday, May 20.

John Kennedy, Director of Operations, presented the Development Plan Guideline updates and Rob McGrath, Director of Industrial Benefits, presented the Benefits Plan Guideline updates. After the presentations there was an opportunity for members to ask questions about these topics.

Energy NL Atlantic Canada Information Session

On June 17, Energy NL hosted an information session for Atlantic Canadian supply and service energy companies to learn more about the benefits of becoming an Energy NL member. The event was held in Halifax, Nova Scotia and existing members were invited to attend and encouraged to bring along someone they felt would benefit from learning more about Energy NL and the sector.

Fall Networking Social

On September 21, Energy NL hosted a Fall Networking Social at the Comfort Hotel. It was a great evening of networking and delicious food as members reconnected after a beautiful summer.

Hibernia 25th Anniversary Celebration Dinner

Hibernia Management Development Company (HMDC) and Energy NL hosted the Hibernia 25th Anniversary Dinner at the St. John's Convention Centre on November 16. Twenty-five years of production is a momentous milestone, and this sold-out event did not disappoint. It was an elegant evening that reflected upon the history and evolution of Hibernia, with a look to the future of the project.

Christmas Networking Social

On December 6, Energy NL hosted its annual Christmas Networking Social at the Sheraton Hotel, St. John's. It was an informal event for members to network and enjoy holiday cheer with their colleagues. This year's sponsors were Atlantic Towing, Crosbie Group, TD, and K & D Pratt.



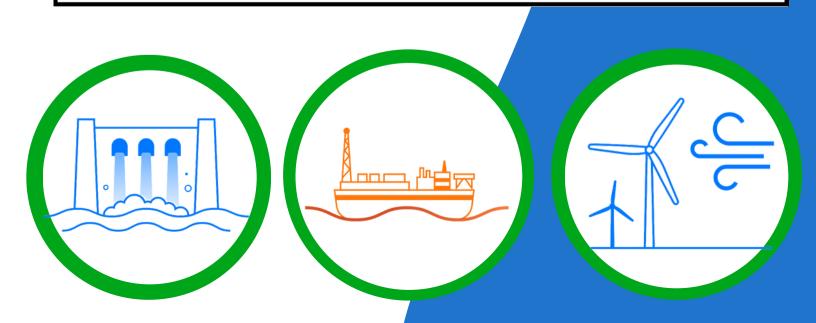






NEW ERA IN NEWFOUNDLAND AND LABRADOR'S ENERGY SERVICE AND SUPPLY SECTOR:

NOIA UNDERGOES REBRAND TO ENERGY NL



March 22, 2022 marked a new era in Newfoundland and Labrador's energy supply and service sector when CEO Johnson, along with James Parmiter, chair of the board of directors, and Harry Pride, founding and honourary member of the association, announced changes to Noia's vision mandate, and name. Members and supporters gathered at the Delta Hotel and Conference Centre for the announcement that Noia would undergo a name change to Energy NL and would now officially represent members involved in the energy supply and service sector, such as offshore oil and gas, hydro, wind, and hydrogen. This strategic move would further enhance the advancement of Newfoundland and Labrador's abundant and world-leading energy resources, support technology transfer, and help members engage in international market opportunities.

The rebrand came after extensive consultations with members. The consultation process began back in January 2021, when the association hired Trivation Consulting to consult with members on the vision and mandate of the association. The process included 189 members and resulted in substantial, thoughtful, and definitive feedback. At that time, it became clear that the association must expand its mandate to engage other energy sectors. In fact, over 90% of those who participated felt diversification was required. It was also clear members did not want to abandon offshore oil and gas as they agreed it would continue to play a key role in Newfoundland and Labrador's energy future.

During the announcement, Johnson stated the evolution of the association was about building upon what had been successful, not moving away from the past. Charlene stated, "We are not abandoning our roots in offshore oil and gas, as we know it will continue to play a key role in Newfoundland and Labrador's continued energy success story."

While the association had been involved in sustainable and renewable energy discussions in the last number of years, the mandate, vision, and name change formally established the association's commitment to the broader Newfoundland and Labrador energy sector. Numerous Energy NL members were already involved in the renewable and sustainable energy sectors and the association had partnered with econext and OilCo to begin the Net Zero Project. During the announcement, Charlene shared that Energy NL hired Robin Kieley for a new role within the association, as Manager of Sustainable Energy Initiatives.

The vision statement for Energy NL is a commitment to a sustainable and prosperous lower carbon energy industry while its mandate is to facilitate member participation in the energy industry through advocating for local sustainable energy development, seeking local and global opportunities, and creating connections to advance the industry.

As part of the announcement, the new Energy NL logo was unveiled. The logo included a recognition of the history of the association with the colours orange and blue within the 'N.' The blue leads the evolution and represents a historic ocean connection, as well as the potential for the province's vast hydro resources and hydrogen opportunities. The 'L' looks to the future, an evolution which includes green energy and technology.

CELEBRATING OUR ACHIEVEMENTS

Energy Industry Honours Excellence During Energy NL's 1st Annual Industry Achievement Awards Gala

On Tuesday, May 31, as part of the Annual Conference & Exhibition 2022, Energy NL honoured excellence in the Newfoundland and Labrador energy industry during the 1st Annual Energy NL Industry Achievement Awards Gala at the St. John's Convention Centre.

Energy NL carried out a nomination process with its members for awards in five categories which included individual and company awards.

The Energy NL John C. Crosbie Award for Outstanding Contribution recognizes individuals who have provided exemplary service to the energy industry of Newfoundland and Labrador and who throughout their career have advocated for and supported the inclusion and growth of Energy NL members and Newfoundland and Labrador companies in the energy industry. The 2022 recipient of the Energy NL John C. Crosbie Award for Outstanding Contribution was Max Ruelokke.

The Energy NL Rising Star Award recognizes outstanding achievement by an impressive individual, 40 years old or under, who made remarkable strides in their role within the Newfoundland and Labrador energy industry. The 2022 recipient of the Energy NL Rising Star Award was Susan Collins of PF Collins International Trade Solutions.

"The Energy NL Industry Achievement Awards Gala promises to be an exceptional night as we celebrate our successes. The environmental sustainability demonstrated by Miawpukek Horizon is industry leading and certainly deserves recognition by Energy NL members and the entire business community. The growth of NSB-Omega Group highlights just how successful Newfoundland and Labrador companies can be globally. I am truly proud of what these Energy NL members have accomplished, and we are honoured to recognize them and their achievements."

Charlene Johnson, Energy NL CEO

The Energy NL Diversity and Inclusion Award recognizes an individual who has made a significant contribution to the Newfoundland and Labrador energy industry in the area of diversity and inclusion, and their efforts have had a positive impact on their business or organization, or the local industry. Aimee Sheppard of Cenovus Energy was the 2022 recipient of the Energy NL Diversity and Inclusion Award.

NSB-Omega Group received the **Energy NL Business Growth Award** as a member company that achieved exceptional growth and success in its business through market development, export, diversification, and leadership.

The Energy NL Innovation in Environmental Sustainability Award recognized Miawpukek Horizon in 2022 as a company that achieved success in innovation through the development and implementation of an innovative product, technology, process, program, or policy which has or will benefit the Newfoundland and Labrador energy industry by reducing its environmental footprint and help the industry achieve net zero by 2050



"The individuals and companies receiving these prestigious awards embody the amazing members of Energy NL who are every day driving our industry forward and creating a world-class energy industry. Max Reulokke has demonstrated tremendous leadership in his decades of involvement in the Newfoundland and Labrador energy industry and Susan Collins has already shown her ability to achieve results and be a leader. Aimee Sheppard has led a forward-looking approach to diversity and inclusion within her organization, as demonstrated by her nomination from Inclusion NL. I congratulate all three recipients for their recognition as part of the Energy NL Industry Achievement Awards."

James Parmiter, Chair, Energy NL Annual Conference & Exhibition 2022

25 YEARS OF HIBERNIA

Celebrating 25 Years of Hibernia The Project That 'Began an Industry' in Newfoundland and Labrador



Photograph taken on the stage at the St. John's Convention Centre. L – R – Christian Somerton, Chair of Energy NL Board of Directors; Minister Seamus O'Regan, Minister of Labour, Government of Canada; Margot Bruce – O'Connell, Vice President, ExxonMobil Canada and Hibernia Management and Development Company; Dr. Andrew Furey, Premier of Newfoundland and Labrador; Lazaro Cosma, President, ExxonMobil Canada; Stephen Edwards, President, Hibernia Management and Development Company; and Charlene Johnson, CEO, Energy NL. Photo Credit: Paul Daly

On Wednesday, November 16, 600 people attended a gala commemorating the 25th anniversary of the Hibernia project. This event was a collaborative effort by Energy NL and The Hibernia Management and Development Company (HMDC) and was a true celebration of the project that began the industry and transformed the provincial economy in Newfoundland and Labrador.

Those in attendance included some of the original architects of Hibernia, past and present employees, government dignitaries and officials, as well as many industry representatives and supporters. It was a night of nostalgia, and an overwhelming sense of pride and excitement could be felt throughout the venue.

The emcee for the evening was Margot Bruce-O'Connell, Vice-President, ExxonMobil Canada and HMDC, who shared anecdotal and fun facts about the project. There were several guest speakers including Charlene Johnson, CEO, Energy NL; Stephen Edwards, President, HMDC; Dr. Andrew Furey, Premier of Newfoundland and Labrador; and Minister Seamus O'Regan, Government of Canada.

Charlene Johnson spoke passionately about Hibernia, saying "In the beginning there were doubters." You may have been less likely to find supporters than doubters." At that time, it seemed so many, from the national media to the federal auditor general were very strongly opposed to the project. "They doubted our commitment. They doubted our capabilities. Were they ever wrong," said Charlene referring to Hibernia and its overwhelming success. "Not only did we do it, but it has been a brazen success!"

Charlene spoke of the difficult path to success, focusing on our determination, tenacity, and willingness to face adversity head on - an often-common theme in Newfoundland and Labrador's history. Charlene spoke in admiration of the early pioneers and leaders of our industry, the driving forces of the supply and service sector and the founders of Noia, now Energy NL. They were determined to learn, grow, and ultimately, succeed. And succeed they did.! Newfoundland and Labrador has built an offshore industry second to none. As Charlene said, "We have built an industry with a reliable, knowledgeable, and leading-edge supply and service sector, one that continues to push the boundaries of excellence and achievement. We are innovators. We are leaders. We are an offshore jurisdiction."

Stephen Edwards shared a video showcasing the many memories and faces of Hibernia throughout the last 25 years, and earlier when you consider the skilled professionals who designed and built the GBS. Stephen invited a few key players involved in the project to join him on the stage and made a toast to Hibernia's success.

Charlene Johnson speaks during the 25th Anniversary of the Hibernia project.

Photo Credit: Paul Daly



He called the project an iconic symbol of our province and our people - a reminder of what we can achieve. Stephen reminisced of the early days of Hibernia and how the project came at a time when Newfoundland and Labrador needed it the most. It was a time of hardship for many as our province faced the economic and cultural challenges of the cod moratorium. Hibernia turned things around, creating thousands of jobs and new government revenue at a time when our province desperately needed it. He said "Today, 95% of the people working on Hibernia are residents of Newfoundland and Labrador. Over the years thousands and thousands of Newfoundlanders and Labradorians have worked on the project. Engineers, technicians, cooks, roustabouts, researchers, tool pushers, production operators, crane operators, radio operators, and so many more."

Premier Andrew Furey shared what Hibernia means to him personally, saying it represents the word believe. Premier Furey said Hibernia meant, "Believe in a dream. Believe in the political will and engineering expertise to succeed. Believe in our economic future. To believe in an industry that didn't exist." He stated, "They said it couldn't be done but belief in ourselves and our resourcefulness proved them wrong." Premier Furey also spoke of ensuring the oil and gas industry's continued success and government's commitment to the energy industry for generations to come.

Minister O'Regan reiterated these sentiments and spoke of Hibernia's legacy in Newfoundland and Labrador extending beyond the jobs and government royalties. It is the tenacity of the people who made it happen, never taking no for an answer, and making sure it was a resounding success, highlighted Minister O'Regan. He said, "It was a fight. It was a fight for our economic future. It was a fight for the rights of the provinces in this confederation. It was a fight against those who doubted us. It was a fight against those who doubted Newfoundland and Labrador – doubted we were capable of such ambition. And it was a fight we were prepared to win."

The impact of Hibernia on Newfoundland and Labrador cannot be underestimated. The project has been an economic game-changer and has generated almost \$20 billion in royalties for the federal and provincial governments since it began in 1997. The project has also contributed \$300 million to research and development, while seeing a 25% reduction in emissions since 2005.

While many thought it couldn't be done, Hibernia began an industry that now includes four producing oil fields, with the possibility of a fifth - the Bay du Nord project. Hibernia has given Newfoundland and Labrador so much to be proud of and to celebrate and on the 25th anniversary of first oil, everyone throughout the room, throughout the industry, and on the installation, were immensely proud.

"They said it couldn't be done but belief in ourselves and our resourcefulness proved them wrong."

Premier Andrew Furey

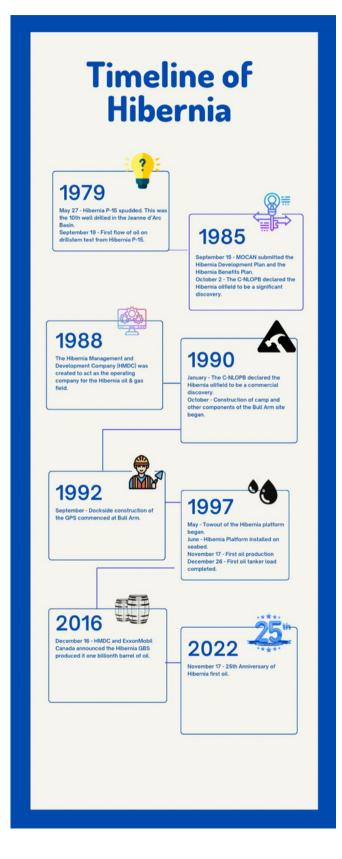
"They doubted our commitment. They doubted our capabilities. Were they ever wrong. Not only did we do it, but it has been a brazen success."

Charlene Johnson, CEO Energy NL

"The Hibernia project came to life at a time when Newfoundland and Labrador was facing the economic and cultural challenges of the cod moratorium. Hibernia created thousands of jobs and new government revenue when it was truly needed," says Stephen Edwards, president of the Hibernia Management and Development Company Ltd. "But it brought so much more. Hibernia was truly transformational and the launching pad for the industry in the province; it laid the foundation for the sector. As we celebrate the 25th anniversary of first oil, we know Hibernia has the potential to continue providing benefits for our province for another 20 plus years."

The Hibernia platform has become an iconic symbol of our province and its people — a reminder of what we can achieve."

HMDC president Steve Edwards.



TRADE MISSION TO EUROPE

Trade Mission Identifies Huge Potential and Global Interest in Newfoundland and Labrador's Emerging Wind & Hydrogen Industry

During the final week of October, a delegation of representatives from Energy NL and econext travelled to Germany and the Netherlands to learn more about the emerging global wind and hydrogen industry. The purpose of the trade mission was to better understand the supply chain requirements for the industry, build upon previously established partnerships, and identify potential export markets in Europe for Newfoundland and Labrador's renewable energy products.

The group spent a total of five days in Germany and the Netherlands, including visits to the City of Hamburg and the Port of Rotterdam and surrounding sites. During the visit the delegation met with like-minded organizations, visited renewable energy facilities, and toured several ports designed to import hydrogen from jurisdictions such as Newfoundland and Labrador.

The mission kicked off in Germany where members met with officials from ABO Wind and toured the Spreeau Wind Farm, east of Berlin. The group visited the Port of Rostock, a large industrial port on the Baltic Sea which is preparing to become one of the champions for hydrogen import and supply in Germany. This port has been approved for a European Union funded project to transform to a carbon-free energy supply and storage port, which includes the construction of an electrolysis plant for hydrogen production. In Hamburg, Germany, discussion took place with various local development organizations and private sector companies that are preparing for the hydrogen economy and looking to establish Hamburg as a green hydrogen hub.

While in the Netherlands, the delegation visited DOB Academy, a local training institution developed to provide instruction specific to the wind industry. DOB Academy has been proposed as a partner in a potential wind-hydrogen project for western Newfoundland and Labrador to help train locals for working in the renewable energy sector and is collaborating with the College of the North Atlantic on post-secondary programs. Another highlight of the Netherlands portion of the itinerary was a tour of the Port of Rotterdam – the largest port in Europe – led by the Port of Rotterdam Authority. The Port of Rotterdam has been a trailblazer in the development of hydrogen and other energy carriers and port officials are keen to develop and foster relationships with Newfoundland and Labrador, and in particular, connect with potential project developers.

Being on the ground in Europe it became clear to delegates that the demand for clean energy sources in Europe is very real, and massive. There is significant potential for green hydrogen and associated carrier fuels, and Newfoundland and Labrador has the opportunity to be a major global supplier. Many groups and individuals in Germany and the Netherlands consider Newfoundland and Labrador to be a leading jurisdiction to supply Europe with clean fuels.

Trade missions, such as this one, offer an invaluable perspective and unique opportunity to share information and establish partnerships as the Newfoundland and Labrador energy sector prepares to take full advantage of the emerging hydrogen industry in Newfoundland and Labrador. Energy NL and econext look forward to working collaboratively and building upon the success of this mission and forging strong relationships in Europe and beyond.



NET ZERO PROJECT Characteristics Chara

The Net Zero Project

Since operationalizing in 2022, the Net Zero Project, led by Energy NL, OilCo, and econext has provided valuable technical, economic, and policy guidance in support of enabling the industry's growth and success within the context of net zero by 2050.

The success of the project in 2022 was made possible with support and funding from: the Government of Newfoundland and Labrador; the Government of Canada through the Emission Reductions Fund (ERF – Offshore Research, Development, and Demonstration Program) which was managed by Energy Research & Innovation Newfoundland and Labrador (ERINL); and the Atlantic Canada Opportunities Agency (ACOA).

The overarching objective of The Net Zero Project is to pursue energy resilience and sustainability - with a primary objective aimed at ensuring the long-term sustainable future of Canada's offshore oil and gas industry by embracing a lower-emissions greenfield future in line with broader provincial and national objectives of achieving net zero by 2050.

Through the development of a series of research and strategy documents, and close engagement with key stakeholders in governments and industry, The Net Zero Project has identified and prioritized areas of activity that will help the industry reduce its greenhouse gas emissions (GHGs) and stimulate research, development, and innovation.

The Net Zero Project's Accomplishments

Net Zero Pathways and the Feasibility of Blue Hydrogen Production in Canada's Offshore Oil and Gas Industry

The project featured two main research components. The first, Net Zero Pathways for Canada's Offshore Oil and Gas Industry, was completed under contract by Hatch. The second, Feasibility of Blue Hydrogen Production in Canada's Offshore Oil and Gas Industry, was completed under contract by Aker Solutions. This project narrows the possibilities to a manageable number of "pathways" or scenarios that can be continuously refined and updated when technical or financial circumstances change. Given the important role that hydrogen will play in global decarbonization, this work also incorporated an assessment of the feasibility of the production of hydrogen in Canada's offshore industry, including determining opportunities and interdependencies with carbon capture and storage, electrification, additional gas development, and other technologies.

Carbon Capture, Utilization and Storage (CCUS) Workshop

As the offshore energy industry develops plans to lower emissions, there was a need for more fulsome analysis and discussion around the true suitability and potential for offshore CCUS in Newfoundland and Labrador. The CCUS Workshop held September 27th at the Emera Innovation Exchange facilitated this objective as well as provided a forum for collaboration, to provide insight as to what a CCUS roadmap will look like for the offshore energy industry in Newfoundland and Labrador.

This was a two-day workshop to identify, communicate and openly discuss and explore the use of CCUS as a pathway towards emission reduction in Newfoundland and Labrador's offshore energy industry. The workshop provided an opportunity to engage with industry stakeholders and government and helped centralize efforts towards the implementation of such suitable emission reduction technologies in the industry.

Carbon Offset White Paper and Knowledge Growth

Throughout the project the Net Zero Team was proactively engaged with provincial stakeholders to learn and provide input towards the carbon offset requirements that were becoming part of the necessary pathway to net zero for the offshore. The project developed a carbon offsets whitepaper, entitled "A Case for Establishing a Carbon Offset Credit Market in Newfoundland and Labrador" which clearly defined the regulatory system as-is, demonstrated the need for the implementation of new frameworks, and provided options on what form these frameworks could take.

Norway Learning Tour

Members of the Net Zero Project undertook a learning tour to Norway in late November 2022, which included 13 stakeholder engagement sessions in three cities (Oslo, Stavanger, and Bergen) over the course of one week.

In addition to facilitating effective communication and stronger relationships with key Norwegian CCUS stakeholders, the tour resulted in a number of findings and lessons-learned relevant for future CCUS industry development in Newfoundland and Labrador.

CCUS White Paper and Webinar

Building on the success of the Carbon Capture, Utilization and Storage (CCUS) Workshop in September the Net Zero Project focused on related action items and facilitated collaboration with various stakeholders in CCUS technology. Economic modeling, policy investigation, and technical feasibility analysis comprised key components of a CCUS white paper.

In addition to identifying the potential deployable technologies if the offshore, the white paper 'Carbon Capture, Utilization and Storage Offshore Newfoundland and Labrador' also outlines the current regulatory framework within Canada and Newfoundland and Labrador, provides an overview of potential storage opportunities offshore based on known and ongoing developments and research, and an overview of how the economic landscape is developing in order to incentivize this technology and industry in the jurisdiction.

Net Zero Staff

Kristopher Drodge

Peter Bennett Technical Lead

Project Manager

Stephen Goulding

Michelle Lethbridge

Economics Lead

Innovation Lead

BIG THINGS ON THE **HORIZON**

There are many exciting projects on the horizon for Newfoundland and Labrador for 2023 and beyond, including in both the offshore and renewable sectors.

Bay du Nord Project

The Bay du Nord discovery was made by Equinor Canada (65%) and partner Cenovus Energy (35%) in the Flemish Pass Basin, offshore Newfoundland in 2013. Reserves estimates for the Bay du Nord discovery are approximately 980 million barrels of recoverable oil by the Canada-Newfoundland and Labrador Offshore Petroleum Board.

Bay du Nord has the potential to produce the lowest carbon barrels of oil in Canada. The project ensures Canada's lowest carbon resources can be part of meeting global demand. Production with a low carbon footprint will be sustainable and survive in a long period in the energy transition where carbon prices will be higher and higher. Operating today, Bay du Nord would contribute less than 0.1% towards Canada's oil and gas emissions cap and less than 0.03% to Canada's emissions total based on 2019 reported emissions. Equinor is a world leader in the energy transition and will be a valuable partner for Canada in the process towards net zero and the development of Bay du Nord is essential to Equinor's future in Canada. Developments like Bay du Nord will meet the energy demand and enable funds to support further development of renewable energy and low carbon technology.

According to an economic impact report prepared for Energy NL Bay du Nord could support annually almost 14,000 jobs across Canada with almost 9,000 of those being in Newfoundland and Labrador.

The impact is not limited just to Newfoundland and Labrador. Ontario could receive over 2,000 jobs annually, Quebec about 900, over 700 in the Maritimes, and the same for Alberta. The GDP impact for those provinces is also significant with Ontario receiving a \$7.2 billion increase, Alberta \$3.1 billion, Quebec a \$2.6 billion boost and \$1.8 billion growth in the Maritimes.

Bay du Nord will operate world-leading technologies to achieve its low carbon goal, advancing learning and innovation critical to improving the overall emissions performance of Canada's oil and gas sector, and help Canada meet its emissions targets. Bay du Nord will use carbon reduction technology such as waste heat recovery units, variable speed drive equipment, as well as advanced processing technology to eliminate the need for continuous flaring - the first application of this technology offshore Canada. The project will also apply innovative subsea technology including subsea drones, communication systems and flowline technology. Digitalization technology will enable relocation of traditionally offshore positions to the shore, reducing carbon emissions from helicopter and marine transportation.

Equinor has 50 years of harsh environment operating experience in the North Sea and has safely operated a number of exploration campaigns in the Flemish Pass Basin and is well positioned to apply this experience into a potential development at Bay du Nord.

Wind Energy & Clean Fuels

The Newfoundland and Labrador renewable energy sector is receiving global attention, and interested increased when the Provincial Government in April 2022 lifted its longstanding moratorium on wind development. To help move along the development and create a fair process, the province implemented a land nomination process. Through that process 31 nominations were received and the province selected a number of areas for a call for bids. This is a similar process to the one used offshore. The bid process closed March 23 and 19 companies made bids.

A two-phased evaluation process was initiated where Phase One review is based on criteria such as the bidder's experience, the project, and their financial capacity to plan, construct, and operate the proposed project. Those companies passing Phase One review will proceed to the next phase beginning May 2023. Optimus SBR will act as a Fairness Advisor to the provincial government through this process.

Potential Development

While there are commercial sensitivities to the information released by potential developers, with some not releasing information as of yet, some proponents have released details of their proposals.

Newfoundland and Labrador based Growler Energy has been involved in several projects across Canada and are now engaging locally, specifically with Pattern Energy on a potential project at the Port of Argentia. The Port of Argentia and Pattern Energy – a major player in the international wind sector – have signed an Option to Lease agreement to advance the development of a substantial multi-phase renewable energy project, including a wind and hydrogen.

World Energy GH2 has proposed a wind-powered hydrogen facility in Western Newfoundland which has been submitted for environmental assessment. This would be a three-site facility that would produce 3 GW when completed.

ABO Wind has an exclusive letter of support from Braya Renewables for the development of green hydrogen production at the Come by Chance refinery. This hydrogen can by used by the refinery and green ammonia for export. NARL is considering options for a project at the refinery in Come by Chance.

EverWind Fuels is involved on the Burin Peninsula area of the province, while Evolugen – a subsidiary of Brookfield Renewable - is exploring opportunities in Eastern Newfoundland, including wind generation of 250 megawatts to power a 240 MW hydrogen facility.

Exploits Valley Renewable Energy Corporation (EVREC) is exploring a wind to hydrogen facility at the Port of Botwood in Central Newfoundland which would include an initial phase of 1GW from 200 turbines with the potential to expand to over 500 turbines. Red Earth Energy is exploring a hydrogen project in Newfoundland and Labrador.

Fermuese Enterprises is also exploring possibilities for engaging in the renewable energy sector and Triple Point Resources is doing similar for hydrogen storage at a salt dome on the southwest coast of Newfoundland.



WIND AT OUR BACKS – RENEWABLE ENERGY AWARENESS CAMPAIGN

Recognizing the opportunity for Newfoundland and Labrador in the renewable energy industry, specifically the wind energy and clean fuels sector, Energy NL undertook an awareness campaign to help broaden the understanding of potential renewable energy development in the province and solidify support for such projects. Surveys commissioned by Energy NL showed that 87% of residents support renewable energy development and 82% and 78% support wind and hydrogen energy development respectively. While those are impressive levels of support, Energy NL wanted to showcase the potential of the sector and what it can mean for the province.

Wind At Our Backs was the campaign launched by Energy NL with the support of members in the renewable energy sector. The campaign included stunning visuals of our province and highlighted the immense potential of our wind. Through television ads the campaign focused on the abundant wind Newfoundlanders and Labradorians are so familiar with as it impacts our lives each day. Visuals of wind-swept shorelines, clothes hung to dry, and blowing hair emphasized that wind is a part of who we are. The campaign also had a significant social media presence which highlighted the potential benefits of wind development and helped to answer questions often asked of potential developers. Radio ads were also employed, along with print materials.

Based upon feedback, one of the most impactful aspects of the campaign was the website www.windatourbacks.ca which included the campaign collateral and a method for visitors to demonstrate their support. The Frequently Asked Questions section of the website attempted to answer many of the common questions and concerns of people unfamiliar with wind energy and clean fuel projects. The FAQ page covered a wide range of topics such as turbine height, noise, and distance from properties, to environmental assessment processes and economic benefits. Numerous individuals and groups informed Energy NL that the FAQ section helped alleviate concerns they had about these projects. The FAQ page was also used to answer questions received on social media.

Another key component of the Wind At Our Backs campaign was engaging with community groups through in-person presentations. Energy NL CEO Charlene Johnson presented to numerous groups such as service organizations and professional associations with a slide deck that outlined the opportunity for Newfoundland and Labrador and why it is important to be a first mover in the sector.

This was the first phase of Wind At Our Backs and Energy NL is readying to continue the campaign in 2023, including a specific effort to engage young people on the potential of the Newfoundland and Labrador renewable energy sector.

TRADE MISSION TO GUYANA

Energy NL Strengthens Connections in Guyana

Atlantic Canada Trade Mission to Guyana

Energy NL with support from the Atlantic Canada Opportunities Agency (ACOA) and the Newfoundland and Labrador Department of Industry, Energy and Technology (IET), organized an Atlantic Canada trade mission to Guyana during the week of November 28 – December 2, 2022.

Five Energy NL member companies participated in the mission which focused on multiple business sectors including renewable and non-renewable energy, cleantech/oceantech, digitalization and infrastructure. DAI was contracted to provide matchmaking and business support to the participating member companies, as DAI works directly with Guyanese suppliers and manages the Centre for Local Business Development in Georgetown and Energy NL has worked extensively with the organization producing positive results for members. The mission included a seminar, B2B matchmaking services, networking events and site visits to companies with Newfoundland and Labrador partners such as Pathera Solutions (Crosbie), Meridian 60 (K&D Pratt), and the Guyana shore base.



Atlantic Canada Delegation to the International Energy Conference & Expo in Guyana

From February 14 – 17, 2023, Energy NL, with support from the Atlantic Canada Opportunities Agency (ACOA) and the Newfoundland and Labrador Department of Industry, Energy and Technology (IET), also organized a delegation of nine Energy NL member companies to participate in the International Energy Conference & Expo (IECE) in Georgetown, Guyana.

This conference brought together energy professionals from around the world to network and share ideas on advancing the energy sector, while providing members the opportunity to expand their networks in Guyana and beyond. Energy NL had a booth at the conference and expo, which the nine member companies had access to and could use to display promotional materials about their companies.

While in Georgetown, Energy NL Charlene Johnson joined Anand Beharry, Chair of the Canada Guyana Chamber of Commerce, to sign a Memorandum of Understanding (MOU) between the two organizations. The MOU will help enhance market access for members interested in participating in the energy sectors of both regions.

Energy NL values the important partnerships it has within the Guyanese energy sector. Guyana is an important market for Energy NL members and the association is in the initial planning stages of additional trade missions to Guyana in 2023 and beyond.





ENERGY NL SCHOLARSHIPS

Supporting Education

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

Valued at \$1000, the Energy NL – Hibernia Scholarship is presented each year to a graduating high school student in Newfoundland and Labrador who is intending to pursue an energy – related career. While recognizing academic excellence, the scholarship also focuses on extracurricular activities.

lan Walsh was the recipient of the 2022 Energy NL – Hibernia Scholarship. A graduate of Gonzaga High School, Ian plans to pursue a career in the oil and gas industry and is currently enrolled in the Faculty of Business at Memorial University Ian is interested in pursuing a career in oil and gas because he feels the industry has provided a significant source of economic revenue for the province and its people and he_would like to contribute to discovering innovative ideas to ensure the industry remains strong so the world can continue to prosper, while preserving the environment.

Flight 491 Legacy Fund

The Flight 491 Legacy Fund Bursary and Scholarship Program was established to honour the victims of the crash of helicopter Flight 491.

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



The bursaries and scholarships, 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 an acceptable 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 continues to maintain scholarship standing.

In 2022, the following students were selected by the post-secondary institutions to receive scholarships and bursaries:

Memorial University

Flight 491 Legacy Fund Bursary Recipient

Ashley Ingram, Margaree-Fox Roost, NL

Flight 491 Legacy Fund Scholarship Recipient

Katherine Barrett, Paradise, NL

Flight 491 Legacy Fund Bursary Renewals

Chelsea Beaton, Peterview, NL Isabel Hatcher, Chapel's Cove, NL Emily Watkins, Durrell, NL

Flight 491 Legacy Fund Scholarship Renewals

Austin Burt, Carter's Cove, NL Polina Konstantinova, St. John's, NL Benjamin Stanley, St. John's, NL

Marine Institute

Flight 491 Legacy Fund Bursary Recipient

Adam Barney, Happy Valley – Goose Bay, NL Tristin Clarke, St. John's, NL

Flight 491 Legacy Fund Scholarship Recipient

Jack Bennett, Gander, NL Mackenzie Curtis, Port de Grave, NL Patrick Hurley, Bell Island, NL Samuel Pope, Baie Verte, NL

Flight 491 Legacy Fund Bursary Renewals

Jayden Loveless, Seal Cove, Fortune Bay, NL

Flight 491 Legacy Fund Scholarship Renewals

Noah Burden, Victoria, NL Kaitlyn Power, St. John's, NL Emily Reid, Whitbourne, NL Amber Tremblett, New Harbour, NL

College of the North Atlantic

Flight 491 Legacy Fund Bursary Recipient

Audrey Sabourin, Labrador West, NL Matthew Haverstock, Port aux Basques, NL Lucas Ivey, Gander, NL Derian Vessey, Happy Valley – Goose Bay, NL

Flight 491 Legacy Fund Scholarship Recipient

Stephanie Brake, Burin, NL Michelle Durnford-Keats, St. John's, NL Bryce Reynolds, Happy Valley – Goose Bay, NL Chad Lumsden, Happy Valley – Goose Bay, NL Nicholas Meadus, St. John's, NL

Flight 491 Legacy Fund Bursary Renewals

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

Flight 491 Legacy Fund Scholarship Renewals

Kerilyn Summers, Mount Pearl, NL

10566 ENERGY NL INC. Financial Statements Year Ended February 28, 2023



10566 ENERGY NL INC. Index to Financial Statements Year Ended February 28, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members of 10566 Energy NL Inc.

Opinion

We have audited the financial statements of 10566 Energy NL Inc. (the association), which comprise the statement of financial position as at February 28, 2023, 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, 2023, 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 10566 Energy NL Inc. (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 18, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS

Harris Lyan Refersional Corporation

10566 ENERGY NL INC. Statement of Financial Position February 28, 2023

		2023	 2022
ASSETS			
CURRENT			
Cash	\$	199,712	\$ 161,821
Term deposits		1,123,530	1,540,312
Accounts receivable (Note 3)		589,140	470,318
Prepaid expenses		80,118	107,934
		1,992,500	2,280,385
PROPERTY, PLANT AND EQUIPMENT (Note 4)		11,867	21,266
INTANGIBLE ASSETS (Note 5)		14,000	28,001
SCHOLARSHIP FUND INVESTMENTS (Note 6)		29,634	21,679
	\$	2,048,001	\$ 2,351,331
LIABILITIES AND NET ASSETS CURRENT Accounts payable (Note 7)	\$	370,671	\$ 263.033
Accounts payable (Note 7) \$ 370,6	678,403		
Deferred revenue (Note 8)		1 049 074	1,043,314
		1,049,074	1,043,314 1,306,347
			1,043,314 1,306,347
		1,049,074	1,043,314 1,306,347 40,000
LONG TERM DEBT (Note 11)		1,049,074 40,000	1,043,314 1,306,347 40,000
LONG TERM DEBT (Note 11) NET ASSETS General fund		1,049,074 40,000 1,089,074 929,293	1,043,314 1,306,347 40,000 1,346,347 983,305
LONG TERM DEBT (Note 11) NET ASSETS		1,049,074 40,000 1,089,074	1,043,314 1,306,347 40,000 1,346,347
LONG TERM DEBT (Note 11) NET ASSETS General fund		1,049,074 40,000 1,089,074 929,293	1,043,314 1,306,347 40,000 1,346,347 983,305

LEASE COMMITMENTS (Note 10)

ON BEHALF OF THE BOARD

__ Director __ Director

See notes to financial statements

10566 ENERGY NL INC. Statement of Changes in Net Assets Year Ended February 28, 2023

	General Fund	5	Scholarship Fund	2023		2022
NET ASSETS - BEGINNING OF YEAR DEFICIENCY OF REVENUES OVER	\$ 983,305	\$	21,679	\$ 1,004,984 \$	5	921,677
EXPENSES NET CHANGE	(54,012) -		- 7,955	(54,012) 7,955		83,402 (95)
NET ASSETS - END OF YEAR	\$ 929.293	\$	29.634	\$ 958.927 \$	5	1.004.984

10566 ENERGY NL INC. Statement of Revenues and Expenditures Year Ended February 28, 2023

		2023		2022
REVENUES				
Schedule of Revenues and Expenditures				
ACOA and PIHRC Projects (Schedule 1)	S	1,374,464	\$	619,817
Annual conference	•	877,631	Ψ	423,320
Membership fees		464,120		459,519
Seminars and events		231,723		93,981
Advocacy programs		218,000		33,301
Publications		41,894		43,584
Interest income Miscellaneous		28,218		6,585 8
		2 226 050		
		3,236,050		1,646,814
EXPENSES				
Schedule of Administration Expenses (Schedule 2)		1,207,776		994,447
Schedule of Revenues and Expenditures				
ACOA and PIHRC Projects (Schedule 1)		1,293,812		426,888
Annual conference		318,710		101,579
Advocacy programs		298,017		63,029
Seminars and events		136,718		35,496
Amortization of intangible assets		14,001		28,001
Amortization of tangible assets		5,086		22,036
Publications		11,630		7,507
		3,285,750		1,678,983
DEFICIENCY OF REVENUES OVER EXPENSES FROM				
DEFICIENCY OF REVENUES OVER EXPENSES FROM OPERATIONS		(49,700)		(32,169)
		, , ,		
OTHER INCOME				
Loss on disposal of property, plant and equipment		(4,312)		-
Canada Emergency Wage Subsidy Revenue		-		79,746
Small Business Assistance Program Revenue		-		10,000
Canada Emergency Business Account		-		10,000
Canada Emergency Rent Subsidy Revenue		-		15,825
		(4,312)		115,571
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$	(54,012)	\$	83,402

10566 ENERGY NL INC. Statement of Cash Flows Year Ended February 28, 2023

		2023	2022
OPERATING ACTIVITIES			
Excess (deficiency) of revenues over expenses	\$	(54,012)	\$ 83,402
Items not affecting cash: Amortization of property, plant and equipment		5,086	22.036
Amortization of property, plant and equipment		14,001	28,001
Loss on disposal of property, plant and equipment		4,312	-
		(30,613)	133,439
Changes in non-cash working capital:			
Accounts receivable		(118,822)	(168,600
Accounts payable		107,639	115,072
Deferred revenue		(364,911)	273,085
Prepaid expenses		27,816	(45,755
Wages payable			15,475
		(348,278)	189,277
Cash flow from (used by) operating activities		(378,891)	322,716
INVESTING ACTIVITY			
Purchase of property, plant and equipment			(14,172)
FINANCING ACTIVITY			
Proceeds from long term financing			10,000
INCREASE (DECREASE) IN CASH FLOW		(378,891)	318,544
Cash - beginning of year		1,702,133	1,383,589
CASH - END OF YEAR	\$	1,323,242	\$ 1,702,133
CASH CONSISTS OF:			
Cash	\$	199,712	\$ 161,821
Term deposits	<u></u>	1,123,530	1,540,312
	\$	1,323,242	\$ 1,702,133

Notes to Financial Statements

Year Ended February 28, 2023

1. PURPOSE OF THE ASSOCIATION

10566 Energy NL Inc. (the "association" or "Energy NL) is incorporated provincially under the Corporations Act of Newfoundland and Labrador as an organization without share capital. The association's mandate is 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.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Revenue recognition

10566 Energy NL Inc. 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.

Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life at the following rates and methods:

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

(continues)

Notes to Financial Statements

Year Ended February 28, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The association regularly reviews its property, plant and equipment to eliminate obsolete items.

Property, plant and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Intangible assets

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 not-for-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

	2023			2022		
Atlantic Canada Opportunities Agency	\$	84,673	\$	41,885		
Government of Newfoundland and Labrador		144,553		34,750		
Source deductions over remitted		-		13,750		
Accounts receivable - trade		316,593		379,933		
Clean Fuels Fund		43,321		-		
	\$	589,140	\$	470,318		

Notes to Financial Statements

Year Ended February 28, 2023

4.	PROPERTY, PLANT AND EG	QUIPMEN	Т					
_			Cost	 cumulated nortization	N	2023 let book value	1	2022 Net book value
	Computer equipment Furniture and fixtures	\$	133,671 -	\$ 121,804 -	\$	11,867 -	\$	16,954 4,312
_		\$	133,671	\$ 121,804	\$	11,867	\$	21,266
5.	INTANGIBLE ASSETS					2023		2022
	Website development				\$	78,922	\$	78,922

6. SCHOLARSHIP FUND

Accumulated amortization

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, 2023, the Scholarship Fund had a balance of \$29,634 [2022 - \$21,679]. 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 2023, two \$1,000 scholarships were awarded [2022 - 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 2023, the fair value of the debentures increased by \$7,010 [2022 - \$95].

(64,922)

14,000

(50,921)

28,001

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023			2022		
Accounts payable - trade Accrued liabilities HST collected	\$	52,849 244,242 73,580	\$	129,979 93,713 39,341		
	\$	370,671	\$	263,033		

Notes to Financial Statements

Year Ended February 28, 2023

8. DEFERRED REVENUE

	2023		2022		
Membership fees	s	232,312	\$	277,893	
Annual conference	*	100,805		112,691	
Annual sponsorships		270,000		223,365	
Funded Projects		7,259		35,891	
Labour Market Development Program (PIHRC)		68,027		-	
Net Zero project				393,474	
	\$	678,403	\$	1,043,314	

- a) During 2023, the Association received and advance of \$75,000 in relation to the work for activities of the Petroleum Industry Human Resources Committee ("PIHRC"), for which the Association is the coordinating agency. In 2023 the Association incurred \$6,973 in costs relating to the project. This amount has been recorded as an expense and corresponding revenue has been recorded.
- 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, 2023 there were 30 sponsorships totaling \$270,000 deferred for the 2024 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, 2023 the total amount collected relating to the spring 2023 conference was \$100,805 [2022 - \$112,691] 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, 2023 the Association had \$232,312 [2022 \$277,893] in deferred membership fees.

Notes to Financial Statements

Year Ended February 28, 2023

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, 2023.

(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, 2023, the Association had cash and cash equivalents in the amount of \$1,323,242 (2022 - \$1,702,132). 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.

Unless otherwise noted, it is management's opinion that the association is not exposed to significant other price risks arising from these financial instruments.

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, 2023, are as follows:

2024	\$	80.366
2025	•	83.457
2026		86.548
2027		89,639
2028		44,820

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 2021. 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 prior year.

10566 ENERGY NL INC. Schedule of Revenues and Expenditures ACOA and PIHRC Projects Year Ended February 28, 2023

(Schedule 1)

		2023	2022
REVENUES			
Clean Fuels Fund	\$	43,322	\$ -
Diversity and Inclusion		-	24,591
Guyana Oil & Gas Export Opportunity		204,776	63,865
Innovation and Business Development Fund		-	189,041
Jurisdictional Scan		66,388	-
Labour Market Development Program (PIHRC)		6,973	149,518
Net Zero Project		873,897	114,442
ONS		138,401	-
Offshore Technology Conference		40,707	41,885
Preparing for the Potential (Conference)		-	36,475
	Tie Carlo	1,374,464	619,817
EXPENSES			
Clean Fuels Fund		57,762	-
Diversity and Inclusion		-	30,680
Guyana Oil & Gas Export Opportunity		189,914	67,362
Jurisdictional Scan		99,500	-
Labour Market Development Program (PIHRC)		6,973	139,721
Net Zero Project		767,102	102,650
ONS		142,591	-
Offshore Technology Conference		29,970	50,000
Preparing for the Potential (Conference)		-	36,475
	s	1,293,812	\$ 426,888

10566 ENERGY NL INC. Schedule of Administration Expenses Year Ended February 28, 2023

(Schedule 2)

	2023		2022
EXPENSES			
Salaries and wages	\$ 888,721	\$	641,688
Rental	77,409		85,537
Consulting fees	46,306		83,975
Advertising and promotion	31,776		77,110
Office	49,073		23,349
Professional fees	13,500		22,772
Other	25,131		19,518
Telephone	10,626		17,618
Interest and bank charges	17,226		15,240
Training	7,074		7,640
Travel	40,934		-
	\$ 1,207,776	\$	994,447

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TD

Crosbie



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