

**June 4th, 2020
3:30 p.m.
Teleconference**



Attendance:

Adam Payzant, CP Energy
Alister Wilson, CNRL
Bettina van Nieuwkwerk, CWL
Brenda Ross, Community
Cammie Laird, County
Cole Thomson, TC Energy
Dave Baker, CNRL
Don Riddle, Community

Eric Berg, AER
Josh Pentland, TC Energy
Judy Winter, Community
Lucie Geczi, AB Gov't
Malina Adams, TC Energy
Murray Welch, Community
Sarah Barcelo, Repsol
Shauna Mason, TC Energy

Spencer Sinclair, Paramount
Stu Trentham, Tidewater
Susan MacDonald, AER
Vanessa Cartwright, Keyera
Wyatt McDonald, Youth
Rick Anderson, facilitator

Introductions:

Review Agenda:

- Approved

Review March meeting notes:

- Not available - tabled to next meeting.

Updates / Action Items:

- No action items since last meeting.

Member Updates / In the Neighborhood:

Members present gave verbal updates. Only written updates submitted are included in the meeting notes. Attendees shared activity updates, and information about local events.

Written updates

Bonavista

Bonavista has been conducting normal operating activities over the past few months.

Currently have plans to drill a new well in July, in the Ferrier Field at 15-08-38-07W5 surface, bottom hole 15-20-38-07W5.

Keyera

1. Strachan – 4 day outage planned for July has been cancelled, no further outages for 2020 planned.
2. Minnehik Buck Lake Facility - After over a year of assessment, Keyera announced on May 6, 2020 that it will suspend operations of the MBL gas plant as of May 15, 2020. The suspension target date was revised because the costs associated with gas processing operations could no longer be supported due to further reduction in volumes. The region has experienced declining production for the last six years and we do not anticipate that will change in the near term. Keyera evaluated a number of alternatives to be able to continue operations, but due to the current and forecasted economic conditions, area producer inactivity and increasing compliance expenses, none of the alternate options were viable.

The suspension of processing gas at the MBL Gas Plant will cause controlled temporary flaring at both the facility and the field level. Keyera is committed to meeting its regulatory obligations with respect to gas flaring and, where opportunities exist, will work with producers to manage field flaring activities.

During this time residents may experience increased noise, traffic from our vehicles and possible unusual odours. All efforts will be made to reduce disturbance to residents where possible. We are still working through plans for a safe and orderly suspension of the facility and if needed we will be responsible for decommissioning, abandonment and reclamation of our assets at the end of their economic life.

We have heard from the community that there is concern regarding natural gas supply to both the Buck Lake Gas Co-op and the Alder Flats Gas Co-op. Keyera supplies both the Buck Lake Gas Co-op and the Alder Flats Gas Co-op with gas for distribution to its customers. The gas co-ops have been notified of the revised target suspension date. Keyera will work with the Co-ops to ensure they have continued gas supply.

3. Central Foothills Optimization - After over a year of assessment, Keyera announced on April 7, 2020, that it will suspend operations of the West Pembina, Nordegg River, and Ricinus Gas Plants. At this time, West Pembina has a suspension target date of June to September 30, 2020. Ricinus and Nordegg River have suspension target dates of mid-2021. The region has experienced declining production for the last six years and we do not anticipate that will change in the near term. The suspension of these facilities is part of our optimization review done for all our Gathering & Processing assets in the Central Foothills area. To remain competitive, we've reviewed alternatives and determined that this is the best option for both Keyera and our customers because it utilizes our infrastructure to maximize value for Keyera and our customers.

The suspension of these three plants, along with Minnehik Buck Lake, enables Keyera to build a viable long-term strategy that is aligned with our customers and fit for changing market conditions. The Central Foothills is an important production region in the Western Canadian Sedimentary Basin. Keyera intends to remain competitive and utilize our infrastructure to maximize value for ourselves and our customers in the Central Foothills. This significant change to Keyera's infrastructure is being made so that we can support producer access to market for years to come. Keyera evaluated several alternatives to be able to continue operations, but due to the current and forecasted economic conditions, area producer inactivity and increasing compliance expenses, none of the alternate options were viable.

We are still working through plans for a safe and orderly suspension of the facility and if needed we will be responsible for decommissioning, abandonment and reclamation of our assets at the end of their economic life. With the continuing low level of industry activity in the Central Alberta area we are looking at opportunities for optimization of our Gathering and Processing plants. Our Asset teams including Operations, Engineering, and Business Development are currently examining how to maximize utilization and enhance the efficiency of our facilities and processes but have not yet determined the final plans for all our facilities in the Central Foothills area.

Pieridae

AER License Transfer

[License transfer of Alberta Foothills assets from Shell Canada Ltd.](https://lnkd.in/gdKJpUR) (full press release <https://lnkd.in/gdKJpUR>)

On May 13, 2020, the Alberta Energy Regulator (AER) made the decision to deny the application to transfer licences for Shell's Foothills Assets to Pieridae.

While disappointed by the decision, both Pieridae and Shell are moving swiftly to evaluate options on the transfer applications and will continue to attempt to seek clarity from the regulator to define an appropriate path forward.

The decision has nothing to do with Pieridae's financial position nor its ability to clean up certain assets. The issue for denial was the fact that there is no precedent for splitting a licence or no ability under the current

legislation to do so, which is how the application submitted by Shell was presented to the AER. This issue only applies to the Waterton and Jumping Pound gas plants.

The company is confident the Shell asset acquisition, having previously closed and been successfully integrated into Pieridae's operations, can be aligned to address the concerns of the AER.

Pieridae continues to own and operate the assets, it is business as usual.

2019 Annual and Q1 release of financial results

PIERIDAE DELIVERS STRONG Q4 AND 2019 RESULTS (full press release <https://lnkd.in/dbUY6Sa>)

Revenue, Net Operating Income & Production All Up Substantially

Pieridae issued its Q4 2019 earnings and year-end financial results this morning and we had quite a good story to tell.

The company recorded substantial, year-over-year increases in revenue, net operating income and other key financial metrics. Petroleum and natural gas revenue increased \$102.5 million year over year, or 4347%, to \$104.9 million in 2019.

Production increased 241% from 17,509 boe/d in the fourth quarter of last year 2018, to 42,137 boe/d in Q4 2019.

"Q4 2019 proved to be a transformational quarter in Pieridae's history as we closed the acquisition of extensive Alberta Foothills natural gas assets last fall. The immediate impacts are fully evident in our financial results," said Pieridae's Chief Executive Officer Alfred Sorensen.

Work continues on the Goldboro LNG Facility, primarily with KBR to finalize a fixed price contract to design and build the facility. Market conditions and the global fallout from COVID-19 have impacted our ability to make a final investment decision this fall but the company is confident it will happen once conditions improve.

BACK-TO-BACK SOLID QUARTERS

Pieridae releases its Q1 2020 Financial Results (full press release <https://lnkd.in/gZdPrKV>)

Following strong Q4 2019 and year-end results, the company recorded another solid quarter financially. Revenue, adjusted funds flow from operations, and net operating income all increased substantially compared to Q1 2019.

"We continue to see the benefits of last fall's Foothills asset acquisition, with Pieridae recording strong financial results in spite of very challenging market conditions," said Pieridae's Chief Executive Officer Alfred Sorensen. "Once again, our strong operational performance and positive hedging strategy helped insulate us from the current harsh realities.

"With a number of global LNG projects either being cancelled or delayed, now is the time for Canada to seize the opportunity to enter into this industry at a time when others are exiting. Our Goldboro LNG Project is sound and supports the fundamental principles of First Nations reconciliation; interlocks with the goals of the Paris Climate Accord; would create good-paying, middle-class jobs across the country; and opens up new energy trade routes to get sustainably-produced Canadian natural gas to global markets," concluded Sorensen.

Graduation to TSX (full press release <https://lnkd.in/gEVP54B>)

PIERIDAE GRADUATES TO THE TSX

Company Excited About the Prospects Going Forward

Quite the accomplishment for the company to announce this morning as Pieridae has graduated to the Toronto Stock Exchange. Shares are expected to begin being listed this Wednesday.

“This is a big step for our Company, and we look forward to the benefits being part of the TSX provide,” said Pieridae CEO Alfred Sorensen. “The key here is that being a member of the TSX allows Pieridae to tell its story to a bigger investor audience, including the Canadian institutional investment community, which should improve liquidity in the stock.”

Being part of the TSX should provide Pieridae with a number of benefits, including:

- increased access to capital*
- greater visibility - TSXV graduates listed on the TSX are covered by an average of five analysts*
- access to institutional capital - institutional investors have invested \$15 Billion in TSXV graduates*
- enhanced liquidity on world markets - roughly 40% of TSX trading is originated by international headquartered Investment Dealers*

Paramount

No new updates with Paramount, steady as she goes & constant monitoring and optimization of our cost structure. I will not be attending the conference call due to previous commitments.

TC Energy

- Operations

- TC Energy has been responding to the COVID-19 pandemic by prioritizing the safety of communities, staff, and construction crews.
- As we navigate the pandemic, we have been responding with donations and community investments to support food security, health and safety
- As the weather improves, we have noted camping in areas along our rights of way
- This poses a potential safety concern and we are interested in partnering with community stakeholders, where possible, to share important damage prevention information and discourage campers from setting up on our pipeline easements

- 2020 Clearwater West Expansion Project

- We're pleased to announce that as part of the Clearwater West Expansion Project, the Clearwater A6 Unit Addition that WCS members toured last year at our Safety Stand Up event is in service and has been turned over to our Operations team.
- An in-service notification is being sent in the coming days with information on the assets and important public awareness and safety information.
- On behalf of NOVA Gas Transmission Ltd. (NGTL) and our construction partner, Aecon, we thank everyone at WCS for their support and active participation in the project.

- 2021 NGTL System Expansion Project (Brewster Pipeline and Nordegg Compressor Station Unit Addition)

- In February, 2020 NGTL received a recommendation for approval from the Canada Energy Regulator (CER) which was sent to the Governor in Council (GIC) for a final decision.
- The 2021 NGTL System Expansion Project team has received a letter from GIC notifying us of a delay to the federal decision as COVID-19 has impacted the federal government's ability to complete necessary Crown consultations
- A delay notification has been sent to all stakeholders and we will continue to keep WCS updated as developments come forward on potential schedule implications
- Depending on the timing of the GIC decision and final conditions, as well as an order of approval from the CER, NGTL expects to commence construction later this year
- In Clearwater County, the 48.6 kilometer (km) section of 48-inch pipe called the Brewster Pipeline and 30 MW Nordegg compressor station unit addition are proposed

- **2021 Clearwater C/S Unit C7 Addition Project**
 - We plan on constructing a 30 MW compressor unit addition to the Clearwater Compressor site as part of the overall NGTL System (Located at SE-03-036-07-W, ~16 km southwest of Caroline)
 - Received CER Approval on April 2, 2020 for the Section 58 application filed to the NEB (Now CER section 214)
 - We are anticipating a prime contractor will be selected sometime in Mid-July, 2020 and we will pass along their information as part of our pre-construction notification
 - We will incorporate lessons learned from Clearwater A6 to ensure the prime contractor will be accountable for access road maintenance
 - Anticipated construction start is forecast for August 19, 2020
 - Anticipated in-service milestone is November 1, 2021
- **Strachan North Receipt Meter Station Expansion Project**
 - Clearwater County was notified on January 31, 2020 of the anticipated streamlined 214 filing to the CER to conduct expansion work that would replace an existing 6-inch meter run with a new 8-inch meter run to accommodate the customers' needs
 - Construction began May 4, 2020
 - Project went into service on May 11, 2020
 - Located at 03-21-038-09-W5 (~24 km southwest of Rocky Mountain House)
- **2022 NGTL Edson Mainline Expansion Project**
 - The project consists of two pipeline spreads:
 - Elk River Section consists of 40 km of 48-inch pipeline located 115 km southeast from Hinton, AB, in Yellowhead and Clearwater Counties. Begins at SW 3-47-14-W5M and ends NW 20-43-12-W5M
 - Alford Section consists of 45 km of 48-inch pipeline located 29 km west from Rocky Mountain House in Clearwater County. Begins at NE 14-39-10-W5M and ends at SE 3-36-7-W5M
 - Below is the schedule of planned and completed activities:
 - Q2-Q4 2018 – Initial Project Engagement began
 - Q2 2019 – Filed a Section 52 application with CER
 - Q3 2021 – Subject to Regulatory Approval, commence project construction activities
 - Q2 2022 – Anticipated In-service for all project components
- **2022 NGTL West Path Delivery Project**
 - The project is an expansion of our NGTL System south of Rocky Mountain House, and includes and 18 km section of 48-inch pipeline called the Raven River pipeline.
 - A project application was filed June 1, 2020.
 - Below is the schedule of planned and completed activities:
 - Q3 2019 Engagement Start
 - Q1 2020 Project Notification
 - Q2 2020 Application
 - Q4 2021 Mainline Construction Start
 - Q4 2022 Anticipated In Service Date

AER

Announcements:

[Relief for Industry During COVID-19 Pandemic Response](#)

- [Related Decisions](#)

Bulletins:

[Bulletin 2020-12 – Requirements Aimed at Reducing Methane Emissions Amended](#)

News Releases:

[AER announces appointment of new President and CEO](#)

[Statement from the CEO: AER reorganization](#)

[Journey Energy Inc. To pay \\$125 000 fine for June 2017 pipeline failure](#)

Discussion Items:

- Lighting discussion tabled until a later meeting
- No new items brought forward for discussion

Next Meeting: Next regular WCS meeting will be September 3rd, 3:00pm, by video conferencing