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Subject: Regulatory Update – Renewal of Operating Permits and Planning for Closure

Background

During our Neighbour Week visits in January 2023, Imperial shared that we are planning to seek continuation of our current operations to extend permits to operate for 10 years. The Water Licence (issued by the SLWB) and the Operations Authorization (OA) (issued by the NEB, which is now the CER) are the two major regulatory approvals Imperial has for the Norman Wells Operation. Each of these authorizations have a defined term of 10 years and the current terms end in early 2025 and the end of 2024 respectively. The end of the terms and the renewal of these authorizations is normal for active and continuing operations.

Imperial's operations at Norman Wells are anticipated to produce for the next 5 to 10 years, and we are currently preparing for closure. It is our view that there is over 20 years of remediation and reclamation work ahead after the end of production.

Continuing to Operate Norman Wells

The exact timing of the transition from production to reclamation will be dependent on several factors, some of which are out of our control/external to Imperial, such as the price of oil. At this time, because precise dates are not yet known, we plan to start the regulatory steps to extend our licences to operate beyond the current expiry dates.

We plan to do this regulatory work starting this year, and to submit any documentation required reasonably close together from a timing perspective, to the two separate regulators. In doing so, it is our intention to achieve as much coordination as possible, and show clearly that these submissions, and the content that we will provide in them, is consistent. These submissions are not intended to address the closure of the facility.

The last time Imperial's Norman Wells Operation completed this effort was in 2013 and 2014 for our current permits to operate via a water licence renewal and an OA application. We intend to work with the regulators to make these submissions and the content as simple and clear as possible.

Finally, we plan to engage with communities this summer. We'd like to hear what works best for engagement from your perspective, and how we can help make this as easy to understand as possible. Imperial intends to make updates to the engagement plan component, and throughout the summer of 2023 we will be engaging with communities to determine what is working and how communities wish to engage in the future. Imperial will also incorporate any updates to the LWB engagement guideline that will be rolled out by the regulator on May 17, 2023.

Planning for Closure

It is Imperial's strong desire to maintain healthy, respectful and mutually beneficial partnerships with the community through this transition. We are committed to listening to the concerns and ideas of the community, are interested in hearing more about the region's vision for the future and are working hard to

determine how we get there together. We wish for the Sahtu region to benefit as much as possible from workforce development and business opportunity participation that will be driven by the work ahead.

The closure plan for our Norman Wells operations needs to be thoughtful and holistically considered, with meaningful engagement with the Sahtu communities. We are seeking clarity on the regulatory framework for closure planning approval, including the Mackenzie Valley Environmental Impact Review Board Environmental Assessment (EA) process – for stakeholders, for all the regulators and for Imperial, to ensure everyone has clarity on the process and appropriate lead time to prepare to participate.

As we've been thinking through a potential EA for closure, we have been seeking clarification from the regulators on how we utilize the existing processes established in the North, to create clarity for all of us on closure. We have been trying to understand how we can start the EA process for closure early and what options are available giving consideration to the operations regulatory work described above. We are keenly aware that there are many stakeholders and limited resources, so we are considering how we can do this as efficiently and effectively as possible.

Opportunities

Imperial understands that the work described above, both to support the continued operation and plan for closure will take a great deal of effort.

At Imperial, we strive to build strong and lasting relationships with Indigenous Peoples built on mutual trust, respect and shared prosperity. This effort is grounded in a commitment to listen, understand and collaborate as we work together. We are working with Sahtu leaders and communities for how best to continue the engagement and participation of the Sahtu communities as we move through closure planning, end of production and closure plan execution.

Our objectives are to:

- efficiently, fairly and transparently engage with the Sahtu communities to support regulatory and non-regulatory engagement, business development, workforce development and community investment; and
- improve overall engagement and communication, for clarity and consistency, through formalized mechanisms to foster and sustain relationships and dialogue as mutually agreed to.

Further, we expect the closure planning discussions and regulatory process will take significantly longer than the work required for the existing permits for the ongoing operation. To give closure the focus and attention it requires, that is why right now, we are trying to understand the path to continue operations while seeking clarification on the regulatory process for closure.

As mentioned above, we plan to engage with communities this summer. We'd like to hear what works best for engagement from your perspective and how we can help make this process and what we are applying for as easy to understand as possible.

Sincerely,

A handwritten signature in black ink, appearing to read 'John Gregory', with a long, sweeping flourish extending to the right.

John Gregory