

COMMUNITY NEWSLETTER

SUMMER 2020



PIERIDAE ENERGY
PIERIDAE ALBERTA PRODUCTION LTD.

INTRODUCING PIERIDAE ENERGY LTD – PRODUCTION ASSETS

COMMITTED TO OPEN, TRANSPARENT AND ONGOING COMMUNICATION WITH STAKEHOLDERS WHERE WE OPERATE.

- * IN PERSON
- * VIRTUAL
- * PRINT

In 2020, Pieridae was looking forward to meeting our neighbours in person by hosting Spring Open Houses in Waterton, Jumping Pound and the Caroline areas. We were disappointed that this could not happen due to the impacts of COVID-19. While this cannot replace the value of an in-person introduction, we hope that you find the following newsletter to be informative and something to look forward to in years to come.

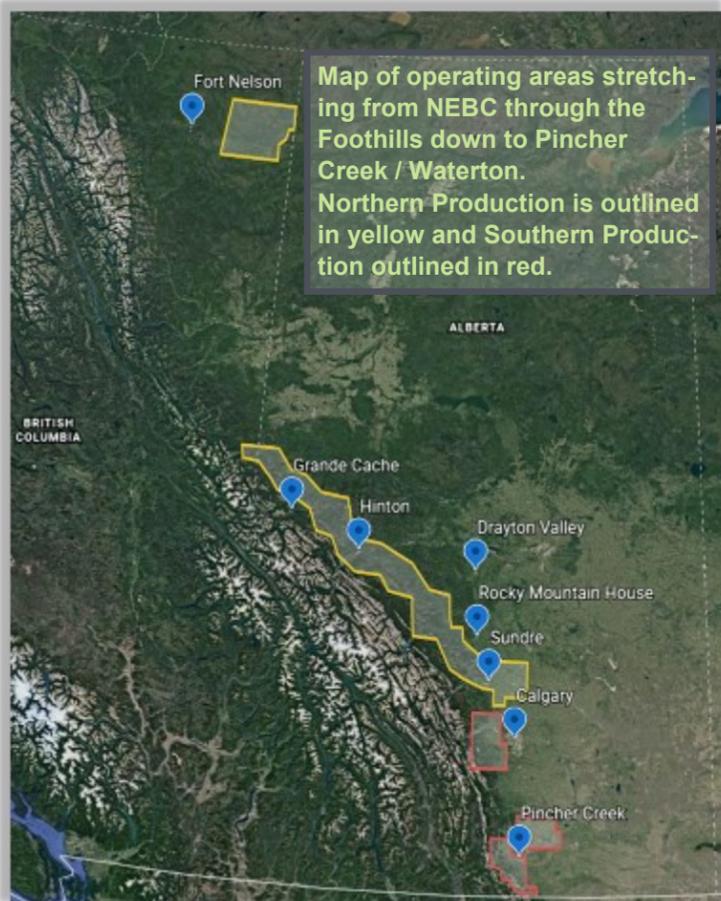
We are Canada's only wholly owned, fully independent, integrated LNG company. Our flagship initiative, the multi-billion Goldboro LNG Project in Nova Scotia, is shovel ready. With the purchase of the Shell Canada Alberta Foothills Assets, we have acquired low-cost Alberta gas reserves to supply the facility and will use a low cost of capital to build the LNG terminal and gas production base. The LNG export site gives Pieridae convenient access to international markets at half the distance from U.S. Gulf Coast exports. We maintain strong community, labour and First Nations support for the project.

Community vitality and environmental stewardship are central concerns of Pieridae Energy. We believe in involving com-

munities through public participation, sponsoring local projects, and conducting numerous technical, environmental, and social impact studies. We bolster these efforts through the designated Community Liaisons that serve in the Foothills assets.

Commitment to the environment is one of our core non-

negotiable values. We put these values in action as part of the way we operate by performing integrity checks and repairs that you will find highlighted in this issue. Our people are dedicated to making Pieridae Energy an exemplary corporate citizen with local communities, First Nation communities, regulators and government. Our policies reflect these strong values.



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HEALTH SAFETY ENVIRONMENT & RECLAMATION

Pieridae is committed to following all the industry safety measures to maximize safety and minimize impact. No job is more important than protecting the safety and security of our employees, contractors, customers and neighbours.

SAFETY BY DESIGN

The design of our facilities has been done with the utmost safety in mind. Many of the safeguards we have in place make the possibility of an emergency remote.

As a further precaution, we are prepared to **protect public safety and the environment** in the following ways:

- Our wells and pipelines are equipped with **emergency shutdown systems** that can be controlled manually at the wellsite or from our plant control room.

- On-going **safety and emergency response training**. We maintain a high level of preparedness by regularly conducting simulated emergency response drills and exercises.

- Our **Emergency Response Plan (ERP) for all operations** is in place and updated regularly. The ERP outlines what we will do in case of a gas release, fire, explosion, hazardous material spill, transportation accident or other potential emergency, in conjunction with respective municipal emergency services.

- Our agreements with local RCMP, Fire Department, Search and Rescue and other agencies ensure a **coordinated response** should an emergency arise with our operations.

We also have assisted in responses to non-Pieridae related emergencies such as forest fires or floods.

ENVIRONMENT

All Sour Gas Plants are regulated under an Environmental Protection and Enhancement Act Approval, which involves regulated monitoring for the environment. This includes:

- Routine **soil monitoring** and management for operational soil impacts and sulphur dust.
- Annual **groundwater and surface water monitoring** for the site and surrounding area.
- Working with Shell Legacy with groundwater treatment system operation.

- Monitoring for wastewater and surface water runoff treatment and treated discharge.

- Continuous **air monitoring** for SO2 emissions, and ambient air quality near the plants for SO2, H2S and wind. Monitoring and reporting on flare volumes to the Alberta Energy Regulator (AER)

- **Leak detection monitoring** for our facilities' wastewater and surface runoff ponds.

Other environmentally regulated work we do:

- Annual weed control and vegetation management program— spraying, weed picking, mowing and biological controls.
- Fugitive emissions testing and repairs as per regulations.
- Water diversion – reporting and management of freshwater usage, treated return.
- **Interim reclamation** – meeting local Alberta parks or landowner requested criteria for re-seeding and restoration of operational pipeline ROW's and leases.

RECLAMATION

Pieridae will be working to reclaim sites as per the Alberta reclamation criteria for wellsite's and associated facilities.

- Pieridae has a reclamation team currently reviewing/ assessing and prioritizing the non-operational sites for reclamation.

- Reclamation work will progress on field sites depending on the stage from Phase I & II site investigations, remediation, detailed site assessments to reclamation applications.

- Pieridae is currently working towards final closure of the

Drilling Waste Disposal facility (DWDF) located at the Waterton Plant, as well as a few wellsites across all assets currently requiring detailed site assessments to compare soil, vegetation and landscape parameters to the surrounding area.

PEOPLE
ENVIRONMENT
ASSETS
WILL STAY
SAFE

HEALTH SAFETY & ENVIRONMENT

NEW AUTOMATIC EMERGENCY RESPONSE & NOTIFICATION SYSTEM

Community and stakeholder engagement are of paramount importance to Pieridae Energy. We have recently instituted an Emergency and Public Notification call out system that is designed to reach residents within the emergency plan zones for Pieridae's operations, focusing on safety, emergency response, public and good neighbour notifications.

We successfully tested this system in May of 2020 where we performed an emergency response notification exercise that initiated call outs to selected residents across Pieridae's foothills assets. Going forward, the goal is to use this system to increase safety, communication and good neighbour notifications, while building efficiencies around notification timing and records. The basis of the system would

be to contact and notify residents within specified regulated radius of either emergency zones or operational public notification zones. The notifications will come in 3 forms, email, text, or phone call (land line and or cell). This does not replace the Community Liaison nor the ability to contact the Community Liaison via phone or email.

Full implementation is planned for the fall of 2020 which will include an information package sent to all residents and landowners within the emergency response planning zones of our operations.

If you are interested in more information about this system, please contact your local Community Liaison found in this issue.

2020 LAUNCH OF
LATEST IN
TECHNOLOGY TO
CONTINUE
KEEPING PEOPLE,
ENVIRONMENT
AND ASSETS SAFE



YOUR AREA LEADERSHIP

PIERIDAE NORTHERN PRODUCTION STRETCHING FROM NEBC TO CREMONA

FAMILIAR FACES — CAROLINE TO CREMONA



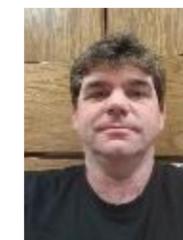
Mark Weiss — Interim Operations Manager and Superintendent, Northern Foothills. Born and raised in the Sundre community, Mark has over 20 years of operating and supervisory experience in the oil and gas industry. Primarily his role has been the Operations Superintendent for the Pieridae northern region which extends from Caroline to northeastern B.C. Recently, Mark was assigned as the interim Operations Manager for the same area. Keeping his family tradition alive, Mark also raises beef cattle in the area.



David Kolesnick — Plant Superintendent, Shantz Sulphur Forming Facility. David has worked in the gas and sulphur business for 35 years in operations and projects groups. This year he is celebrating 10 years of leading the local operating team as the Shantz superintendent. His wife and two daughters enjoy spending time with him coaching basketball or seeking adventure in their travels.

LOCAL AND
COMMUNITY
MEMBERS
FIRST

MEET THE LEGACY (IKKUMA) FOREMEN NEBC TO ROCKY MOUNTAIN HOUSE



Trevor Prenevost — Production Team Lead, Rocky Mountain House area. Trevor started working in oil and gas directly out of high school and has worked in the operations of the Rocky Mountain Foothills field for over twenty years. He spent six of these years as an operations trainer prior to signing on with Ikkuma Resources, then transferring to Pieridae. Throughout the years, he has developed a significant amount of knowledge in the operations and maintenance of this region's wells and facilities. For Trevor, ensuring the safety of the public and protection of the environment while operating is a top. He looks forward to participating in Pieridae's future as a safe, environmentally friendly, profitable business.



Josh Storle — Production Foreman, Grande Cache/Hinton and NEBC. Josh was born and raised in southeast Saskatchewan where farming was a big part of his life. In 1999, he began his career in the oil and gas industry working as a summer student for a drilling mud company. Since then, he has developed invaluable experience working for various producers and service companies across three provinces. He settled in northern Alberta and has been in the area since 2006.

YOUR AREA LEADERSHIP

PIERIDAE SOUTHERN PRODUCTION COCHRANE TO PINCHER CREEK



Kent Busby — Operations Manager, Southern Foothills. Born and raised in Rocky Mountain House, Kent enjoyed growing up on a cattle farm. In addition to farming, his parents owned a construction company – giving him the opportunity to run heavy equipment early in his working career. This helped him gain invaluable experiences with many different oil companies throughout central Alberta. His experience as a contractor took him across the four western provinces where he was able to learn from different management and leadership styles. His hands-on experience prepared him for his role as Operations Manager and he is honored to be part of such a highly skilled operations team.



Conrad Kenny — Production Superintendent, Jumping Pound. Conrad has worked in the oil and gas industry for 17 years and has been at the Jumping Pound complex for more than 15 years in various operations roles. He has called the town of Cochrane home for the last 12 years, beginning a family with his wife and establishing roots for their children. They love the area as it provides a great sense of community and great opportunities for their kids. In their free time they enjoy camping, boating, and spending time with family and the many great friends they have made in the community over the years.



Darrell Archibald — Production Superintendent, Waterton. Darrell joined the Waterton Team in 2014 as the Field Supervisor and took over as the Site Superintendent in 2018. Darrell has worked in the Foothills and the sour gas industry for 15 years. After completing a degree in Chemical Engineering from the University of Alberta, Darrell moved to Calgary for work. He began visiting family and vacationing in the Pincher Creek area. Darrell and his wife Lindy were excited when an opportunity came up to move to the Pincher Creek area, join the team at the Waterton Complex, and raise their family in this great community.



LOCAL AND COMMUNITY MEMBERS FIRST

BUSINESS ACTIVITY FOR 2020

LEGACY / CAROLINE / SHANTZ

For the Legacy assets in the Rocky Mountain House, Grand Cache/Hinton and NEBC areas, Pieridae will continue with well and production optimization and no major changes to existing infrastructure.

For the Caroline Complex

and Shantz facilities there will be maintenance and repairs made along the Liquid Sulphur Pipeline. This work will commence in the fall of 2020. There will be a slight increase in truck traffic for the transportation of the Sulphur from Caroline to Shantz

while the pipeline is shut down.

If you have any further questions regarding this project, please contact **Community Relations at 403-722-7049.**

JUMPING POUND

Safety and asset reliability is always top of mind with operation of the Jumping Pound Gas Plant. Pieridae focuses on regular maintenance programs, inline pipeline inspection programs, compressor safety testing, soil sampling, water testing, weed management, pipeline segment replacement, air monitoring, and regular major and minor plant turnarounds.

For 2020, we have a partial turnaround scheduled for September 8-25 focusing on the plant, two compressor stations and a line dig

between our Junction B facility and Junction A location at the plant site. All turnaround activity will occur on the existing pipeline right of ways, on the well-site and the plant leases.

The turnaround pre-work is scheduled for August 4 through September 4 and will require approximately 20-25 extra workers on site. During the turnaround project execution, the day shift complement will increase to 110 on site day shift and 90 for night shift. We anticipate there will be additional traffic on

the roads during this time and maintain that contractors, Pieridae employees and additional workers will follow Pieridae's good neighbor practices for road safety and courteous driving in and around the community.

For the post turnaround work from September 28 through October 16, we will have 20 extra workers on site for clean-up.

If you have any further questions regarding this project, please contact **Community Relations at 403-463-5753.**

MAINTENANCE, SAFETY AND FIELD OPTIMIZATION

WATERTON

To ensure our pipelines and infrastructure continue to deliver natural gas reliably, Pieridae will be replacing existing segments of pipeline to improve its capacity, reliability, and safety. Our project involves replacing a total of 70m from WAT-35 to JCT-W (Yarrow Canyon) and 190m from WAT-59 to WAT-64 (two kilometers south of the Plant) with new 4 inch and 6-inch diameter

pipelines. All construction will occur on the existing pipeline right of ways and on the wellsite lease. Pieridae's assessment of the pipeline highlighted the need for integrity improvement, and segment replacement was the best solution to maintain integrity and reduce disruption to landowners and the environment.

The WAT-35 line dig is scheduled to commence July 6, 2020 and continue for 10-14 days, followed by the Waterton-59 line dig expected to begin July 27, 2020 and continue for 30 days. If you have any further questions regarding this project, please contact **Community Relations at 403-627-7282.**

COMMUNITY & SOCIAL INVESTMENT

Over the past few months, the Community Liaisons have been working closely with their communities to support charitable organizations and initiatives. When the effects of COVID-19 began to hit the areas around us, Pieridae created a relief fund for local communities to assist with the resources they may need to keep community members safe and healthy. We supported many organizations and invested the relief fund those who have been stressed by this crisis. Some of the communities supported include Pincher Creek, Crowsnest Pass, Lundbreck, Cowley, Beaver Mines, Stoney Nakoda, Cochrane, and Caroline.

In addition to Pieridae's support through the relief fund, we have the Community & Social Investment (CSI) Program that local community impact benefit organizations can apply to. To date, we have invested over half of the Northern and Southern Foothills production CSI budget to not-for-profit organizations in the communities. Some of the organizations include Greenwood Neighborhood Place, Aspen Ranch Education camp, Cochrane Activettes, Stoney Nakoda Food Banks, Pincher Ag Society, Plain Eagle Arts and Crafts. This will remain one of the ways we continue to support the health and well-being of our communities where we live and work. *"We could not do this without businesses like yours and your employees who care so much and want to help."*, says Kathy Tucker, Chairperson, Cochrane Activettes Food Bank.

Community Member Engagement: We understand our stakeholders in the community have an interest in knowing how our business operations and plans could potentially affect them. Pieridae is committed to being a good neighbor through ongoing dialogue with stakeholders and will seek appropriate ways to contribute to the well-being of the communities in proximity of our operations and planned future developments.

Pieridae will also continue participation in synergy groups like Waterton Advisory Group (WAG) and Sundre Petroleum Operators Group (SPOG) as part of our engagement with interested stakeholders on our current operations and future developments. Contact your local Community Liaison for more information.



WATERTON—403-627-7282

Kali Larson — Community Liaison, Waterton. Born and raised on a small ranch in the Pincher Creek area, she started her career in oil and gas at the Waterton Gas Plant in 2008. In 2011, she transferred to the Jumping Pound Gas Plant where she spent 7 years working closely with Operations, analyzing maintenance data, vendor management, production marketing and leading continuous improvement initiatives. When the Community Liaison position opened at the Waterton Gas Plant in January of 2019, she jumped at the opportunity to work back in the area where she called home. In her free time, you will either find her on the back of a horse, barrel racing, spending time with family and friends, boating and travelling.



JUMPING POUND—403-463-5753

Colin Anton — Community Liaison, Jumping Pound. Colin grew up in the farm community, on and off reserve just outside the town of Lac La Biche. Prior to starting his career in the energy sector, he earned a degree in Economics. He later completed a Human Resource Designation and a Master of Business Administration. Before joining Pieridae Energy in 2019, Colin spent 15 years working with various companies in global energy, heavy and synthetic oil, international pipelines, renewables and community and Indigenous relations. Colin joined the Jumping Pound Gas Plant team in 2016, in the role of Community Liaison and continues to look forward to working with this historic gas asset and its many valued residents and stakeholders. Colin is the proud father of two amazing children, enjoys giving back to the community, learning about cultures, spending time with family, and seeing as much of the world as possible.



LEGACY / CAROLINE / SHANTZ—403-722-7049

Thalia Aspeslet — Community Liaison, Legacy/Caroline/Shantz. Born and raised in Grimshaw/Peace River Alberta, she grew up in the heart of the northern oil and gas development of the province. In 2005, after her son was born, she moved to Calgary to further her education. After completing a Bachelor of Science in Geophysics, she spent the early years of her career interpreting and processing seismic data. In 2015, she switched gears to learn about stakeholder engagement and in 2018 became the Community Liaison for the Caroline complex. After living in the city for the better part of her adulthood, she realized how much she missed the small town community life. Everyone who lives and works in the communities she serves have been incredibly kind and welcoming. In a sense, she has been welcomed home and in return is passionate about honoring, building and maintaining the relationship between community and operations.

FINANCIALS AND LNG UPDATE

2019 ANNUAL, Q1 2020 FINANCIAL RESULTS & THE TSX

GIVE US YOUR FEEDBACK!

In our commitment to a higher standard of communication, we would like to hear your thoughts on what is relevant to you regarding our business. Reach out to your local Community Liaison (featured in this issue) or contact us using the information below.

PIERIDAE ENERGY

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"Poised to be the first Canadian company to market LNG off the East Coast to the world"

Find us on the Web:
Pieridaeenergy.com



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.

These financial results also contributed to the success of Pieridae Energy graduating to the TSX! This achievement milestone was celebrated nationally when Pieridae virtually opened the market on Thursday, June 4, 2020. A significant step in more successes to come.

GOLDBORO LNG — UPDATE

The TSX announcement comes as Pieridae continues to deliver on its goals, including the transformational South Alberta Foothills assets acquisition that closed last fall. The immediate impact of growing production, increased sales of natural gas liquids, and the growth in third-party processing revenue thanks to our midstream assets were fully evident in our solid Q4 2019 and Q1 2020 results.

Our flagship Goldboro LNG Project continues to move forward.

We recently announced our main customer, Uniper Global Commodities, has agreed to extend key deadlines including making a final investment decision on the Goldboro LNG facility by June 30, 2021.

To date, the project remains solid with many key elements in place: the majority of key permits, confirmation of eligibility in principle of an untied loan guarantee of up to US\$4.5 billion from the German Government, and the majority of

the gas supply needed, when developed, for Goldboro's Train 1.

We will continue to work through these unprecedented times with COVID and will remain focused on doing our part to help the Canadian economy.

