

2025  
**ANNUAL REPORT**  
2026



**C-NLOER**



# ACKNOWLEDGEMENT OF TRADITIONAL LANDS AND INDIGENOUS PEOPLES

**We respectfully acknowledge that the province of Newfoundland and Labrador is situated on the ancestral and unceded homelands of the Beothuk, and on lands and waters long connected to Mi'kmaq, with enduring ties to Inuit and Innu across Newfoundland and Labrador. We honour Indigenous peoples past, present and future, and the living cultures and knowledge that continue here. In that spirit, we will keep improving how we listen, share information and reflect Indigenous input in our decisions. This acknowledgment is one part of aligning our words with action and accountability.**

For more information about Indigenous groups in Newfoundland and Labrador, visit the provincial government Office of Indigenous Relations and Reconciliation website.<sup>1</sup>

<sup>1</sup> <https://www.gov.nl.ca/exec/irr/>



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# REGULATOR MEMBERS



**Roger Grimes, C.M.**  
Chair



**Kim Dunphy**  
Audit and Evaluation  
Committee Member



**Wes Foote, P. Eng. (Ret)**  
Governance Committee Member



**Brian Maynard, CA, CPA**  
Audit and Evaluation  
Committee Chair



**Sharon Murphy**  
Governance Committee Member



**Ted O'Keefe, P.Eng.(Ret), MBA**  
Governance Committee Chair



**Karen Veitch**  
Audit and Evaluation  
Committee Member

# MANAGEMENT TEAM

**Scott Tessier**

Chief Executive Officer and Chief Conservation Officer

**Jill Mackey**, B.Sc. (Hons), B.Ed., P.Eng., CRSP

Chief Safety Officer

**Michael Baker**, CPHR, SHRM-SCP

Director of Corporate Services

**Kelly Batten Hender**, Ph.D., P. Geo.

Director of Resource Management

**Marshall Conway**, P.Eng., MBA

Director of Offshore Operations

**Lynette Gibbons**, BA, LL.B, MBA

General Counsel and Corporate Secretary

**Stephanie Johnson**, B.Sc., (Hons), P.Geo.

Senior Director of Offshore Resources and Data

**Rob McGrath**

Senior Director of Industrial Benefits and Innovation

**Jeff O'Keefe**, P.Eng., P. Geo.

Senior Special Advisor

**Lesley Rideout**

Director of Government Relations and Communications

**Craig Rowe**, M.Sc., P.Geo.

Director of Regulatory Operations

**Elizabeth Young**

Director of Environmental Protection



# MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

It has been over 40 years since the signing of the **Atlantic Accord**, the agreement between the Government of Canada and the Government of Newfoundland and Labrador on offshore oil and gas resource management and revenue sharing.

The **Accord** has proven to be a remarkably durable document. It has enabled effective joint management through intergovernmental cooperation since its inception. The foresight of its authors has been shown time and time again.

The **Atlantic Accord** led to the establishment in 1986 of the Canada-Newfoundland Offshore Petroleum Board, which later became the Canada-Newfoundland and Labrador Offshore Petroleum Board and in 2025-26, became the Canada-Newfoundland and Labrador Offshore Energy Regulator (C-NLOER), with an expanded mandate that now includes offshore renewable energy.

The new C-NLOER Strategic Framework remains true to the spirit and principles of the **Atlantic Accord**, while recognizing the needs of a globally evolving energy sector by emphasizing the importance of collaboration, efficiency and innovation.

While this Annual Report reflects a year of transformation in many ways, our regulatory focus areas remain: safety, environmental protection, resource stewardship and local benefits. A particularly proud highlight for me this year was hosting the International Regulators Forum Safety Conference and a series of international meetings in St. John's for the first time.

As always, I am grateful for the competence, dedication and professionalism of my C-NLOER colleagues, and for the ongoing support and guidance of our "Regulator Members" (more commonly known as "our Board"). Together, they put the public interest first and foremost in everything they do, for the betterment of Newfoundland and Labrador, the rest of Canada and the world. Through their hard work and commitment, the C-NLOER is undoubtedly meeting the moment required of today's regulators while remaining true to the spirit and principles of our **Atlantic Accord**.



**Scott Tessier**

Chief Executive Officer and Chief Conservation Officer





# ABOUT US

The Canada-Newfoundland and Labrador Offshore Energy Regulator (C-NLOER) is the independent regulator originally created as the Canada-Newfoundland Offshore Petroleum Board in 1986 by the federal and Newfoundland and Labrador governments under the **Atlantic Accord Implementation Acts (Accord Acts)**. The two governments expanded the mandate of the former Canada-Newfoundland and Labrador Offshore Petroleum Board to include the regulation of offshore renewable energy through legislative amendments that came into force on June 2, 2025.

The C-NLOER provides regulatory oversight to energy exploration and development in the Canada-Newfoundland and Labrador Offshore Area (Offshore Area). Its mandate includes regulatory oversight of safety, environmental protection, resource management and industrial benefits. While the C-NLOER operates at arm's length from both governments, specific Regulator decisions (referred to under the **Accord Acts** as Fundamental Decisions) require government approval, as does its annual operating budget.

The C-NLOER does not create offshore energy legislation and regulations, as this is the joint responsibility of the federal and provincial governments. Each government appoints three Regulator Members (the Board) and the two governments jointly appoint the Chair.

## THE C-NLOER ALSO DOES NOT:

-  Guarantee the safety of employees or the environment; worker safety and protection of the environment are the obligations of operators;
-  Manage reservoirs or production; that is the role of the operators within the context of an approved Development Plan;
-  Guarantee the participation of Canadian and Newfoundland and Labrador workers or businesses;
-  Have any role, beyond the provision of required data and information to government, in the establishment or administration of the fiscal regime (royalties/taxes) for any offshore activity.

This Annual Report is for the fiscal year that began on April 1, 2025, and ended on March 31, 2026.

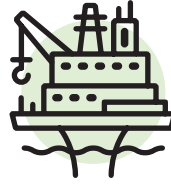


## DID YOU KNOW?

In addition to its main location at the Tower Corporate Campus in St. John's, the C-NLOER also manages a Core Storage and Research Centre (CSRC).

The CSRC curates core, cuttings, fluid samples, petrographic slides, biostratigraphic slides, and other geological materials derived from wells drilled in the Offshore Area. The CSRC provides public access to materials for studies and viewing once the confidentiality periods have expired.

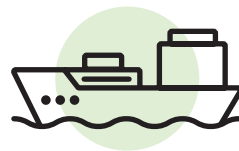
## FACILITIES



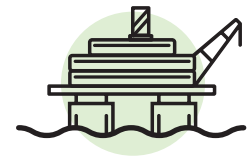
**3 Gravity  
Base Structures**



**2 Floating Production  
Storage and  
Offloading Vessels**



**5 Diving/Construction/  
Goscientific Vessels**



**1 Floating  
Accommodation  
Installation**



Total oil produced as of March 31, 2026, in offshore Newfoundland and Labrador – 392.4 million m<sup>3</sup>; 2,468 million barrels)



2,084 individuals working in offshore-based positions, supporting Hebron, Hibernia, Terra Nova, White Rose and the West White Rose project



As of March 31, 2026, the C-NLOER had 102 permanent staff and its budget for the 2025-26 fiscal year was \$28.06 million. Pursuant to the **Offshore Petroleum Cost Recovery Regulations and Guidelines**, the C-NLOER recovered 100 per cent of its actual costs of \$27,101,356 from industry for the 2025-26 fiscal year.



## MANDATE

Interpret, assess and oversee compliance with the provisions of the **Accord Acts** and its implementing legislation and regulations in the Canada-Newfoundland and Labrador Offshore Area.

## MISSION

To safeguard workers, the environment and public interest while responsibly stewarding offshore energy resources for the benefit of present and future generations.

## VISION

Empowering a safe, sustainable and innovative offshore energy sector through trusted, transparent, efficient and collaborative regulatory oversight.

## VALUES

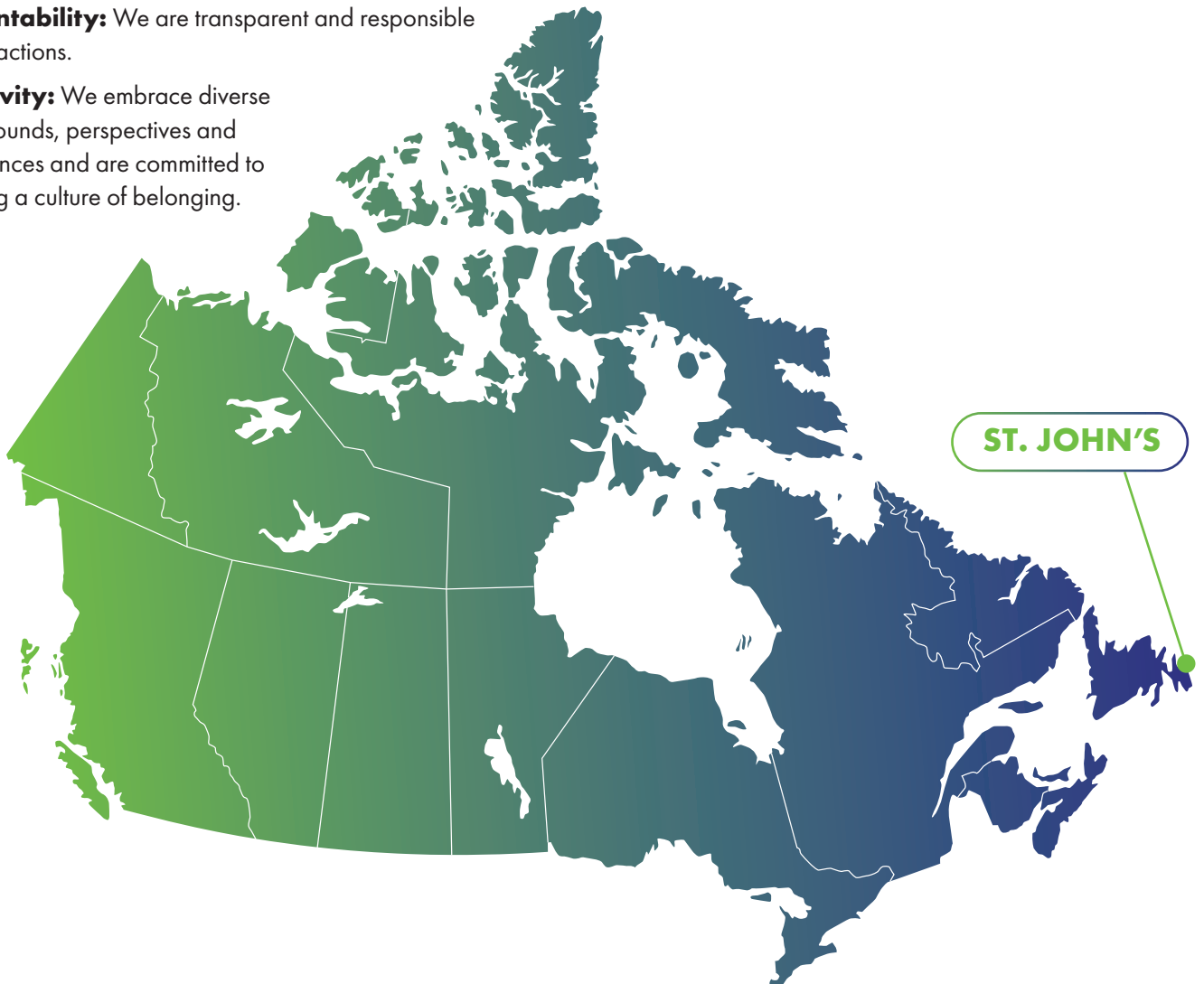
- **Competence:** We have the knowledge, skills and abilities to effectively regulate the offshore energy industry.
- **Efficiency:** We prioritize lean processes and regulatory instruments that are commensurate with risk.
- **Innovation:** We seek solutions with the future in mind.
- **Accountability:** We are transparent and responsible for our actions.
- **Inclusivity:** We embrace diverse backgrounds, perspectives and experiences and are committed to fostering a culture of belonging.

## REGULATORY FOCUS AREAS

- Safety of Workers and Facilities
- Environmental Protection
- Stewardship of Offshore Resources
- Optimizing Local Content

## STRATEGIC PRIORITIES

- Cutting "Red Tape": Regulating more efficiently and transparently by simplifying processes.
- Innovation: Seeking technology-driven, forward thinking and risk-based approaches.
- Preparing for a dynamic energy future: Anticipating and adapting to an evolving energy industry.





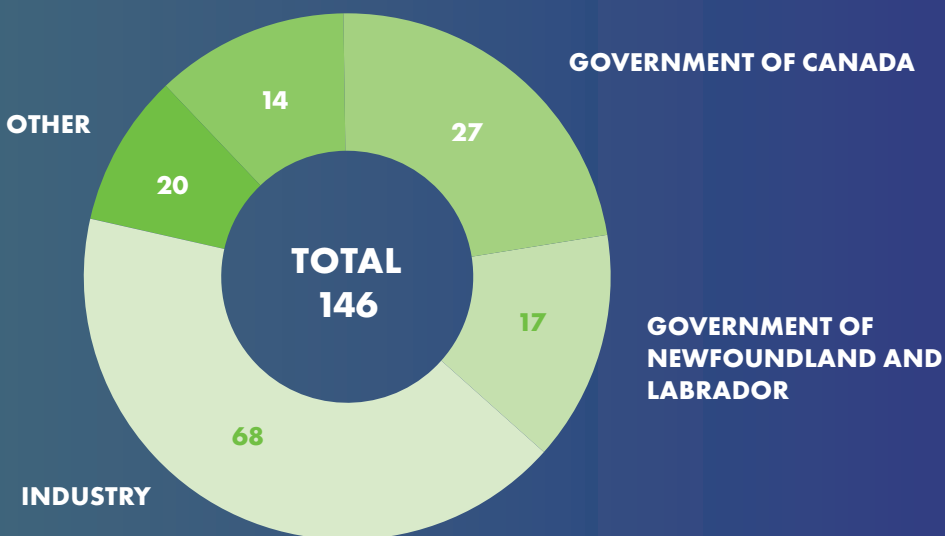
## DID YOU KNOW?

The C-NLOER website hosts an online Data and Information Hub that houses technical information available for viewing or download.<sup>2</sup> For information not found on the Hub, requests and inquiries can be directed to [information@cnloer.ca](mailto:information@cnloer.ca)

## REQUESTS FOR INFORMATION RECEIVED IN 2025-26

During 2025-26, the C-NLOER received 146 formal requests for information from external parties. This year's requests for information demonstrated a diverse range of interests, spanning detailed technical data and information needs as well as corporate, non-technical inquiries. These did not require applications under the **Access to Information Act (ATIA)**. Details related to requests under the ATIA can be found on our website.<sup>3</sup>

### EDUCATIONAL/ACADEMIC



<sup>2</sup> <https://home-cnlopb.hub.arcgis.com/>

<sup>3</sup> <https://www.cnloer.ca/information/annualreports/>



# REGULATORY OVERSIGHT OF SAFETY

The C-NLOER administers the **Accord Acts** and supporting legislation and regulations regarding the safety of employees, including overseeing operators' management systems compliance. The goal of this oversight is to reduce risks to employees engaged in offshore energy activities to levels that are as low as reasonably practicable. Operators are required to make reasonable efforts to identify hazards associated with their operations and to implement appropriate measures to mitigate the risks of their activities.

The C-NLOER conducts systematic and comprehensive safety assessments and reviews of safety plans and commitments submitted in support of proposed activities.

In most cases, compliance verification activities are conducted prior to and after issuance of an authorization, including audits, inspections, review of operational reports, incident reports, complaints, workplace committee meeting minutes and training exemptions or equivalencies.

## SAFETY PERFORMANCE OVERVIEW

### In 2025-26, the C-NLOER:

- ✓ Reviewed 164 safety-related incident reports from operators.
- ✓ Conducted nine safety assessments.

During this reporting period, 4,287,860 hours were worked in the Canada-Newfoundland and Labrador Offshore Area. There were 12 incidents that resulted in a reportable injury or illness, which translates to a reportable injury frequency rate of 2.80 per million hours worked.



## OCCUPATIONAL HEALTH AND SAFETY COMPLAINTS

Any person who has a complaint related to offshore energy operations may contact C-NLOER Safety Officers by phone at 709-778-1400, in writing to [information@cnloer.ca](mailto:information@cnloer.ca) or in person at our office.

The C-NLOER did not receive any health and safety complaints in 2025-26.



# REGULATORY OVERSIGHT OF ENVIRONMENTAL PROTECTION

The C-NLOER oversees operator offshore oil and gas activities to verify they proceed in an environmentally acceptable manner. The C-NLOER assesses potential environmental effects through Project Specific Environmental Assessments and Strategic Environmental Assessments and supports the Impact Assessment Agency of Canada in conducting Regional Assessments, such as the Regional Assessment of Offshore Oil and Gas Exploratory Drilling East of Newfoundland and Labrador<sup>4</sup> and the Regional Assessment of Offshore Wind Development in Newfoundland and Labrador.

Throughout the life of a project, the C-NLOER also oversees operator compliance through Compliance Monitoring and Verification and confirms the accuracy of Environmental Assessments through Environmental Effects Monitoring.<sup>5</sup>

An operator must report any pollution incidents applicable to authorized work or activities to the C-NLOER. Pollution incidents are available on the C-NLOER’s website.<sup>6</sup>



## IN 2025-26:

- ✓ Two Environmental Assessments for offshore seismic programs were active with one ongoing and one withdrawn.
- ✓ The C-NLOER followed up on 20 pollution incidents, five of which were minor petroleum spills as referenced in the table below.

### SUMMARY OF PETROLEUM SPILL INFORMATION FOR 2025-26

| COMPONENT                            | LITRES | PERCENTAGE OF ANNUAL TOTAL | NUMBER OF INCIDENTS |
|--------------------------------------|--------|----------------------------|---------------------|
| <b>Crude Oil</b>                     | 13.90  | 92.1                       | 1                   |
| <b>Hydraulic and Lubricating Oil</b> | 1.00   | 6.6                        | 1                   |
| <b>Other Hydrocarbon</b>             | 0.20   | 1.3                        | 3                   |

<sup>4</sup><https://iaac-aeic.gc.ca/050/evaluations/proj/80156?culture=en-CA> <sup>6</sup><https://www.cnlopb.ca/information/statistics/#environment>

<sup>5</sup><https://www.cnlopb.ca/environment/projects/>



### **DID YOU KNOW?**

The C-NLOER reviews proposals for offshore activities — from seismic surveys to production projects — to identify potential effects on the natural environment and other users of that environment, such as fisheries.

### **DID YOU KNOW?**

The Environmental Studies Research Fund (ESRF)<sup>7</sup> is a national research program that sponsors environmental and social studies pertaining to how petroleum exploration, development and production activities on frontier lands should be conducted. Funding is provided through levies on frontier lands paid by interest holders. The ESRF is directed by a 12-member Management Board including members from the Government of Canada, the C-NLOER, the Canada Nova Scotia Offshore Energy Regulator (CNSOER), industry and the public. The ESRF is supported by a secretariat within the Offshore Management Division of Natural Resources Canada.

<sup>7</sup> <https://www.esrfunds.org>

# APPROVALS & AUTHORIZATIONS

The C-NLOER authorizes energy-related activities in accordance with the **Accord Acts** and regulations. Operators must obtain the necessary authorizations and approvals by demonstrating how they will meet the requirements defined in the **Accord Acts** and regulations.

Authorizations and approvals are granted only when the C-NLOER is satisfied that the operator can carry out the work safely, responsibly and in full compliance with regulatory obligations.

## PROJECTS OF NOTE IN 2025-26 INCLUDE:

- ✓ Cenovus West White Rose Project (WWRP) Marine Rock Installation;
- ✓ Cenovus WWRP Dive Program;
- ✓ Cenovus WWRP Tow-Out and Installation;
- ✓ Cenovus WWRP Hook-up and Commissioning;
- ✓ Cenovus WWRP Drilling and Operations;
- ✓ Cenovus Asset Life Extension - **SeaRose** FPSO;
- ✓ Cenovus Production Operations Authorization (OA) Renewal;
- ✓ Equinor Geoscientific, Geotechnical Program Bay du Nord Development Area;
- ✓ Equinor Development Plan Application Pre-Application Submission Engagement – Bay du Nord;
- ✓ Hebron Production OA Renewal Pre-Application Submission Engagement; and
- ✓ Suncor Production OA Renewal Pre-Application Submission Engagement.

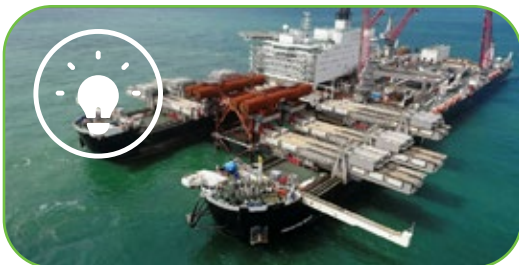
Non-privileged data collected through geoscience, environmental, drilling and production activities can be accessed through the C-NLOER Data and Information Hub<sup>8</sup> or by contacting [information@cnloer.ca](mailto:information@cnloer.ca).

<sup>8</sup> <https://home-cnlopb.hub.arcgis.com/>

In addition to authorizations and approvals previously noted, the C-NLOER completed the following regulatory review and approval activities in 2025-26:

## REGULATORY REVIEW AND APPROVAL ACTIVITIES

| ACTIVITY   | NUMBER |
|--|--------|
| Allowable Expenditure Credit                             | 7      |
| Annual Production Reports                                | 5      |
| Approval to Alter the Condition of a Well                | 24     |
| Approval to Drill a Well                                 | 13     |
| Certification Plan                                       | 2      |
| Chief Safety Officer Approval                            | 9      |
| Commercial Discovery Declaration (new or amended)        | 0      |
| Development Plan Condition (new or amended)              | 1      |
| Environmental Assessment (new, amended or updated)       | 0      |
| Field Data Acquisition Program Approval                  | 1      |
| Financial Requirements                                   | 5      |
| Formation Flow Test Program Approval                     | 0      |
| Geological Program Authorization (without fieldwork)     | 7      |
| Geophysical Program Authorization (without fieldwork)    | 3      |
| Operating Licence  | 12     |
| Operations Authorization (new or amended)                | 26     |
| Operations Authorization Asset Life Extension Assessment | 0      |
| Pooling Designation                                      | 1      |
| Regulatory Query   | 14     |
| Request for Regulatory Review                            | 2      |
| Research and Development Work Expenditure                | 30     |
| Scope of Work  | 4      |
| Significant Discovery Declaration (new or amended)       | 1      |
| Subsurface Storage License                               | 1      |



### DID YOU KNOW?

On July 16, 2025, the Pioneering Spirit lifted and installed the 23,000-tonne West White Rose topsides onto its concrete gravity structure located offshore Newfoundland and Labrador. This was the first operation of its kind in Canadian offshore history.

# COMPLIANCE VERIFICATION & ENFORCEMENT

In addition to regulatory oversight by the C-NLOER, applicants or operators are required to engage third-party Certifying Authorities (CAs) who issue and maintain Certificates of Fitness for installations. Furthermore, Certification Plans and Scopes of Work must be submitted

to the C-NLOER describing the verification activities that CAs conduct. During 2025-26, there were two Certification Plans reviewed, four Scope of Work Assessments and six Certification Compliance Verification Activities conducted.

## C-NLOER COMPLIANCE VERIFICATION ACTIVITIES IN 2025-26

- 7** – ENVIRONMENT
- 3** – MEASUREMENT
- 1** – PRODUCTION OPERATIONS
- 16** – SAFETY
- 2** – WELL OPERATIONS



## DURING 2025-26:

- ✓ 10 development wells were drilled**  
There were no exploration or delineation wells.

## C-NLOER ENFORCEMENT ACTIVITIES IN 2025-26

- 1** – PROSECUTION: DRILLING CONTRACTOR CONVICTED AND SENTENCED IN RELATION TO SEPTEMBER 2019 INCIDENT RESULTING IN AN INJURED WORKER
- 1** – ADMINISTRATIVE MONETARY PENALTY: CLOSED

For more information on Enforcement Activities, visit the C-NLOER website.<sup>9</sup>

## SPECIAL OVERSIGHT

Special Oversight Measures refer to enhanced regulatory oversight by the C-NLOER for any authorized activity as deemed necessary due to significant issues or complexity. Special Oversight is typically implemented during the planning and drilling of wells with high pressure, high temperature, or wells with increased risk for a well control incident.

During 2025-26, Special Oversight Measures were applied by the C-NLOER to one well on the **Hibernia** Platform because of a higher complexity completion strategy that was used for the first time in this jurisdiction.

Special Oversight Measures were also applied to **Terra Nova** FPSO production operations and were focused on operational integrity, reliability, maintenance and well integrity.

## MEASUREMENT WITNESSING AND COMPLIANCE VERIFICATION

The C-NLOER witnesses the annual certification and calibration of fiscal meters on all production facilities. Fiscal meters are used to measure the volumes of oil offloaded to transport tankers, and these must be certified and calibrated to remain within an accuracy of +/- 0.25%. The accuracy of these meters is critically important for royalty calculations. The C-NLOER receives monthly reports, which are analyzed upon receipt for completeness, accuracy and regulatory compliance. Once the reports are deemed satisfactory, they are provided to the federal and provincial governments for calculating royalties and production data is published to the C-NLOER's website.

During the reporting period, recertification and calibration witnessing took place on the **Terra Nova** FPSO and the **Hebron** and **Hibernia** Platforms. Virtual witnessing also took place for Hebron and Hibernia South.

<sup>9</sup> <https://www.cnloer.ca/enforcement/enforcement/>

<sup>10</sup> <https://www.cnloer.ca/resource/information/>



# REGULATORY OVERSIGHT OF GREENHOUSE GAS EMISSIONS

As per the Administration of the **Management of Greenhouse Gas Act** Memorandum of Understanding between the C-NLOER and the Government of Newfoundland and Labrador, the C-NLOER reviews annual Greenhouse Gas (GHG) reports submitted by operators for the previous calendar year. Once these reports are reviewed for completeness, accuracy and regulatory

compliance, the C-NLOER provides the information to the provincial Department of Environment, Conservation and Climate Change (ECCC).<sup>11</sup> An emissions report is submitted to the Minister of ECCC on or before June 1 of the calendar year immediately following the reporting period. For the purposes of this report, GHG emissions are for 2024.

## GREENHOUSE GAS EMISSIONS FROM PRODUCING FACILITIES IN 2024

| FACILITY                 | GHG EMISSIONS<br>(t CO <sub>2</sub> e) | PRODUCTION<br>(BBL) | EMISSIONS INTENSITY<br>(KG CO <sub>2</sub> e/BBL) |
|--------------------------|--|---------------------|---|
| <b>Hebron Platform</b>   | 437,295                                | 41,971,059          | 10.42   |
| <b>Hibernia Platform</b> | 497,284                                | 25,780,568          | 19.29   |
| <b>SeaRose FPSO</b>      | 5,883                                  | 0                   | N/A   |
| <b>Terra Nova FPSO</b>   | 665,944                                | 8,703,885           | 76.51   |

\***SeaRose** FPSO had no production in 2024 due to scheduled maintenance on the facility

<sup>11</sup> <https://www.gov.nl.ca/ecc/occ/greenhouse-gas-data/>



# REGULATORY OVERSIGHT OF OFFSHORE RESOURCES

## SCHEDULED LAND TENURE SYSTEM

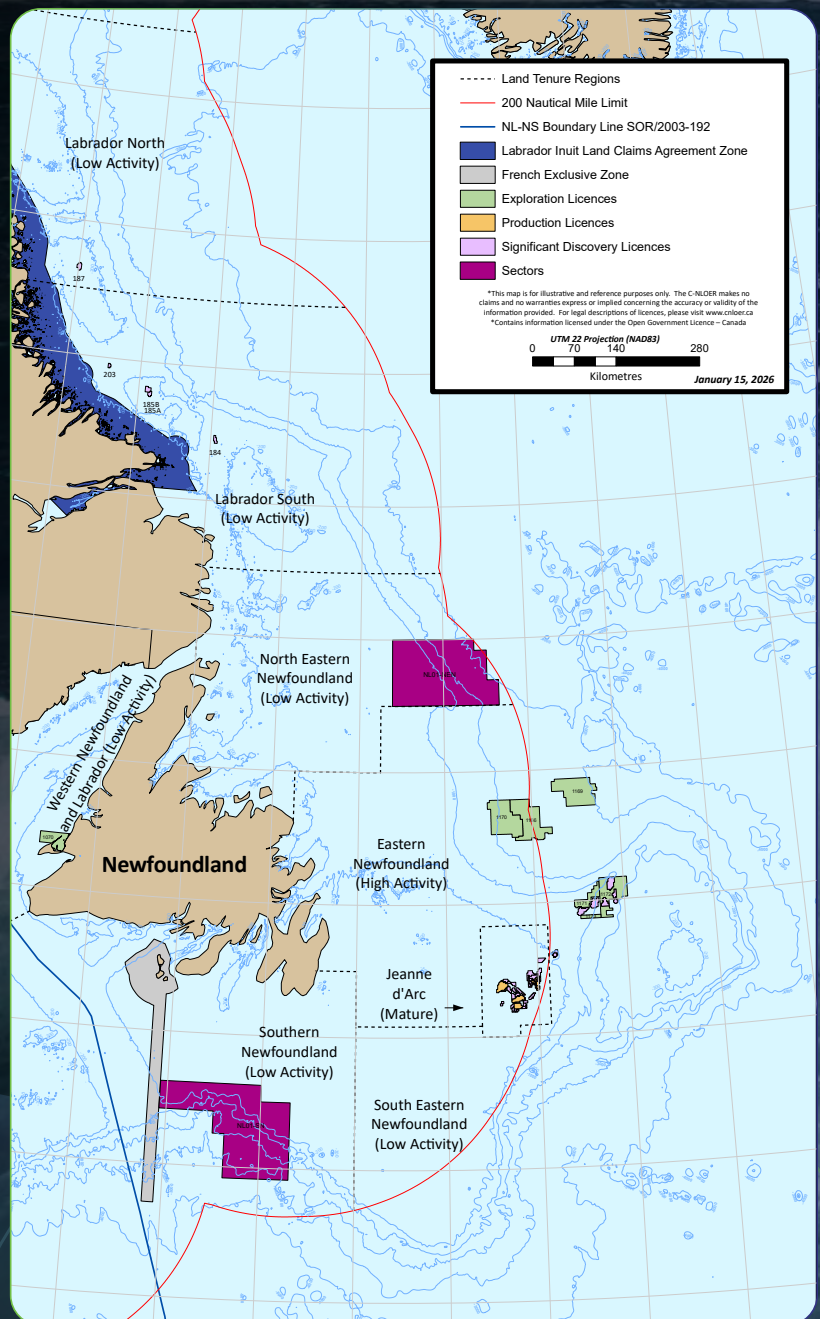
The C-NLOER's Scheduled Land Tenure System has been designed to clearly identify timeframes for petroleum Calls for Bids in the Offshore Area, with the intent of providing predictability, increasing transparency and improving stakeholder input.

The land tenure cycle begins with a Call for Nominations of Areas of Interest within a region. The C-NLOER will consider all nominations, stakeholder feedback and internal assessment to design Sectors within an Area of Interest. A Call for Nominations will be issued for the identified Sector locations and all nominations, stakeholder feedback and further internal assessment will be used to design parcels for a Call for Bids. Exploration Licences (ELs) are awarded to those who offer the highest work commitment bid on each parcel during a Call for Bids.

The C-NLOER's decision to issue a Call for Bids, as well as its decision to award an EL to a successful bidder, requires approval by the Regulator Members and is a Fundamental Decision, subject to approval by federal and provincial ministers.

The C-NLOER issues ELs, Significant Discovery Licences (SDLs) and Production Licences (PLs).

Following the results of the 2025 Petroleum Call for Bids, the C-NLOER initiated a review of the land tenure system in relation to competitiveness of the Offshore Area. The review will continue into 2026-27, with a decision on the 2026 Call for Bids anticipated in the new fiscal year.



## Scheduled Land Tenure System Process<sup>12</sup>

◆ REQUIRES C-NLOER BOARD APPROVAL

\* FUNDAMENTAL DECISION



Pursuant to the Scheduled Land Tenure System, the C-NLOER issued the following Call for Nominations during the 2025-26 fiscal year:

- **PARCELS:** Jeanne d'Arc Region

Pursuant to the Scheduled Land Tenure System, the following Calls for Bids were offered during the 2025-26 fiscal year.

- TOTAL PARCELS OFFERED: 36
- PARCELS AWARDED: 0

As of March 31, 2026, there were seven ELs, 59 SDLs and 14 PLs in the Offshore Area.

Any person planning to undertake any petroleum-related work or activity in the Offshore Area must obtain an Operating Licence (OL). There were 12 OLs issued by the C-NLOER during the 2025-26 fiscal year.

Detailed Licence information can be found on the Data and Information Hub.

<sup>12</sup> <https://home-cnloer.hub.arcgis.com/pages/land-tenure>



## FUNDS COLLECTED AND RECORDED

The C-NLOER is responsible for the collection of certain fees, forfeitures and rentals. In 2025-26, \$132,840,213.04 was collected, recorded and forwarded to Natural Resources Canada on behalf of the Receiver General for Canada.

### FUNDS COLLECTED AND RECORDED ON BEHALF OF THE RECEIVER GENERAL FOR FISCAL YEAR 2025-26

| FEES, FORFEITURES AND RENTALS   | AMOUNT COLLECTED        |
|---------------------------------|-------------------------|
| Forfeitures (Security Deposits) | \$131,575,431.35        |
| Operating Licences              | \$250.00                |
| Rentals                         | \$1,264,531.69          |
| <b>Total</b>                    | <b>\$132,840,213.04</b> |



### DID YOU KNOW?

Since its inception, the C-NLOER has collected \$890,793,665.02 on behalf of the Crown for land tenure transactions. Further information on fees, forfeitures and rentals can be found on the C-NLOER website.<sup>13</sup>



<sup>13</sup> <https://www.cnloer.ca/exploration/tables/>

## PRODUCTION ACTIVITIES

The C-NLOER provides oversight of operator production with the goals of maximum recovery, adherence to good oilfield practice and accurate production accounting. The following table shows petroleum production for each field in the Offshore Area during 2025-26.

### FIELD PRODUCTION STATISTICS FOR 2025-26

| FIELD          | PRODUCTION   |             |                | GAS DISPOSITION |              |                  |              | WATER INJECTED<br>MMbbl | DAILY OIL AVERAGE<br>bbl |
|----------------|--------------|-------------|----------------|-----------------|--------------|------------------|--------------|-------------------------|--------------------------|
|                | OIL<br>MMbbl | GAS<br>Bscf | WATER<br>MMbbl | FLARED<br>Bscf  | FUEL<br>Bscf | INJECTED<br>Bscf | LIFT<br>Bscf |                         |                          |
| HEBRON         | 53.65        | 44.20       | 37.15          | 0.36            | 6.69         | 37.17            | 33.34        | 94.21                   | 147,125                  |
| HIBERNIA       | 27.29        | 97.88       | 52.92          | 1.49            | 5.75         | 90.64            | 17.75        | 71.05                   | 74,874                   |
| NORTH AMETHYST | 1.22         | 4.46        | 9.42           | 0.15            | 0.37         | 3.51             | 6.81         | 0.00                    | 3,328                    |
| TERRA NOVA     | 8.04         | 64.51       | 13.78          | 2.79            | 3.73         | 58.05            | 8.23         | 15.31                   | 22,001                   |
| WHITE ROSE     | 3.36         | 33.68       | 3.05           | 1.28            | 2.82         | 26.41            | 9.39         | 0.00                    | 9,180                    |

### FIELD PRODUCTION STATISTICS CUMULATIVE TO MARCH 31, 2026

| FIELD          | PRODUCTION   |             |                | GAS DISPOSITION |              |                  |              | WATER INJECTED<br>MMbbl |
|----------------|--------------|-------------|----------------|-----------------|--------------|------------------|--------------|-------------------------|
|                | OIL<br>MMbbl | GAS<br>Bscf | WATER<br>MMbbl | FLARED<br>Bscf  | FUEL<br>Bscf | INJECTED<br>Bscf | LIFT<br>Bscf |                         |
| HEBRON         | 366.65       | 176.28      | 134.14         | 11.69           | 46.90        | 117.72           | 177.86       | 516.67                  |
| HIBERNIA       | 1323.15      | 2,489.20    | 917.12         | 109.96          | 150.31       | 2,229.27         | 107.81       | 2,153.07                |
| NORTH AMETHYST | 61.79        | 68.14       | 130.38         | 4.90            | 9.87         | 51.37            | 89.29        | 149.81                  |
| TERRA NOVA     | 445.17       | 970.00      | 404.50         | 74.73           | 82.76        | 796.97           | 157.67       | 840.63                  |
| WHITE ROSE     | 271.13       | 473.09      | 177.27         | 43.71           | 57.45        | 358.45           | 176.29       | 565.73                  |

**Total cumulative oil production to March 31, 2026: 2,467.89 MMbbl**

# REGULATORY OVERSIGHT OF INDUSTRIAL BENEFITS

An objective of the **Accord Acts** is to ensure that the Offshore Area is managed in a manner which will promote economic growth and development to optimize benefits accruing to Newfoundland and Labrador in particular and to Canada as a whole.

The **Accord Acts** require that before any work or activity is authorized in the Offshore Area, a Canada-Newfoundland and Labrador Benefits Plan must be approved by the C-NLOER.



In 2025, operators reported expenditures of **\$3.6 billion** related to work in the Offshore Area. Since 1966, cumulative expenditures have totaled approximately **\$84.5 billion**.



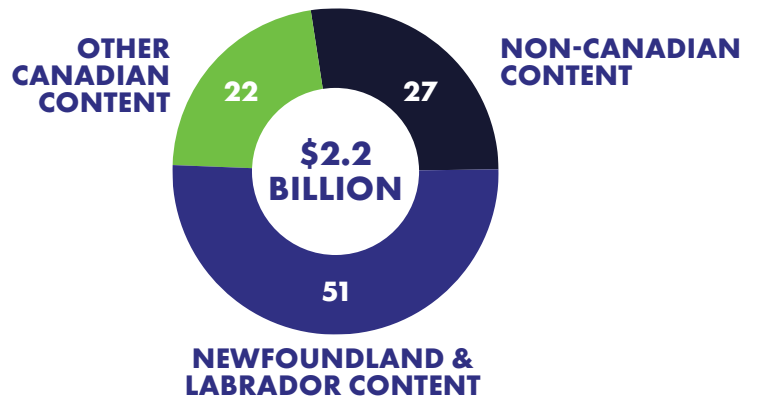
In 2025, there were **4,143** Newfoundland and Labrador and other Canadian residents working in direct support of petroleum-related activity in the Offshore Area.



During the 2025 calendar year, approximately **\$9.4 million** was spent on exploration programs, generating approximately 222 person-months of employment.

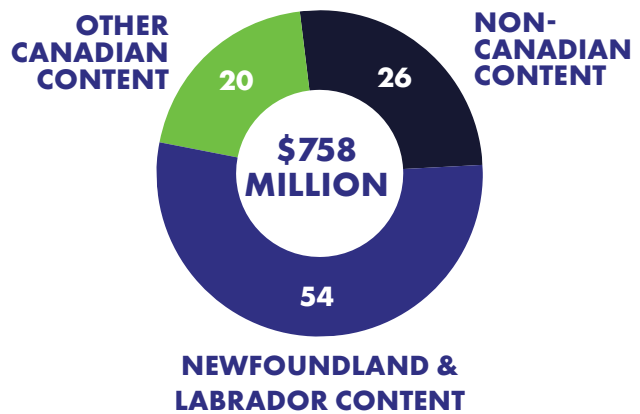
## ONGOING PRODUCTION

Ongoing production activities accounted for expenditures of \$2.2 billion in 2025, of which approximately 51% occurred in Newfoundland and Labrador and a further 22% in the rest of Canada.



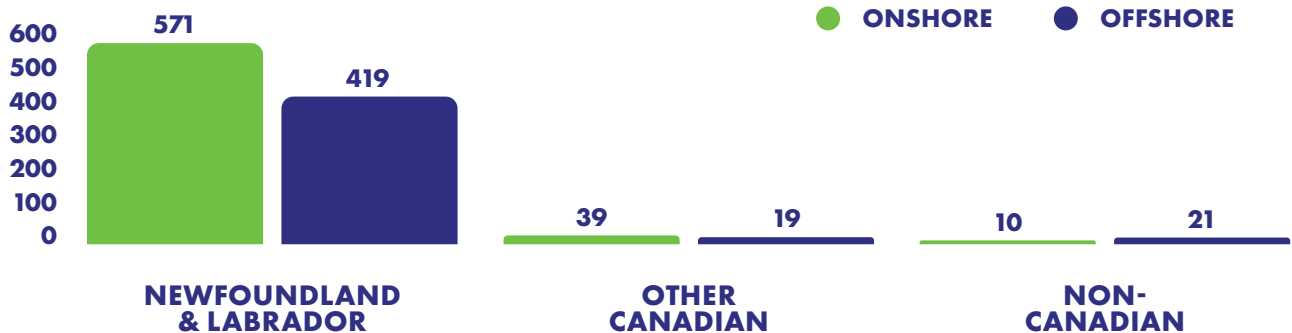
## HEBRON

ExxonMobil Canada Properties reported expenditures of approximately \$758 million in the 2025 calendar year, with 54% Newfoundland and Labrador content and 20% other Canadian content.



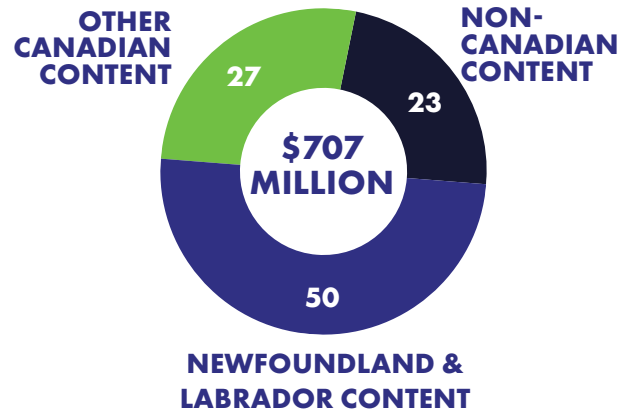
## HEBRON EMPLOYMENT

As of December 31, 2025, total direct employment in the province in support of the Hebron project was 1,071, of which 92% were Newfoundland and Labrador residents at the time of hire and 5% were other Canadian residents.



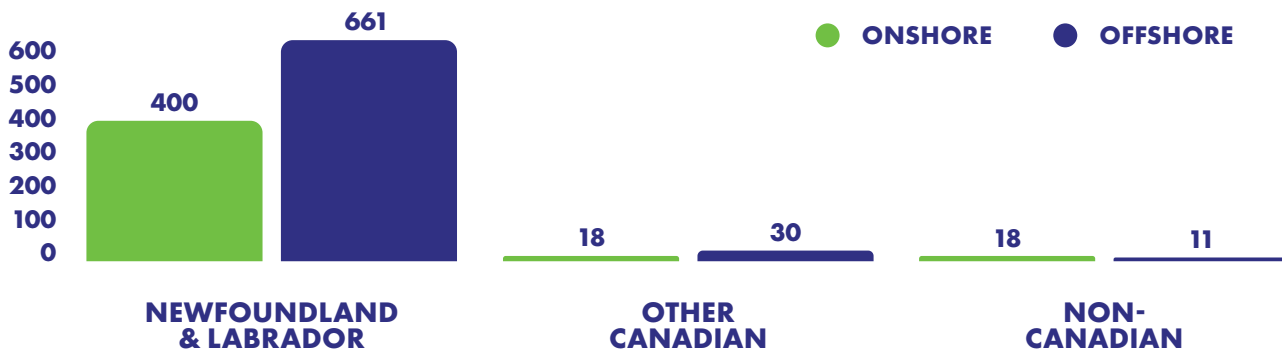
## HIBERNIA

Hibernia Management and Development Company reported expenditures of approximately \$707 million in the 2025 calendar year, with 50% Newfoundland and Labrador content and 27% other Canadian content.



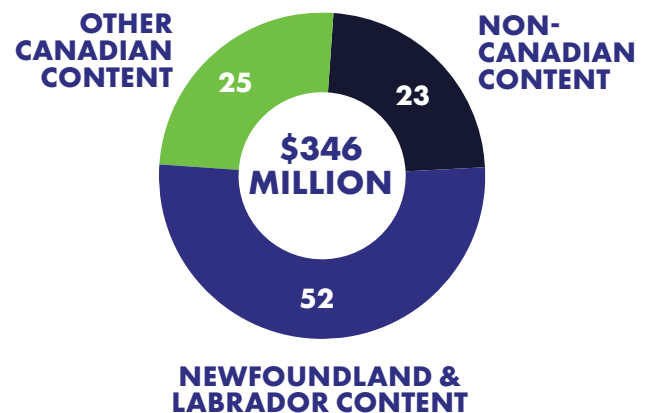
## HIBERNIA EMPLOYMENT

As of December 31, 2025, total direct employment in the province in support of the Hibernia project was 1,138, of which 93% were Newfoundland and Labrador residents at the time of hire and 4% were other Canadian residents.



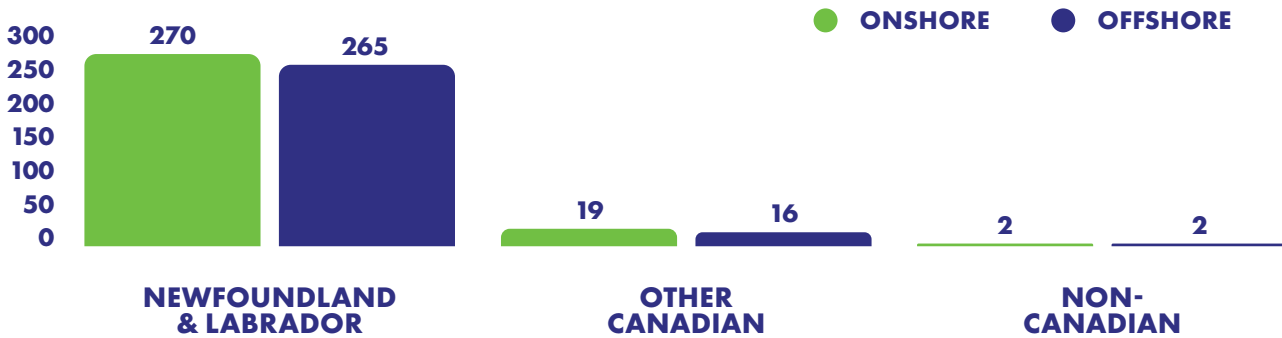
## TERRA NOVA

Suncor Energy reported expenditures of approximately \$346 million in the 2025 calendar year, with 52% Newfoundland and Labrador content and 25% other Canadian content.



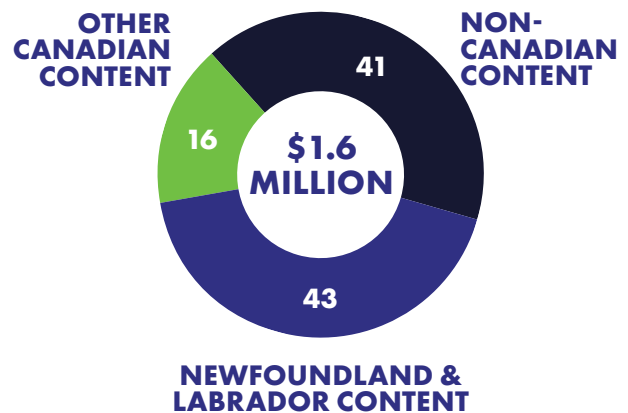
## TERRA NOVA EMPLOYMENT

As of December 31, 2025, total direct employment in the province in support of the Terra Nova project was 574, of which 93% were Newfoundland and Labrador residents at the time of hire and 6% were other Canadian residents.



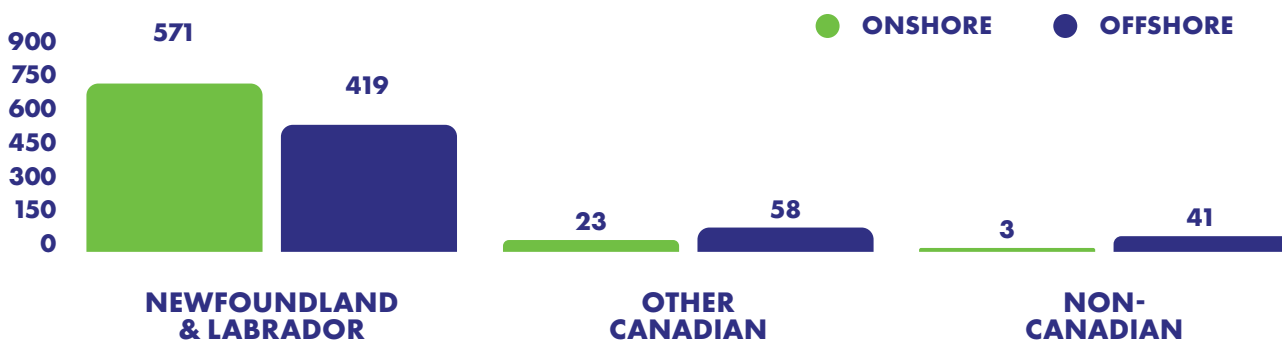
## WHITE ROSE

Cenovus Energy reported expenditures of approximately \$1.6 billion in the 2025 calendar year, with 43% Newfoundland and Labrador content and 16% other Canadian content.



## WHITE ROSE EMPLOYMENT

As of December 31, 2025, total direct employment in the province in support of the White Rose, North Amethyst, and West White Rose projects was 1,401, of which 91% were Newfoundland and Labrador residents at the time of hire and 6% were other Canadian residents.





## DID YOU KNOW?

Approximately \$49 million was spent on eligible R&D and E&T in 2025, bringing total expenditures to approximately \$810 million since the C-NLOER's Guidance for Research and Development and Education and Training Expenditures came into effect in 2004. Updates to these expenditures are posted annually on the C-NLOER website.

## RESEARCH AND DEVELOPMENT/ EDUCATION AND TRAINING

The C-NLOER continued to monitor operator obligations to carry out Research and Development (R&D)/Education and Training (E&T) in the province. Before making R&D and/or E&T expenditures, operators may submit proposed projects to the C-NLOER for pre-determination of eligibility towards their obligations. There were 26 R&D/E&T work expenditure applications submitted by operators for preapproval during 2025-26.<sup>14</sup>

## SELECT AREAS OF INTEREST RELATED TO SUBMITTED APPLICATIONS INCLUDE:

- AI, Data, and Digital Innovation: Development and application of AI and advanced analytics, including AI-driven production optimization and emergency response tools, and expansion of data infrastructure and modeling capabilities.
- Offshore, Marine, and Energy Technology: Advancements in offshore engineering and marine systems, including weather forecasting and marine data collection, and development of specialized offshore technologies, such as drilling telemetry and anchoring systems for subsea infrastructure.
- Renewable Energy and Environmental Research: Support for wind energy and ocean environment research, including metocean and geotechnical databases for offshore wind, and research into glacial processes and environmental impacts in northern settings.
- Industrial Optimization and Applied Engineering: Focused initiatives to improve operational efficiency, including maintenance and production optimization using machine learning, and targeted programs enhancing human performance and safety in offshore environments.
- Maritime, Ports, and Logistics: Strategic positioning of the province as a global logistics and maritime hub, including research on logistics capacity and port infrastructure, and development of cyber-resilient maritime transportation systems.

<sup>14</sup> Refer to Appendix 2 of the Benefits Plan Guidelines available at <https://www.cnloer.ca/wp-content/uploads/guidelines/benplan.pdf>



- **Innovation Ecosystem and Economic Development:** Initiatives to strengthen the province's innovation ecosystem and economic diversification, including research on capturing local economic benefits from extractive industries, with focus on linking industry, academia, and policy to drive long-term regional growth.
- **Education, Skills, and Workforce Development:** Investments in training and education pathways, from early childhood education to leadership development programs, including focused initiatives to build capability in high-demand sectors.
- **STEM and Inclusive Talent Development:** Programs aimed at STEM outreach and inclusion, including targeted initiatives like STEMforGIRLS, student design hubs and hands-on learning opportunities, with emphasis on building diverse, local talent pipelines for future industry needs.



These applications account for approximately \$34 million in potential in-province R&D/E&T funding.

## DIVERSITY INITIATIVES

In 2025-26, staff reviewed diversity initiatives for various offshore activities as part of the approved benefits plan provisions.

For further information, the C-NLOER Quarterly Industrial Benefits Report can be found on the C-NLOER website and provides project employment statistics, expenditures, procurement and local content information.<sup>15</sup>

<sup>15</sup> <https://www.cnloer.ca/benefits/operator/>



# COLLABORATION

The C-NLOER regularly engages with regulatory counterparts and others to share lessons learned and discuss global trends, innovation and best practices.

## ATLANTIC CANADA OFFSHORE PETROLEUM INDUSTRY TRAINING AND QUALIFICATIONS COMMITTEE

During 2025-26, a working group comprised of C-NLOER staff and industry personnel completed the review and update of the well control training requirements of the Atlantic Canada Offshore Petroleum Code of Practice<sup>16</sup> for the Training and Qualification of Offshore Personnel.

## WELL OPERATIONS COMMITTEE

The Well Operations Committee is a venue through which the C-NLOER, CNSOER and operators can pursue open and constructive engagement with respect to matters related to well operations. Well operations lessons learned, global incident trends and well control training are examples of some of the most recent topics discussed.

## OFFSHORE ENERGY DIGITALIZATION FORUM

The Offshore Energy Digitalization Forum is a collaborative group consisting of the C-NLOER, industry associations, operators, government, research institutions and industry representatives committed to enabling the optimal use of digital technologies and solutions to ensure safe, efficient and low carbon oil and gas operations in the Canada-Newfoundland and Labrador Offshore Area. This group assists with planning of the annual Digital Offshore Conference, held in St. John's, Newfoundland and Labrador.

## INTERNATIONAL OFFSHORE PETROLEUM ENVIRONMENTAL REGULATORS

The C-NLOER is a founding member of the International Offshore Petroleum Environmental Regulators (IOPER), a collaborative group of international regulators whose focus is to drive improvements to environmental performance in the global offshore petroleum exploration and production industry.

During 2025-26, the C-NLOER continued to participate in the IOPER Oil Spill, Marine Sound, Consultation with Indigenous Peoples, Decommissioning End of Life, and Environmental Management of Carbon Capture and Storage Working Groups. Further information on IOPER is available through the IOPER website.<sup>17</sup>

## INTERNATIONAL REGULATORS FORUM OFFSHORE RENEWABLE ENERGY SUB-COMMITTEE

The International Regulators Forum Offshore Renewable Energy Sub-committee<sup>18</sup> (IRFORES) consists of offshore renewable energy infrastructure health and safety regulators. The forum provides an opportunity to share lead practices and innovation in the regulation of the rapidly evolving offshore renewable energy sector. In alignment with the principles of the IRF, IRFORES members are committed to advancing offshore health and safety standards.

<sup>16</sup> <http://www.cnlopb.ca/wp-content/uploads/cop/atlcan.pdf/>

<sup>17</sup> <https://www.ioper.org/>

<sup>18</sup> <https://irfoffshoresafety.com/>

## **INTERNATIONAL UPSTREAM FORUM**

The 15th International Upstream Forum (IUF) took place in St. John's, Newfoundland and Labrador in 2025. The IUF brought together member countries to discuss best practices, policies and lessons learned in the upstream offshore oil and gas industry. Topics discussed were exploration and resource progression, carbon capture and storage, decommissioning and spatial planning.

## **GLOBAL OFFSHORE WIND REGULATORS FORUM**

The Global Offshore Wind Regulators Forum (GOWRF) is a multilateral forum established in 2019 for the purpose of sharing information between governments responsible for the regulation of offshore wind energy. The primary objectives of the GOWRF are to enable an exchange of information, including lessons learned and best practices, to promote sustainable and responsible offshore wind development and operations and to create a network of offshore wind energy regulators for mutual support and advice.

## **NORTH SEA OFFSHORE AUTHORITIES FORUM**

During the fiscal year the C-NLOER continued to participate in the North Sea Offshore Authorities Forum<sup>19</sup> (NSOAF) Wells Working, Carbon Capture and Storage and Health and Safety Groups. The primary focus of these efforts was to network with regulatory counterparts to support awareness and share best regulatory practices in the areas of well integrity, well control, process safety and asset integrity.

C-NLOER staff are currently working with the NSOAF Health and Safety Group to complete multinational audits on hazardous substances. The C-NLOER will complete an audit of an offshore facility in the Newfoundland and Labrador jurisdiction to support this initiative.

## **REGULATOR-INDUSTRY COLLABORATIVE WORKING GROUP**

In 2025, Regulator-Industry Collaborative Working Groups (CWGs) were established as a joint initiative between regulators (C-NLOER and CNSOER) and operators (Cenovus, Suncor and Exxon Mobil), through the Canadian Association of Petroleum Producers (CAPP). The working groups were created to support improved communication, collaboration and knowledge sharing between regulators and industry, and to identify opportunities to enhance regulatory efficiency and process clarity.

The collaborative working groups focus on two priority areas: Regulatory Instruments and Innovation. These groups provide a forum to share perspectives, discuss emerging issues and support continuous improvement in regulatory guidance, processes and the consideration of innovative and digital solutions.

<sup>19</sup> <https://www.havtil.no/en/about-us/international-collaboration/nsoaf/>

# INTERNATIONAL REGULATORS' FORUM 2025

In October 2025, the International Regulators' Forum (IRF) convened its Annual General Meeting (AGM) and Offshore Safety Conference in St. John's, Newfoundland and Labrador. Hosted by the C-NLOER, in collaboration with Canadian regulatory partners, this marked the first time the IRF Offshore Safety Conference was held in Newfoundland and Labrador and the second time it was hosted in Canada. The events brought together offshore health and safety regulators, industry leaders, workforce representatives and government officials from 13 countries, reinforcing the IRF's commitment to international collaboration and continuous improvement in offshore safety.

The IRF Annual General Meeting provided a forum for member regulators to advance the strategic agenda and strengthen cooperation across jurisdictions. Regulators shared country updates, reviewed offshore safety performance indicators and discussed common and emerging challenges. Members reaffirmed that maintaining strong safety and environmental protection remains a core priority. Joint sessions were also held with other international regulator groups to explore shared issues, highlighting the value of coordinated international approaches. Leadership transitions were confirmed during the AGM, with the Netherlands assuming the role of IRF Chair for the coming year and Brazil announced as the host of the 2026 Annual General Meeting.

Following the AGM, the IRF Offshore Safety Conference welcomed nearly 300 participants and was organized around the theme "Offshore Safety Through Innovation." Through plenary sessions, technical presentations and panel discussions, participants examined emerging risks and opportunities facing offshore energy operations, with a strong focus on innovation, learning from incidents and the responsible adoption of new technologies. Key topics included advances in training and simulation, workforce engagement, management of aging facilities and the growing role of digitalization, artificial intelligence and cybersecurity in offshore safety management.

The conference featured two keynote addresses from complementary perspectives. The day one keynote from Dr. Nippin Anand challenged traditional approaches to learning from accidents, emphasizing the importance of understanding systemic and organizational factors rather than focusing on individual blame. The day two keynote from Larry Daley explored risk management and innovation in extreme environments, drawing parallels between exploration, technology and safety decision making. A particularly powerful moment occurred during the screening of a video commemorating the Ocean Ranger disaster, which was introduced by a family member and followed by a musical tribute. This segment served as a poignant reminder of the human consequences of offshore incidents and reinforced the shared responsibility of regulators and industry to protect offshore workers.

Overall, the week of meetings and the conference was characterized by a strong spirit of collaboration, openness and shared learning. Feedback from participants highlighted the quality of the discussions and the value of exchanging international perspectives and lessons learned. The events reinforced the importance of innovation not only in technology, but also in regulatory practice, collaboration and communication, supporting the IRF's ongoing commitment to improving offshore safety outcomes worldwide.

ST. JOHN'S  
NEWFOUNDLAND  
AND LABRADOR

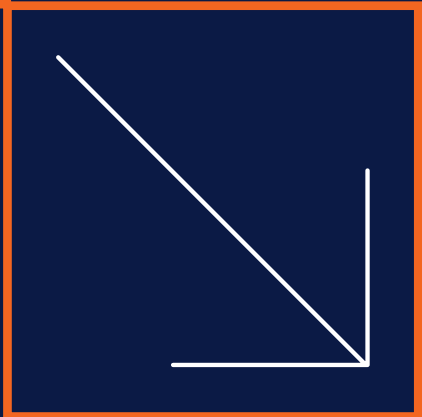




INTERNATIONAL  
REGULATORS'  
FORUM



# IRF



20  
25



## OFFSHORE SAFETY THROUGH INNOVATION

# STRATEGIC FRAMEWORK

## MANDATE

Interpret, assess and oversee compliance with the provisions of the **Atlantic Accord** and its implementing legislation and regulations in the Canada-Newfoundland and Labrador Offshore Area.

## MISSION

To safeguard workers, the environment and public interest while responsibly stewarding offshore energy resources for the benefit of present and future generations.

## VISION

Empowering a safe, sustainable and innovative offshore energy sector through trusted, transparent, efficient and collaborative regulatory oversight.

## VALUES

- **Competence:** We have the knowledge, skills and abilities to effectively regulate the offshore energy industry.
- **Efficiency:** We prioritize lean processes and regulatory instruments that are commensurate with risk.
- **Innovation:** We seek solutions with the future in mind.
- **Accountability:** We are transparent and responsible for our actions.
- **Inclusivity:** We embrace diverse backgrounds, perspectives and experiences and are committed to fostering a culture of belonging.

## REGULATORY FOCUS AREAS

- Safety of Workers and Facilities
- Environmental Protection
- Stewardship of Offshore Resources
- Optimizing Local Content

## STRATEGIC PRIORITIES

- Cutting "Red Tape": Regulating more efficiently and transparently by simplifying processes.
- Innovation: Seeking technology-driven, forward thinking and risk-based approaches.
- Preparing for a Dynamic Energy Future: Anticipating and adapting to an evolving energy industry.

During the reporting period the C-NLOER adopted a new Strategic Framework to guide the organization's work and decision-making. On October 23, 2025, Regulator Members approved the new Framework following a collaborative development process that incorporated input from staff, the Management Team and the Governance Committee.

The new Strategic Framework introduces a formal Mission Statement and updates the organization's Mandate, Vision and Values. The Values emphasize competence, efficiency, innovation, accountability and inclusivity, reflecting the skills, culture and behaviours required to effectively regulate the offshore energy industry. The Framework also articulates clear Regulatory Focus Areas: worker and facility safety, environmental protection, stewardship of offshore resources and optimization of local content, along with strategic priorities aimed at reducing regulatory burden, advancing innovation and preparing for a dynamic and evolving energy future.



# FINANCIAL STATEMENTS – INDEPENDENT AUDITOR’S REPORT

To the Regulator Members of Canada-Newfoundland and Labrador Offshore Energy Regulator

## OPINION

We have audited the financial statements of Canada-Newfoundland and Labrador Offshore Energy Regulator (the Entity), which comprise:

- the statement of financial position as at March 31, 2026
- the statement of operations for the year then ended
- the statement of net debt for the year then ended
- the statement of changes in accumulated surplus for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2026, and its results of operations, its changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## 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 auditor’s report.

We are independent of the Entity in accordance with the 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 Canadian public sector accounting standards, 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 Entity’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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity’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 the 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:

- 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 Entity'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 Entity'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 Entity 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.
- 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.

*KPMG LLP*

Chartered Professional Accountants  
St. John's, Canada  
May 28, 2026



## STATEMENT OF FINANCIAL POSITION

MARCH 31, 2026 WITH COMPARATIVE INFORMATION FOR 2025

2026

2025

### FINANCIAL ASSETS

|                                     |               |             |
|-------------------------------------|---------------|-------------|
| Cash and cash equivalents           | \$ 13,906,851 | \$8,836,084 |
| Portfolio investments (notes 2, 10) | 6,000,000     | 11,000,000  |
| Receivables (note 3)                | 284,576       | 641,766     |
|                                     | 20,191,427    | 20,477,850  |

### LIABILITIES

|   |             |             |
|---|-------------|-------------|
| Payables and accruals (note 4)                      | 10,615,785  | 10,907,806  |
| Accrued employee future benefit obligation (note 5) | 13,447,500  | 13,537,500  |
|   | 24,063,285  | 24,445,306  |
| Net debt  | (3,871,858) | (3,967,456) |

### NON-FINANCIAL ASSETS

|                                      |           |           |
|--------------------------------------|-----------|-----------|
| Prepays                              | 1,615,991 | 1,711,589 |
| Tangible capital assets (Schedule 1) | 8,188,034 | 6,206,040 |
|                                      | 9,804,025 | 7,917,629 |

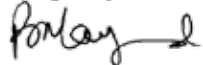
Commitments (note 7)

|                     |                    |                    |
|---------------------|--------------------|--------------------|
| Accumulated surplus | <b>\$5,932,167</b> | <b>\$3,950,173</b> |
|---------------------|--------------------|--------------------|

See accompanying notes to the financial statements.

On behalf of the Board

Signed by:



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Chair

Signed by:



873AE78DCBE34CF...

Board Member

## STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2026 WITH COMPARATIVE INFORMATION FOR 2025

|   | 2026<br>ACTUAL     | 2026<br>BUDGET     | 2025<br>ACTUAL     |
|---|--------------------|--------------------|--------------------|
| <b>REVENUE</b>                          |                    |                    |                    |
| OPERATING GRANTS:                       |                    |                    |                    |
| Government of Canada                    | \$13,550,678       | \$14,027,800       | \$13,619,995       |
| Government of Newfoundland and Labrador | 13,550,678         | 14,027,800         | 13,619,995         |
|   | 27,101,356         | 28,055,600         | 27,239,990         |
| <b>ADD</b>                              |                    |                    |                    |
| Costs recovered from industry           | 27,101,356         | 28,055,600         | 27,239,990         |
| Interest and other                      | 620,929            | 475,000            | 820,934            |
|   | 27,722,285         | 28,530,600         | 28,060,924         |
| <b>LESS</b>                             |                    |                    |                    |
| Cost recoveries refunded to governments | 27,101,356         | 28,055,600         | 27,239,990         |
| <b>NET REVENUE</b>                      | <b>27,722,285</b>  | <b>28,530,600</b>  | <b>28,060,924</b>  |
| <b>EXPENSES (SCHEDULE 2)</b>            |                    |                    |                    |
| Board and Executive Office              | 1,777,063          | 1,836,728          | 1,644,397          |
| Corporate Services                      | 4,525,739          | 4,856,118          | 4,282,877          |
| Environmental Protection                | 1,712,845          | 1,759,636          | 1,608,450          |
| Government Relations and Communications | 702,591            | 781,427            | 560,463            |
| Industrial Benefits and Innovation      | 5,595,819          | 6,182,859          | 5,134,105          |
| Legal Services                          | 713,166            | 858,954            | 1,029,889          |
| Offshore Resources and Data             | 4,818,576          | 4,942,831          | 5,086,015          |
| Regulatory Operations                   | 1,050,096          | 1,102,720          | 910,682            |
| Safety                                  | 4,844,396          | 5,066,914          | 5,127,218          |
|   | 25,740,291         | 27,388,187         | 25,384,096         |
| <b>ANNUAL SURPLUS</b>                   | <b>\$1,981,994</b> | <b>\$1,142,413</b> | <b>\$2,676,828</b> |



## STATEMENT OF NET DEBT

YEAR ENDED MARCH 31, 2026 WITH COMPARATIVE INFORMATION FOR 2025

|   | 2026                 | 2025                 |
|---|----------------------|----------------------|
| Annual surplus                          | \$1,981,994          | \$2,676,828          |
| Acquisition of tangible capital assets  | (2,597,746)          | (3,194,010)          |
| Amortization of tangible capital assets | 615,752              | 517,182              |
| Decrease in prepaids                    | 95,598               | 291,960              |
| Decrease in net debt                    | 95,598               | 291,960              |
| Net debt, beginning of year             | (3,967,456)          | (4,259,416)          |
| <b>Net debt, end of year</b>            | <b>\$(3,871,858)</b> | <b>\$(3,967,456)</b> |

## STATEMENT OF CHANGES IN ACCUMULATED SURPLUS

YEAR ENDED MARCH 31, 2026 WITH COMPARATIVE INFORMATION FOR 2025

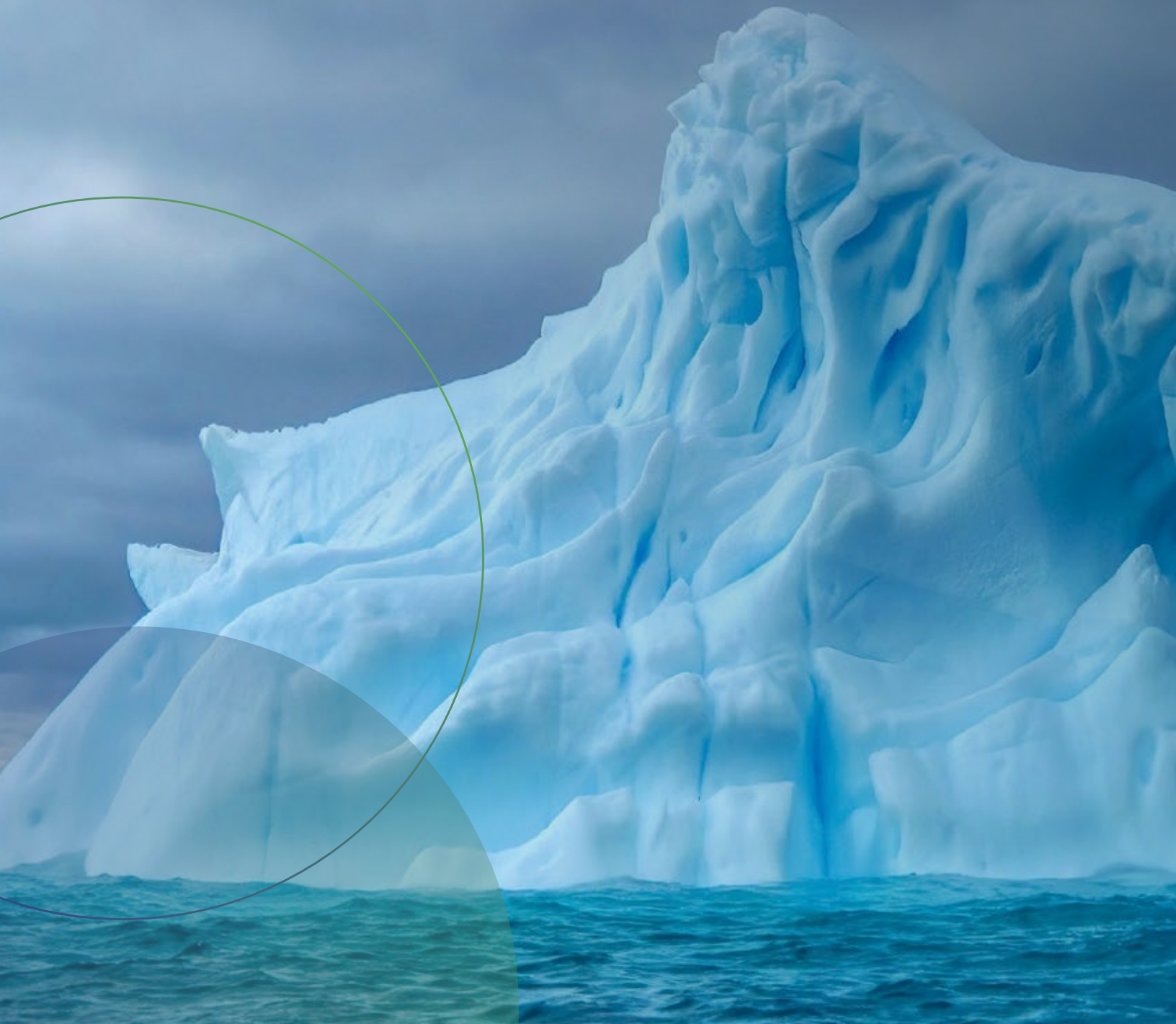
|   | 2026<br>ACTUAL     | 2026<br>BUDGET     | 2025<br>ACTUAL     |
|---|--------------------|--------------------|--------------------|
| Accumulated surplus, beginning of year  | \$3,950,173        | \$3,211,074        | \$1,273,345        |
| Annual surplus                          | 1,981,994          | 1,142,413          | 2,676,828          |
| <b>Accumulated surplus, end of year</b> | <b>\$5,932,167</b> | <b>\$4,353,487</b> | <b>\$3,950,173</b> |

## STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2026 WITH COMPARATIVE INFORMATION FOR 2025

|  | 2026                | 2025               |
|--|---------------------|--------------------|
| <b>CASH PROVIDED BY:</b>                         |                     |                    |
| Operating activities:                            |                     |                    |
| Annual surplus                                   | \$1,981,994         | \$2,676,828        |
| Amortization of tangible capital assets          | 615,752             | 517,182            |
|  | 2,597,746           | 3,194,010          |
| Change in non-cash items:                        |                     |                    |
| Accrued employee future benefit obligation       | (90,000)            | 136,100            |
| Receivables                                      | 357,190             | (27,446)           |
| Portfolio investments                            | 5,000,000           | -                  |
| Prepays  | 95,598              | 291,960            |
| Payables and accruals                            | (292,021)           | (3,150,142)        |
| Operating transactions                           | 7,668,513           | 444,482            |
| Capital activity:                                |                     |                    |
| Cash used to acquire tangible capital assets     | (2,597,746)         | (3,194,010)        |
| (Decrease) increase in cash and cash equivalents | 5,070,767           | (2,749,528)        |
| Cash and cash equivalents, beginning of year     | 8,836,084           | 11,585,612         |
| Cash and cash equivalents, end of year           | <b>\$13,906,851</b> | <b>\$8,836,084</b> |

# NOTES TO THE FINANCIAL STATEMENTS



The Canada-Newfoundland and Labrador Offshore Petroleum Board (the Board) was formed in 1985 to administer the relevant provisions of the *Canada-Newfoundland Atlantic Accord Implementation Acts* as enacted by the Parliament of Canada and the Legislature of Newfoundland and Labrador. The Board regulates petroleum-related activities in the Canada-Newfoundland and Labrador Offshore Area. While the Board is an independent regulator that operates at arms-length from the governments, some Board decisions

(referred to under the Accord Acts as “Fundamental Decisions”) require government approval, as does its annual operating budget.

On June 2, 2025 amendments to the Atlantic Accord Acts came into force. These amendments expanded the Board’s mandate to include offshore renewable energy development and changed the Board’s name to the Canada-Newfoundland and Labrador Offshore Energy Regulator (the Regulator).

## 1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants and reflect the following significant accounting policies.

### A) USE OF ESTIMATES:

In preparing the Regulator’s financial statements in conformity with Canadian public sector accounting standards, management are required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the period. Items requiring the use of significant estimates include the useful life of tangible capital assets, estimated accrued employee future benefits, rates of amortization, and impairment of assets.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available.

Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

### B) REVENUE RECOGNITION:

Operating grants are recognized when approved, less amounts repayable for expenses not incurred.

Costs recovered from industry are recognized in the period when the related service is performed and when collection is reasonably assured.

Interest and other revenues are recognized as earned and when collection is reasonably assured.

### C) CASH AND CASH EQUIVALENTS:

Cash and cash equivalents includes cash on hand and balances with banks.

### D) PORTFOLIO INVESTMENTS:

Portfolio investments consist of guaranteed investment certificates (GICs) held with Canadian financial institutions. These investments are recorded at amortized cost and are accounted for in accordance with Public Sector Accounting Standards for financial instruments and portfolio investments.



**E) NON-FINANCIAL ASSETS:**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives generally extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the change in net debt for the year.

**F) TANGIBLE CAPITAL ASSETS:**

Tangible capital assets are recorded at cost. Depreciation is provided annually at rates calculated to write off the assets over their estimated useful life as follows, except in the year of acquisition when one half of the rate is used.

|                        |         |                   |
|------------------------|---------|-------------------|
| Buildings              | 4%      | Declining balance |
| Leasehold improvements | 5 years | Straight-line     |
| Furniture and fixtures | 4 years | Straight-line     |
| Data management system | 3 years | Straight-line     |
| Computer software      | 1 year  | Straight-line     |
| Computer equipment     | 3 years | Straight-line     |

**G) IMPAIRMENT OF TANGIBLE CAPITAL ASSETS:**

When a tangible capital asset no longer contributes to the Regulator's ability to provide service, and the value of future economic benefits associated with the tangible capital asset is less than the net book value, the carrying value of the tangible capital asset is reduced to reflect the decline in the asset's value.

**H) CAPITAL GRANTS:**

Federal and provincial grants received for annual capital expenditures are recognized as revenue in the year in which they are received.

**I) EMPLOYEE FUTURE BENEFITS:**

The Regulator provides group life and health benefits for eligible employees. The Regulator currently contributes 100% of the premiums for medical and dental benefits, and 50% for life insurance for retired employees. During the 2019-2020 year this plan was amended such that it was closed to new employees hired after March 31, 2020. The plan was amended such that employees retiring after December 31, 2025 (previously March 31, 2025) will be subject to 50% retiree medical and dental benefits premium cost sharing.

These retirement benefits are recorded on an accrual basis based on an actuary's estimate. Actuarial gains and losses are amortized on a straight-line basis over the average remaining service period of the active members expected to receive benefits under the plan (15 years).

**J) RETIRING ALLOWANCE:**

The Regulator also provides a retirement allowance benefit for eligible employees. This benefit accrues over the estimated service life of the employees and is expensed according to actuarial estimates and assumptions. During the 2019-2020 year, the Regulator made a decision to modify the Retiring allowance policy. The policy will not apply to new hires after March 31, 2020.

**K) FINANCIAL INSTRUMENTS:**

The Regulator considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Regulator accounts for the following as financial instruments:

- cash and cash equivalents;
- portfolio investments;
- receivables; and
- payables and accruals.

A financial asset or liability is recognized when the Regulator becomes party to contractual provisions of the instrument.

The Regulator initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Regulator subsequently measures its financial assets and financial liabilities at cost or amortized cost.

Financial assets measured at cost include cash and cash equivalents, portfolio investments and receivables. Financial liabilities measured at cost include payables and accruals.

The Regulator removes financial liabilities, or a portion of, when the obligation is discharged, cancelled, or expires.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net annual surplus.

## L) STANDARDS ISSUED BUT NOT YET EFFECTIVE:

The Public Sector Accounting Board (PSAB) has issued the following standards and amendments that are not yet effective for the year ended March 31, 2026, and have not been applied in preparing these financial statements. The entity is currently assessing the impact of these standards on its future financial statements.

### Conceptual Framework for Financial Reporting in the Public Sector

PSAB has issued a revised Conceptual Framework for Financial Reporting in the Public Sector, which replaces Sections PS 1000 Financial Statement Concepts and PS 1100 Financial Statement Objectives. The revised Conceptual Framework is effective for fiscal years beginning on or after April 1, 2026, with early adoption permitted. The Conceptual Framework is to be applied prospectively.

The adoption of the revised Conceptual Framework is not expected to have a material impact on the amounts recognized in the financial statements but will guide the development and application of accounting policies in future periods.

### PS 1202 – Financial Statement Presentation

PSAB has issued Section PS 1202, Financial Statement Presentation, which replaces Section PS 1201. This new standard introduces changes to the presentation of the financial statements, including revised statement formats and updated classification of financial and non-financial assets and liabilities.

PS 1202 is effective for fiscal years beginning on or after April 1, 2026, with early adoption permitted only if the revised Conceptual Framework is adopted concurrently. Comparative information will be re-presented to conform to the new presentation requirements.

The entity expects this standard to result in significant changes to the presentation and disclosure of its financial statements; however, it is not expected to have a material impact on the measurement or recognition of assets, liabilities, revenues, or expenses.

## 2. PORTFOLIO INVESTMENTS:

At March 31, 2026, the Regulator held Guaranteed Investment Certificates (“GICs”) classified as portfolio investments or cash equivalents depending on their liquidity and redemption terms.

The GICs are issued by a Schedule I Canadian financial institution and consist of non-redeemable instruments. Non-redeemable GICs are carried at cost and are not available for withdrawal prior to maturity.

| INVESTMENT TYPE     | AMOUNT    | INTEREST RATE | TERM | INVESTMENT DATE | MATURITY DATE |
|---------------------|-----------|---------------|------|-----------------|---------------|
| Non-redeemable GICs | 6,000,000 | 2.55%         | 1 Yr | 2025-12-08      | 2026-12-08    |

### 3. RECEIVABLES

|                                 | 2026             | 2025             |
|---------------------------------|------------------|------------------|
| Trade                           | \$10,350         | \$5,101          |
| Harmonized sales tax receivable | 182,922          | 192,442          |
| Interest receivable             | 79,260           | 340,876          |
| Other                           | 12,044           | 103,347          |
|                                 | <b>\$284,576</b> | <b>\$641,766</b> |

### 4. PAYABLES AND ACCRUALS

|   | 2026                | 2025                |
|---|---------------------|---------------------|
| Trade                                   | \$3,841,369         | \$4,120,460         |
| Government of Canada                    | 3,387,208           | 3,393,673           |
| Government of Newfoundland and Labrador | 3,387,208           | 3,393,673           |
|   | <b>\$10,615,785</b> | <b>\$10,907,806</b> |



## 5. ACCRUED EMPLOYEE FUTURE BENEFIT OBLIGATION:

### GROUP LIFE AND GROUP HEALTH PLANS:

The Regulator provides for coverage under the group life and group health plans from active service for its employees.

The most recent actuarial valuation for the accrued employee future benefit performed effective March 31, 2026.

The accrued benefit liability and benefits expense are outlined below:

|                                       | 2026                | 2025                |
|---------------------------------------|---------------------|---------------------|
| Reconciliation of funded status       | \$7,834,600         | \$6,853,600         |
| Unamortized net actuarial gains       | 4,018,600           | 5,144,900           |
| <b>Accrued benefit liability</b>      | <b>\$11,853,200</b> | <b>\$11,998,500</b> |
| <b>NET BENEFIT EXPENSE:</b>           |                     |                     |
| Current service cost                  | \$184,200           | \$226,500           |
| Amortization of actuarial (gain) loss | (393,700)           | (292,400)           |
| Interest cost                         | 270,400             | 286,200             |
|                                       | <b>\$60,900</b>     | <b>\$220,300</b>    |

### RETIRING ALLOWANCE:

The Regulator provides a retiring allowance to employees hired before March 31, 2020 upon death or retirement. The allowance is equal to one week's pay for each year of employment with the Regulator, to a maximum of 20 week's pay. Employees must have a minimum of five year's employment with the Regulator to qualify under this policy.

|                                  |                    |                    |
|----------------------------------|--------------------|--------------------|
| <b>Accrued benefit liability</b> | <b>\$1,594,300</b> | <b>\$1,539,000</b> |
|----------------------------------|--------------------|--------------------|

The accrued benefit liability is net of unamortized actuarial gains of \$9,700 (2025 - \$110,400).

### NET BENEFIT EXPENSE:

|                                       |                  |                  |
|---------------------------------------|------------------|------------------|
| Current service cost                  | \$92,500         | \$96,200         |
| Amortization of actuarial (gain) loss | (8,700)          | (5,900)          |
| Interest cost                         | 57,600           | 51,800           |
|                                       | <b>\$141,400</b> | <b>\$142,100</b> |

Significant actuarial assumptions used in calculating the accrued benefit liability for the employee future benefit and the retiring allowance are as follows:

|   |                     |       |
|---|---------------------|-------|
| Discount rate                           | 4.30%               | 3.90% |
| Rate of increase in compensation levels | 2.00%               | 2.00% |
| Dental inflation rate                   | 4.00%               | 4.00% |
| Medical inflation rate                  | 5.40% <sup>20</sup> | 4.00% |

<sup>20</sup> 5.40% per year in 2026, reducing to an ultimate rate of 4.00% per year in and after 2040.

## 6. DEFINED BENEFIT PUBLIC SERVICE PENSION PLAN:

The Regulator participates in the Government of Newfoundland and Labrador’s defined benefit Public Service Pension Plan (“the Plan”). The assets of the Plan are held separately from those of the Regulator in an independently administered fund. Plan participation is mandatory for all full-time employees with greater than 3 calendar months of continuous employment.

Effective on January 1, 2015, pension plan changes came into effect that required an increase to contribution rates, and changes to pension eligibility. Plan members must now have a minimum of 10 years of pensionable service to obtain a pension benefit. Normal retirement age under the Plan is 65 however early retirement options are available.

Members of the Plan are required to make contributions toward the funding of their pension benefits as follows:

- (i) 10.75% of earnings up to the Year’s Basic Exemption, the portion of earnings upon which no CPP contributions are required;
- (ii) 8.95% of earnings in excess of the Year’s Basic Exemption up to and including the Year’s Maximum Pensionable Earnings (“YMPE”); and
- (iii) 11.85% of earnings in excess of the YMPE.

Pensions paid under the Plan are indexed annually. Indexing is applied at the rate of 60% of the increase in the Consumer Price Index (“CPI”), with the increase in the CPI capped at 2%. Employees who retire after January 1, 2015 shall have their pensions indexed only on the service credited before January 1, 2015. Indexing applies to benefits of pensioners who have attained age 65 prior to October 1 of each year.

For future service, pensions will be calculated by using the best 6 years of average pensionable earnings. For past service, pensions will be calculated by using the higher of: the frozen best 5 years of average pensionable earnings (calculated up to the effective date (January 1, 2015)), or the best 6 years average for all past and future service.

Employer contributions paid and expensed by the Regulator during the year totaled \$1,404,678 (2025 - \$1,433,077). Additional information about the plan surplus or deficit is not available.

## 7. COMMITMENTS:

The Regulator is committed under terms of a premises lease to make the following minimum annual lease payments:

|                |             |
|----------------|-------------|
| March 31, 2027 | \$1,803,674 |
| March 31, 2028 | 1,823,286   |
| March 31, 2029 | 1,843,879   |
| March 31, 2030 | 1,865,501   |
| March 31, 2031 | 628,135     |

## 8. FINANCIAL INSTRUMENTS RISKS AND CONCENTRATIONS:

The Regulator is exposed to various risks through its financial instruments. The following analysis provides a measure of the Regulator’s risk exposure and concentrations at March 31, 2026.

### LIQUIDITY RISK

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Regulator is exposed to this risk mainly in respect of its payables and accruals in the amount of \$10,615,785 (2025 - \$10,907,806), which have a maturity of not later than one year. The Regulator reduces its exposure to liquidity risk by monitoring its cash flows and ensuring that it has sufficient cash available to meet its obligations and liabilities. In the opinion of management the liquidity risk exposure to the Regulator is low.

### CREDIT RISK

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. The Regulator’s credit risk is attributable to portfolio investments and receivables in the amount of \$6,284,576 (2025 - \$11,641,766). Management believes that the credit risk concentration with respect to financial instruments included in portfolio investments and receivables is remote.

The Regulator does not believe there is exposure to interest rate risk or foreign currency risk.

## 9. RELATED PARTY TRANSACTIONS:

The Regulator is jointly controlled due to ability to appoint board members by the federal Government of Canada and the provincial Government of Newfoundland and Labrador. During the year, the Regulator had the following transactions with these governments:

|   |              |
|---|--------------|
| Operating grant from the Government of Canada                       | \$13,550,678 |
| Operating grant from the Government of Newfoundland and Labrador    | 13,550,678   |
| Cost recoveries refunded to Government of Canada                    | 13,550,678   |
| Cost recoveries refunded to Government of Newfoundland and Labrador | 13,550,678   |

## 10. COMPARATIVE FIGURES

Certain prior year comparative figures have been reclassified to conform to the current year presentation, including the reclassification of guaranteed investment certificates to portfolio investments.



## SCHEDULE 1 - TANGIBLE CAPITAL ASSETS

YEAR ENDED

|   | LAND AND<br>PARKING LOT | BUILDINGS          | LEASEHOLD<br>IMPROVEMENTS | FURNITURE<br>AND FIXTURES |
|---|-------------------------|--------------------|---------------------------|---------------------------|
| Cost, beginning of year                                     | \$258,297               | \$3,583,501        | \$434,641                 | \$781,010                 |
| Additions during the year                                   | -                       | -                  | 55,790                    | 4,405                     |
| Assets in service during theyear                            |                         |                    |                           |                           |
| Disposals during the year                                   | -                       | -                  | -                         | -                         |
| <b>Cost, end of year</b>                                    | <b>\$258,297</b>        | <b>\$3,583,501</b> | <b>\$490,431</b>          | <b>\$785,415</b>          |
| Accumulated amortization, beginning of year                 | \$-                     | \$1,946,608        | \$276,788                 | \$635,216                 |
| Amortization  | -                       | 65,476             | 68,320                    | 58,897                    |
| Reversals of accumulated amortization relating to disposals | -                       | -                  | -                         | -                         |
| Accumulated amortization, end of year                       | \$-                     | \$2,012,084        | \$345,108                 | \$694,113                 |
| Net book value of tangible capital assets                   | \$258,297               | \$1,571,417        | \$145,323                 | \$91,302                  |



## IBLE CAPITAL ASSETS

MARCH 31, 2026

| DATA<br>MANAGEMENT<br>SYSTEM | COMPUTER<br>SOFTWARE | COMPUTER<br>EQUIPMENT | ASSETS UNDER<br>DEVELOPMENT | 2026<br>TOTAL       | 2025<br>TOTAL       |
|------------------------------|----------------------|-----------------------|-----------------------------|---------------------|---------------------|
| \$1,108,298                  | \$2,317,654          | \$6,279,130           | \$3,453,187                 | \$18,215,718        | \$15,021,708        |
|                              | 18,001               | 44,579                | 2,474,971                   | 2,597,746           | 3,194,010           |
|                              | 57,088               | 556,676               | (613,764)                   | -                   | -                   |
| -                            | -                    | (82,724)              | -                           | (82,724)            | -                   |
| <b>\$1,108,298</b>           | <b>\$2,392,743</b>   | <b>\$6,797,661</b>    | <b>\$5,314,394</b>          | <b>\$20,730,740</b> | <b>\$18,215,718</b> |
| \$1,108,298                  | \$2,303,297          | \$5,739,471           | \$-                         | \$12,009,678        | \$11,492,496        |
|                              | 51,902               | 371,157               |                             | 615,752             | 517,182             |
| -                            | -                    | (82,724)              | -                           | (82,724)            | -                   |
| \$1,108,298                  | \$2,355,199          | \$6,027,904           | \$-                         | \$12,542,706        | \$12,009,678        |
| \$-                          | \$37,544             | \$769,757             | \$5,314,394                 | \$8,188,034         | \$6,206,040         |



**SCHEDULE 2 - EXPENSES**

YEAR ENDED MARCH 31, 2026

|   | 2026             | 2025             |
|---|------------------|------------------|
| <b>BOARD AND EXECUTIVE OFFICE:</b>              |                  |                  |
| Consulting fees                                 | \$23,369         | \$839            |
| Miscellaneous                                   | 9,207            | 7,197            |
| Training and conferences                        | 530,842          | 129,114          |
| Travel  | 52,644           | 76,502           |
| Wages and benefits                              | 1,161,001        | 1,430,745        |
|   | <b>1,777,063</b> | <b>1,644,397</b> |
| <b>CORPORATE SERVICES:</b>                      |                  |                  |
| Amortization of tangible capital assets         | 615,752          | 517,182          |
| Consulting fees                                 | 85,251           | 91,379           |
| General office maintenance                      | 464,301          | 472,137          |
| Rent and premises                               | 1,953,676        | 1,910,487        |
| Training and conferences                        | 118,365          | 24,498           |
| Travel  | 7,226            | 6,658            |
| Wages and benefits                              | 1,281,168        | 1,260,536        |
|   | <b>4,525,739</b> | <b>4,282,877</b> |
| <b>ENVIRONMENTAL AFFAIRS:</b>                   |                  |                  |
| Miscellaneous                                   | 3,817            | 2,811            |
| Training and conferences                        | 48,249           | 66,038           |
| Travel  | 7,588            | 9,023            |
| Wages and benefits                              | 1,653,191        | 1,530,578        |
|   | <b>1,712,845</b> | <b>1,608,450</b> |
| <b>GOVERNMENT RELATIONS AND COMMUNICATIONS:</b> |                  |                  |
| Board publications                              | 13,103           | 15,670           |
| Consulting fees                                 | 62,818           | 15,411           |
| Materials                                       | -                | 1,471            |
| Miscellaneous                                   | 1,594            | 2,542            |
| Training and conferences                        | 51,206           | 11,070           |
| Travel  | 6,197            | 1,239            |
| Wages and benefits                              | 567,673          | 513,060          |
|   | <b>702,591</b>   | <b>560,463</b>   |

## SCHEDULE 2 - EXPENSES (CONTINUED)

YEAR ENDED MARCH 31, 2026

|  | 2026             | 2025             |
|--|------------------|------------------|
| <b>INDUSTRIAL BENEFITS AND INNOVATION:</b> |                  |                  |
| Computer support and maintenance           | 2,932,494        | 2,686,131        |
| Consulting fees                            | 48,068           | 49,601           |
| Miscellaneous                              | 6,458            | 1,491            |
| Training and conferences                   | 37,568           | 46,273           |
| Travel                                     | 147              | 57               |
| Wages and benefits                         | 2,571,084        | 2,350,552        |
|  | <b>5,595,819</b> | <b>5,134,105</b> |
| <b>LEGAL:</b>                              |                  |                  |
| Consulting fees                            | 18,364           | 53,102           |
| Miscellaneous                              | 923              | 2,077            |
| Training and conferences                   | 6,612            | 13,480           |
| Travel                                     | -                | 1,366            |
| Wages and benefits                         | 687,267          | 959,864          |
|  | <b>713,166</b>   | <b>1,029,889</b> |
| <b>OFFSHORE RESOURCES AND DATA:</b>        |                  |                  |
| Consulting fees                            | -                | 92,151           |
| Miscellaneous                              | 9,812            | 12,862           |
| Training and conferences                   | 134,677          | 193,610          |
| Travel                                     | 194              | 4,296            |
| Wages and benefits                         | 4,673,893        | 4,783,096        |
|  | <b>4,818,576</b> | <b>5,086,015</b> |
| <b>REGULATORY OPERATIONS:</b>              |                  |                  |
| Miscellaneous                              | 2,750            | 1,346            |
| Training and conferences                   | 16,973           | 21,956           |
| Travel                                     | 1,333            | 28               |
| Wages and benefits                         | 1,029,040        | 887,352          |
|  | <b>1,050,096</b> | <b>910,682</b>   |

**SCHEDULE 2 - EXPENSES (CONTINUED)**

YEAR ENDED MARCH 31, 2026

|                          | 2026                | 2025                |
|--------------------------|---------------------|---------------------|
| <b>SAFETY:</b>           |                     |                     |
| Consulting fees          | 99,457              | 96,831              |
| Miscellaneous            | 9,922               | 10,659              |
| Training and conferences | 184,593             | 287,487             |
| Travel                   | 55,776              | 57,312              |
| Wages and benefits       | 4,494,648           | 4,674,929           |
|                          | <b>4,844,396</b>    | <b>5,127,218</b>    |
|                          | <b>\$25,740,291</b> | <b>\$25,384,096</b> |

In April 2025, the Regulator underwent a reorganization that consolidated several departments. The Industrial Benefits department, the Information Technology branch of the Corporate Service department and the Information Resources branch of the Exploration and Information Resources department merged to form the Industrial Benefits and Innovation Department. The Exploration team joined with Resource Management to create the Offshore Resources and Data Department. The Operations department was consolidated under the Safety department. Additionally, Communications and Public Engagement was renamed Government Relations and Communications, Regulatory Coordination, Planning and Innovation became Regulatory Operations, and Environmental Affairs was renamed Environmental Protection. Comparative information has been reclassified to conform with the presentation adopted for the current period.





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