

# Measuring Success

2021 Environmental, Social & Governance Report

**ATHABASCA**  
OIL CORPORATION



# 1.0 Message from our President & CEO

**At Athabasca, we believe that the responsible energy we produce here in Alberta makes people's lives better.**

We have a longstanding commitment to Environmental, Social, and Governance (ESG) initiatives and we are proud of the work we do to take care of the environment and the communities where we operate. We believe that measurement is key to evaluating our work, setting goals, and making year over year progress.

This inaugural ESG report is an opportunity for us to showcase the positive impacts we have made and explain how sustainability and responsibility are being embedded into every decision we make. It highlights the many initiatives and commitments we have made to support our communities, enhance our business and profitability, and create long-term value for all our stakeholders.

## Environmental Leadership

Athabasca has made significant progress in reducing our carbon footprint through investment in lower GHG intensity resources where new technology can also be deployed. We have reduced our GHG emissions intensity by 20% since 2015 and are targeting a total 30% reduction by 2025. Canada has some of the most stringent environmental and regulatory regulations in the world and we acknowledge that Canada has committed to lowering its emissions through the Paris Agreement, most recently with an increased commitment to reduce emissions 40-45%

below 2005 levels, by 2030. Athabasca is doing our part in this effort and believes the world would greatly benefit from more Canadian energy.

## Technology

Investment in new technologies is integral to sustainable energy production. We continue to invest in technologies that increase energy efficiency and reduce land disturbance. An example is the application of non-condensable gas (NCG) co-injection at our thermal assets where we have seen up to 50% reduction in GHG emissions at some older well pads. Over the next year, we intend to advance our roadmap of technologies that will help us transition to a lower carbon future. Technologies under consideration include carbon capture use and storage, cogeneration, solvent injection, and incremental renewable energy. Technology is the cornerstone to improving our environmental footprint and we look forward to engaging with industry and government to push boundaries and find innovative solutions that improve both emissions intensity and lower overall emissions.

## Safety & Our People

One year into the COVID-19 pandemic, health and safety have never been more important. Our 2020 Health Safety and Environment (HSE) performance clearly demonstrates our excellent safety culture, with an industry-leading Total Recordable Injury Frequency (TRIF) of 0.1 and zero reportable spills.

This past year also pushed us to connect with our staff in new and meaningful ways, as we pivoted to use technology to virtually host meetings and town halls. We have also made strides integrating new employee offerings that foster Diversity & Inclusion within the organization.

## Community & Environmental Stewardship

Earlier this year, we played an important role in returning ecologically and culturally sensitive land back to wildlife and Indigenous communities in our province, a project of which I am particularly proud. We partnered with the Mikisew Cree First Nation and the Government of Alberta to create the world's largest contiguous protected boreal forest with Kitaskino Nuwenënë Wildland Provincial Park.

The last 12 months have been challenging for everyone, but our employees, like all Albertans, have proven their resiliency and generosity. During this difficult time, we have not lost sight of the importance of taking care of those who need it the most. We have

continued to give back to our local communities through initiatives like #3things4neighbours, charitable donations, and post secondary scholarships and endowments.

## Looking Ahead

Our commitment to ESG responsibility and sustainability is part of our long-term strategy and an ongoing process. Each year we plan to measure, improve, and progress as an organization. Our goal is to supply responsibly developed energy to help meet ongoing global demand, while also creating a positive and long-lasting impact on the communities where we operate.

Our ESG strategy and performance is reviewed, considered, and fully integrated at Board level. Our management team and Board are committed to incorporating ESG considerations and the application of technology in all our capital allocation decisions. HSE targets currently make up 20% of our annual corporate performance scorecard and will reflect the importance of our broader ESG performance in years to come.

As we progress, I can promise you a focus on transparency and continuous advancement as we deliver on our commitments to our stakeholders, communities, and employees. We invite you to join us on our ESG journey as we continue to grow and responsibly produce energy in Alberta.

Sincerely,



**Robert Broen, President & Chief Executive Officer**





# 2.0 Our Business and Corporate 2020 Highlights

Since 2015, Athabasca has decreased our GHG emissions intensity by ~20% and we anticipate reducing our emissions intensity by a total of 30% by 2025 **SEE PAGE 13 FOR DETAILS**

# Our Operations

Athabasca is an intermediate liquids-weighted producer operating in Canada’s most active resource plays, including premier resource exposure to the oil sands near Fort McMurray, Alberta and light oil near Fox Creek, Alberta.

We proudly and responsibly produce Canadian energy to improve people’s lives. We are guided by our core values that underpin everything we do and are displayed by our people every day:

**Passion:** We care deeply about our work, our people, the communities in which we operate, and we believe that our industry can have a positive impact in the province, country, and the world.

**Ownership:** We deliver on our commitments and own our results. We are innovative problem-solvers who put safety above all else.

**Excellence:** We set high standards and we live up to them. We are committed to continuous learning and improvement, which allows us to consistently produce quality, value-added work.

**We Get Things Done:** We are results-oriented, practical, resourceful, and nimble. We strive for innovation and focus on solutions to meet our goals.



## Thermal Oil

Low decline, long-life assets located in the Athabasca region of northeastern Alberta

Properties

**Leismer** ~20,000 bbl/d productive capacity, ~90 year 2P reserve life  
**Hangingstone** ~9,500 bbl/d productive capacity  
**Corner** regulatory approval for 40,000 bbl/d project (not currently producing)

Production

**2020 Production**  
22,745 bbl/d

**2020 Year-end Reserves**  
1,083 mmboe (Proved plus Probable)



## Light Oil

High-margin, liquid-rich operations located in the Greater Placid and Greater Kaybob areas in northwestern Alberta

Properties

**Montney** ~90,000 gross operated acres, with ~150 gross future locations  
**Duvernay** ~210,000 gross acres, with ~700 gross future locations

Production

**2020 Production**  
9,738 boe/d<sup>1</sup>

**2020 Year-end Reserves**  
73 mmboe (Proved plus Probable)

**Consolidated 2020 Production**  
32,483 boe/d

**Consolidated 2020 Year-end Reserves**  
1,156 mmboe

<sup>1</sup>Refer to the "Oil and Gas Information" section within the Advisories section of this ESG report for more information.

# 2020 Highlights

While this is Athabasca's first published ESG report, we have a longstanding history of consistently measuring, tracking, and reporting on ESG metrics.

 <p><b>20% Decrease in GHG Emissions Intensity since 2015</b> Athabasca optimized facilities and applied technology throughout our operations to mitigate emissions.</p>	 <p><b>Zero Reportable Spills</b> No hydrocarbon reportable spill in 2019 and 2020.</p>
 <p><b>0.1 Total Recordable Injury Frequency (TRIF)</b> Best in class safety excellence. No lost time injuries.</p>	 <p><b>Exceeded Voluntary Closure Spend by 50%</b> We actively participated in the Alberta-Based Closure program by reclaiming inactive sites in 2020.</p>
 <p><b>86% Corporate Water Recycle Rate</b> 90% water recycle rate in Thermal Oil.</p>	 <p><b>Contributed 66% of the Provincial Park Expansion Lands to Create the World's Largest Boreal Forest</b> Expanded the ecologically and culturally significant Kitaskino Nuwenënë Wildland Provincial Park by relinquishing 235,000 acres of mineral rights.</p>

**Future ESG Goals**

- Reduce emissions intensity from 2015 levels by 30% by 2025.
- Top tier safety results (<0.5 TRIF in 2021); aspiration of no harm to people and no hydrocarbon spills.
- ESG to be a formal consideration in all capital allocation decisions.
- Prepare a technology roadmap for a lower carbon future evaluating carbon capture use and storage, cogeneration, solvent injection, and renewable energy.
- Consider full alignment to Task Force on Climate-Related Financial Disclosure (TCFD) in future disclosures.

# 3.0 Our Approach to Sustainability

Excellence in health, safety, and environment is essential to achieving our business goals **SEE PAGE 11 FOR DETAILS**

**Strategy and Plan: Inaugural Report**

We strive to improve and progress in all facets of our organization, with ESG being no exception. This first report formalizes our ESG data and is the culmination of years of tracking, progress and results.

Athabasca acknowledges that Canada is a signatory to the Paris Agreement and has committed to reducing its GHG emissions by 40-45% below 2005 levels, by 2030. Our country's oil and gas industry is subject to some of the most stringent environmental and regulatory processes in the world. Within this global context, Athabasca has made significant progress, with historical initiatives resulting in greater than 20% GHG intensity reductions over the last five years. Looking ahead, we will continue to focus on reducing our GHG intensity and environmental footprint through the use of innovative technology and by strengthening our stakeholder and community relationships.

**Reporting Approach**

This report contains ESG information we consider most relevant to our business and our stakeholders. We have focused on ESG components that we believe have the potential to significantly impact our operations, financial results, and are particularly relevant to Athabasca's stakeholders. ESG is fully integrated into our business and is a governance priority. Athabasca's Board of Directors has passed a resolution approving this inaugural ESG report. Additionally, ESG metrics and goals are included in the Company's annual compensation scorecard. As our ESG journey progresses, management is committed to engaging the Board in discussions around climate risks and opportunities to reduce overall emissions, particularly when approving capital budgets.

Material ESG metrics from Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) were identified and selected based on relevance to our business. In addition, the report was influenced by the TCFD reporting. We intend to incorporate additional climate disclosure that aligns to TCFD in the future reporting. As we continue to make strides in sustainability, we will incorporate feedback from our stakeholders and adapt to evolving reporting requirements.

**Scope and Boundary**

We have reported gross emissions and production information directly within our operated control that have not been adjusted to exclude third party interest. Additionally, we have included our net emissions based on net production through our operated assets. We have chosen to focus our efforts on areas directly within our operated control to ensure we have the most transparent, tangible, and attainable ambitions.



Hangingsstone

# Company Overview

We believe that excellence in health, safety, and environment is essential to achieving our business goals and meeting the needs of our stakeholders. We are driven to be a valued partner in local communities and industry programs while developing Alberta's energy resources responsibly.



We have developed policies, programs, and strong governance practices to be consistent with these objectives. Our commitment to sustainability includes:

## 01 Environment

### Greenhouse Gas Emissions

- Demonstrated greater than 20% reductions in corporate direct emission intensities since 2015 with an ambition to achieve a 30% reduction by 2025.
- Optimized facilities through heat integration and waste heat recovery projects to reduce emissions by >37,000 tCO<sub>2</sub>e/year.
- Since 2015, Athabasca has spent \$45 MM+ executing technology projects to help mitigate GHG emissions by ~250,000 tCO<sub>2</sub>e/year.
- Utilized renewable energy sources through the installation of 144 solar panels on remote sites.

### Air Quality

- Comprehensive Air Quality Management program.
- Fired equipment installed on all our sites exceeds all regulatory requirements for Nitrogen Oxide emissions.

### Land & Wildlife

- Minimized surface footprint through deployment of technology, reducing our surface land footprint by up to 65% on recent well pads.
- Collaborated with industry partners on wildlife and footprint programs.
- Planted ~12,000 trees in 2019.

### Water Use & Recycling

- Achieved greater than ~90% water recycle rate in Thermal Oil; we are committed to maintaining these rates.

## 02 Social

### Health & Safety

Achieved 0.1 Total Recordable Injury Frequency (TRIF) in 2020.

### Our People

Our 140 employees embody Athabasca's values and care deeply about their work, their co-workers, and our communities.

### Community Impact & Investment

Athabasca supports the communities where we live and operate. We have donated \$500,000 in the last 7 years and supported local organizations through volunteer hours.

### Indigenous Relations

We engage Indigenous stakeholders early to procure local services from Indigenous vendors.

### Education

We support post-secondary studies through scholarships, endowments, and mentorship opportunities valued at ~\$250,000 annually in grants, mentor hours, and in-kind funding.

### Diversity & Inclusion

We are committed to building a culture of diversity, authenticity, growth, and inclusion.

## 03 Governance

The Board is responsible for the stewardship of the Company and provides independent and effective leadership.

We have improved our public disclosure of ESG performance with this inaugural ESG report.

### Key Areas of Board Oversight Include:

- Health, safety, and environmental performance
- Strategic direction and risk management
- Succession and compensation
- Ethics and compliance
- Company policies are available on our website

# Our ESG Team

“Our multi-disciplinary team has been working hard to ensure this report shows our long-standing history of consistently measuring and evaluating ESG metrics. They are excited to share our successes and commitments around how we operate responsibly, safely, and sustainably. I’m proud to work with such an enthusiastic team.”

**Karla Ingoldsby**  
Vice President, Thermal Oil



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1. Karla Ingoldsby 2. Jim Berdula 3. Marina Caron 4. Troy Halsall 5. Ryan McCrea 6. Peter Millman 7. Chelsea Newton 8. Keisha Nixon 9. Matt Parliament 10. Peter Rutherford 11. Shaun Toker 12. Chad Zowtuk

# 4.0 Health and Safety



Athabasca is committed to providing a safe and healthy work environment for all employees and contractors.  
**SEE PAGE 11 FOR DETAILS**

## Athabasca is committed to providing a safe and healthy work environment for all employees and contractors.

Our Health, Safety and Environment (HSE) Policy, which is signed by our CEO, makes it clear that everyone at Athabasca is accountable for ensuring a safe working environment. To support this goal, management is responsible for providing the resources and systems to manage tasks safely and to reduce our environmental impact. The policy holds that work only commences after it is confirmed that essential HSE protection systems are in place and that all steps are taken to mitigate hazards, control risks, and reduce our environmental impact.

Athabasca's safety leadership is ingrained at every level of our culture. Daily risks are managed transparently and empower our staff to make choices that ensure that Athabasca is a safe place to work. Our approach to creating a safety focused culture includes:

- A Safety Management System that supports the experience of our staff and contractors;
- Conducting regular HSE Audits;
- Employing prompt and effective incident response, reporting, and investigations;
- Utilizing an evidence-based approach to determine field initiatives; and
- Employing a comprehensive emergency response plan (Incident Command System) that includes quarterly drills performed in each operating area.

Athabasca believes that the well-being of our people includes both physical safety and mental well-being. Our Employee and Family Assistance Program, which is a part of our benefits plan, is an important part of supporting mental health.

Athabasca's HSE performance metrics are reviewed and set annually by management and approved by Athabasca's Board. We tie our corporate performance scorecard and compensation for all employees, with a 20% weighing to HSE results.

### Safety and Spill Performance

In 2020, Athabasca recorded a Total Reportable Injury Frequency (TRIF) of 0.1, an industry-leading safety performance result. In addition to our TRIF performance, Athabasca has not experienced any Lost Time Injuries (LTIs) in over three years.

Furthermore, Athabasca diligently internally reports and reviews spills of any type or size. We believe in learning from spills for future mitigation and prevention purposes and we are pleased to report that Athabasca has had zero hydrocarbon reportable spills in over two years.

### Advanced Safety Leadership

Athabasca has ingrained safety in our business at all levels in the organization. To drive personal ownership and behaviour around HSE programs at the field level, Athabasca implemented an Advanced Safety Leadership (ASL) program. The program was first launched in 2015 and has since been rolled out to all Athabasca field sites.

ASL is a behaviour-based safety program that drives field personnel to identify areas of opportunity and improvement by analyzing previous HSE results and trends from lagging indicators. This information is then used to develop and implement action plans to improve results through forward-thinking Leading Indicators. All identified areas of improvement use key performance indicators (KPIs) to track outcomes and provide benchmarks for continuous improvement. Example areas of focus within the ASL Program include Safe Work Authorization, Incident Investigations, Hazard Identification Reporting and Contractor Management.

Athabasca believes that training all staff on ASL drives engagement, builds ownership, and ultimately creates accountability. We are proud of the tangible results of our ASL program and are confident it will continue to drive results into the future.

In 2020, Athabasca recorded:

- Total Reportable Injury Frequency (TRIF) of 0.1;
- No lost time injuries (LTIs); and
- Zero reportable spills.



# 5.0 Environment

Athabasca is continuously working to measure and improve our GHG performance. **SEE PAGE 13 FOR DETAILS**

### Our Approach to Environmental Leadership

We recognize that operating in an environmentally responsible manner is fundamental to ensuring the long-term sustainability of our business and our ecosystems.

Canada has some of the most stringent environmental and regulatory regulations in the world. Canadian energy not only improves lives around the world, but it also helps improve environmental performance.

#### GHG Emissions Reductions

We have taken many deliberate measures, over the past several years, to continuously improve our GHG performance. We also recognize the need to set clear climate goals for the future.

Athabasca has reduced its direct GHG emissions intensity through the development of low-GHG intensity resources and the application of new technologies.

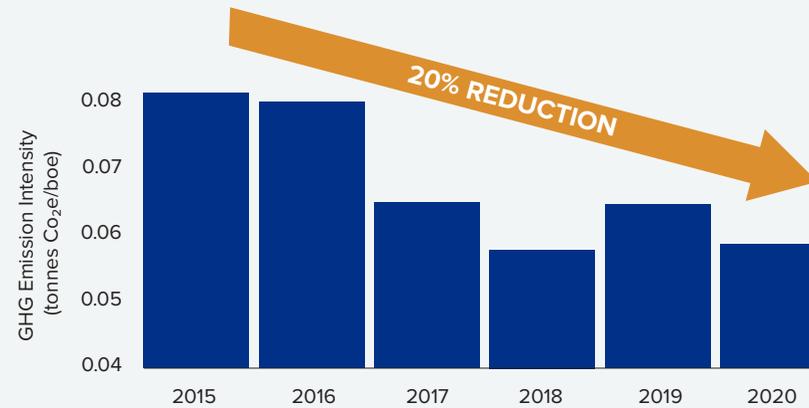
The vast majority (~90%) of the GHG emissions from our thermal facilities are attributed to steam generation for the in-situ recovery process. The boilers used to generate our steam were carefully selected and already have a 92% thermal efficiency; however, we continue to evaluate boiler efficiency improvement projects to further improve our emissions intensity.

#### Technology Leading the Path to Improved Environmental Performance

Athabasca has a strong track record of investing in new technologies that are essential to the continuous improvement in environmental performance. We work closely with government and industry partners to continue to find innovative solutions that not only meet, but exceed regulated emissions design criteria. Our team of onsite dedicated professionals monitor emissions and equipment performance from our facilities.

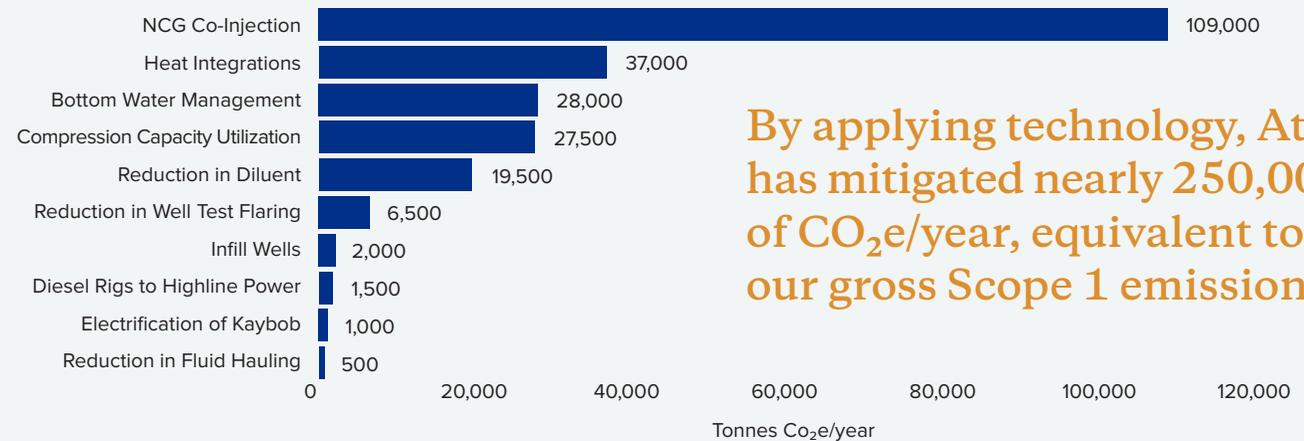
Since 2015, Athabasca has spent more than \$45 MM executing technology projects that have mitigated GHG emissions that would have otherwise been much higher. Our goal is to continue to mitigate GHG emissions through the implementation of additional technology, support energy intensity reductions, and bolster renewable technologies. The bottom chart includes examples of technologies that have been newly implemented on our properties.

Net Reported Operated GHG Emissions Intensity (Scope 1)



Athabasca has decreased GHG emissions intensity by approximately 20% since 2015 and we anticipate reducing emissions intensity by a total of 30% by 2025.

Applying Technology to Mitigate Emissions



By applying technology, Athabasca has mitigated nearly 250,000 tonnes of CO<sub>2</sub>e/year, equivalent to ~30% of our gross Scope 1 emissions.

### Applied Technologies

#### Thermal Oil Properties

- Deployed non-condensable gas co-injection in all our thermal operations to reduce the energy intensity (steam oil ratios) of the oil we produce. This creates an insulating gas blanket in the reservoir, which retains heat more effectively and reduces overall steam requirements.
- Installed Flow Control Devices (FCD) in all new thermal wells to increase the efficiency of Steam-Assisted Gravity Drainage (SAGD) operations. The deployment of FCD technology has enabled Athabasca to drill longer well lengths (50% longer laterals) while still achieving good temperature conformance along the well. The longer well length reduces the land disturbance for each well pair and makes more efficient use of steam.
- Upgraded the power used by drilling rigs in our 2021 program from traditional diesel power sources to electric power.
- Reduced the energy and emissions intensity of Leismer by re-locating the disposal zone into a new formation to improve the subsurface temperatures and the thermal recovery process.
- Installation of high efficiency heat exchangers at our thermal facilities to recapture and recycle energy.
- Optimized our diluent recovery systems to reduce our carbon intensity.

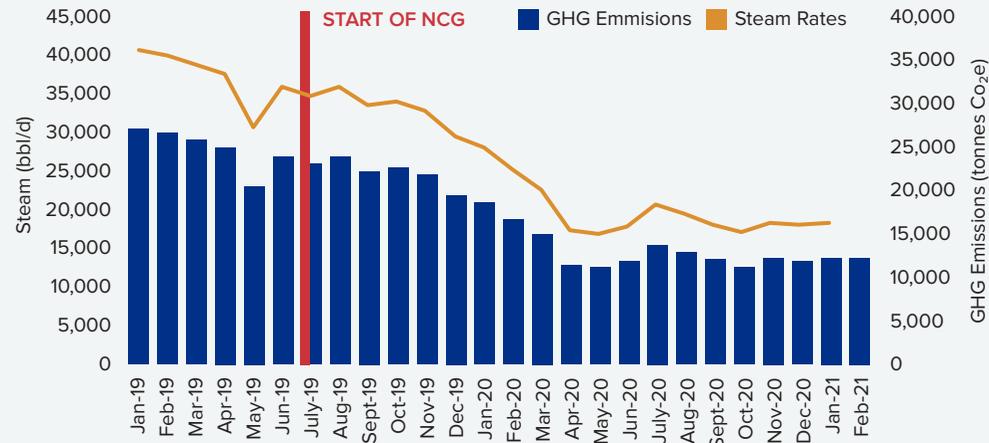
#### Light Oil Properties

- Pre-installed natural gas fuel pipelines where possible. These pipelines allow drilling and completion operations to burn natural gas instead of diesel.
- Utilized excess compression capacity from the central compressor station for artificial lift at the well pads, which reduces our CO<sub>2</sub> emissions.
- Reduced the amount of flared methane that occurs during the well testing and flowback periods. Achieved an 80% reduction in flaring volumes per well over the last three years.
- Reduced fluid hauling by over 85% during initial completion by installing a pipeline.
- Two out of four of our operated facilities have been converted from natural gas power generation to highline electricity. All diesel burning generators at well pads have been converted to natural gas generators.

#### Taking Action on Methane

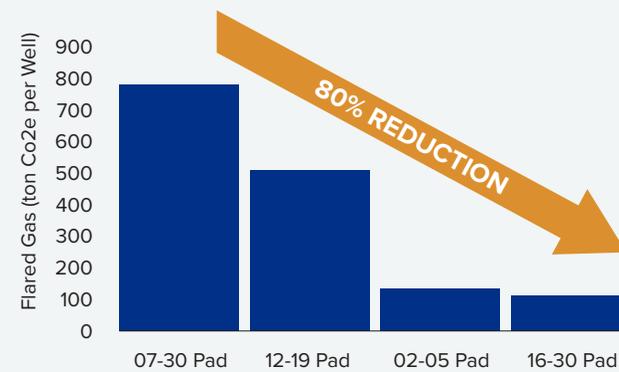
- Monitor all fugitive emissions sources and initiated a campaign to replace high-bleed pneumatic devices with low-bleed devices resulting in a reduction of 4,500 tCO<sub>2</sub>e/yr. Future well pads are designed to be zero-methane emissions.

Leismer Steam Rate Reduction



Deploying NCG at Leismer resulted in a reduction of 109,000 tonnes CO<sub>2</sub>e/year.

Light Oil Well Test Flaring Reduction



Modifying well testing methodology reduced flaring by 80% over the last 4 pads.

### Air Quality Management

Athabasca operates a comprehensive Air Quality Management Program to ensure emissions and air quality standards at our regulated facilities are maintained. Additionally, we have implemented a rigorous Fugitive Emissions Management Program that identifies and reduces sources of fugitive emissions.

At our oil sands facilities, manual stack surveys are completed on equipment licensed for air emissions in addition to Continuous Emissions Monitoring (CEM) units on our boilers. These CEM units, together with stack surveys, ensure equipment does not exceed emissions rates outlined in facility Environmental Protection and Enhancement Act (EPEA) operating approvals. Athabasca has never exceeded an EPEA approved emissions rate (NO<sub>2</sub>, SO<sub>2</sub>) or exceeded prescribed limits from the Alberta Ambient Air Quality Objectives at either thermal facility.

In 2019, we fitted our largest steam generator at Leismer with low nitrogen oxide (NOX) burners and combustion control technologies to lower NOX emissions in the installed steam generator. Additionally, at our Hangingstone site, we installed ultra low NOX boilers.

In our Light Oil division, stationary spark engines must comply with the federal Multi-Sector Air Pollutants Regulations (MSAPR) which sets strict limits on NOx emissions. The NOx emissions from the stationary spark engines in Athabasca's Light Oil fleet are on average 75% below MSAPR NOx emissions regulations. These low NOx emissions demonstrate Athabasca's commitment to select low emissions equipment that is well maintained at all of our facilities.

### Renewable Energy

Athabasca supports the use of renewable energy in our operations. We have installed 144 sites with solar panels across our assets. These solar panels help us monitor and collect data from remote locations. We plan to install solar panels on all future observation well sites and in future remote locations.

### Participation in Multi-Stakeholder Initiatives

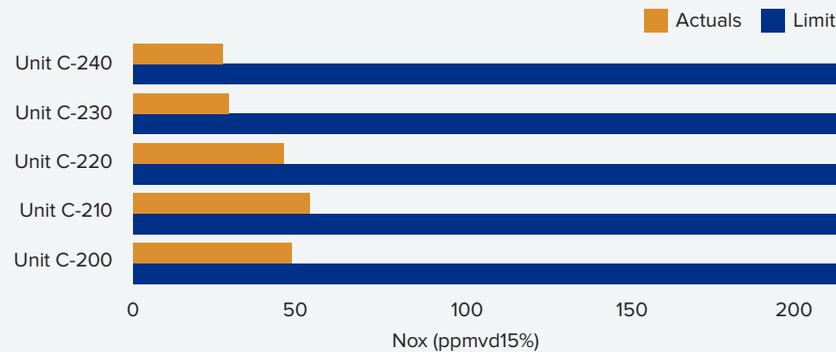
We work alongside regulators and other stakeholders to improve monitoring and drive innovation.

- We are a participant in the Emissions Reduction Alberta's Oil Sands Innovation Program which organizes projects that reduce energy

intensities. This program is focused on using innovative technology to improve energy efficiency and demonstrates the commitment of the Alberta government and our industry to support lowering emissions collaboratively.

- We also participated in the Baseline and Reduction opportunity which will allow us to obtain detailed measurements on any methane emitting sources on our operated sites. This information will then be used to develop a roadmap to reduce future methane emissions.
- Athabasca funds and participates in the Wood Buffalo Environmental Association (WBEA), a collaboration of communities, environmental groups, industry, government, and Aboriginal stakeholders. WBEA monitors the air, terrestrial, and human exposure in the Athabasca oil sands producing area; its system is the most integrated and intensive air and terrestrial monitoring in any one area, across the country. At Leismer, we use the WBEA mobile monitoring unit for a three-month period annually to measure nitrogen dioxide (NO<sub>2</sub>), sulphur dioxide (SO<sub>2</sub>), and hydrogen sulphide (H<sub>2</sub>S), wind speed, and direction.

Keybob Comparison of NOx Limits to Actual Performance for Compressor Engines



The NOx emissions from the stationary spark engines in Athabasca's Light Oil fleet are on average 75% below MSAPR NOx emissions regulations.



We install solar panels to help us monitor and collect data from remote locations wherever possible.

## Water Use

### Our water management goal is to minimize water use across our operations

Our industry has made many strides in managing water use and Alberta's water usage and conservation regulatory systems is one of the most stringent in the world. Athabasca continues to meet or exceed all water use standards.

We apply best practices to minimize water consumption and we collaborate with stakeholders, regulators, and use professional consultants to ensure we understand and implement the best strategies. Our team of professionals are comprehensive in their approach to minimizing impacts and managing sustainably through:

- Continual evaluations of opportunities to eliminate or minimize water use;
- Completion of hydrological and hydrogeological assessments of water sources;
- Optimization of water recycling process equipment;
- Tracking and monitoring all water withdrawals; and
- Reporting water use to facilitate performance evaluation and improvement.

Athabasca requires water for steam generation at our in-situ thermal oil projects and for completion operations in light oil.

All of Athabasca's thermal oil production is in-situ, which is significantly lower than the oil sands mining average due to lower water requirements and no tailings ponds. We do not source water from streams, lakes, or rivers to produce steam for our SAGD operations. Our thermal oil projects source non-potable water from underground reservoirs.

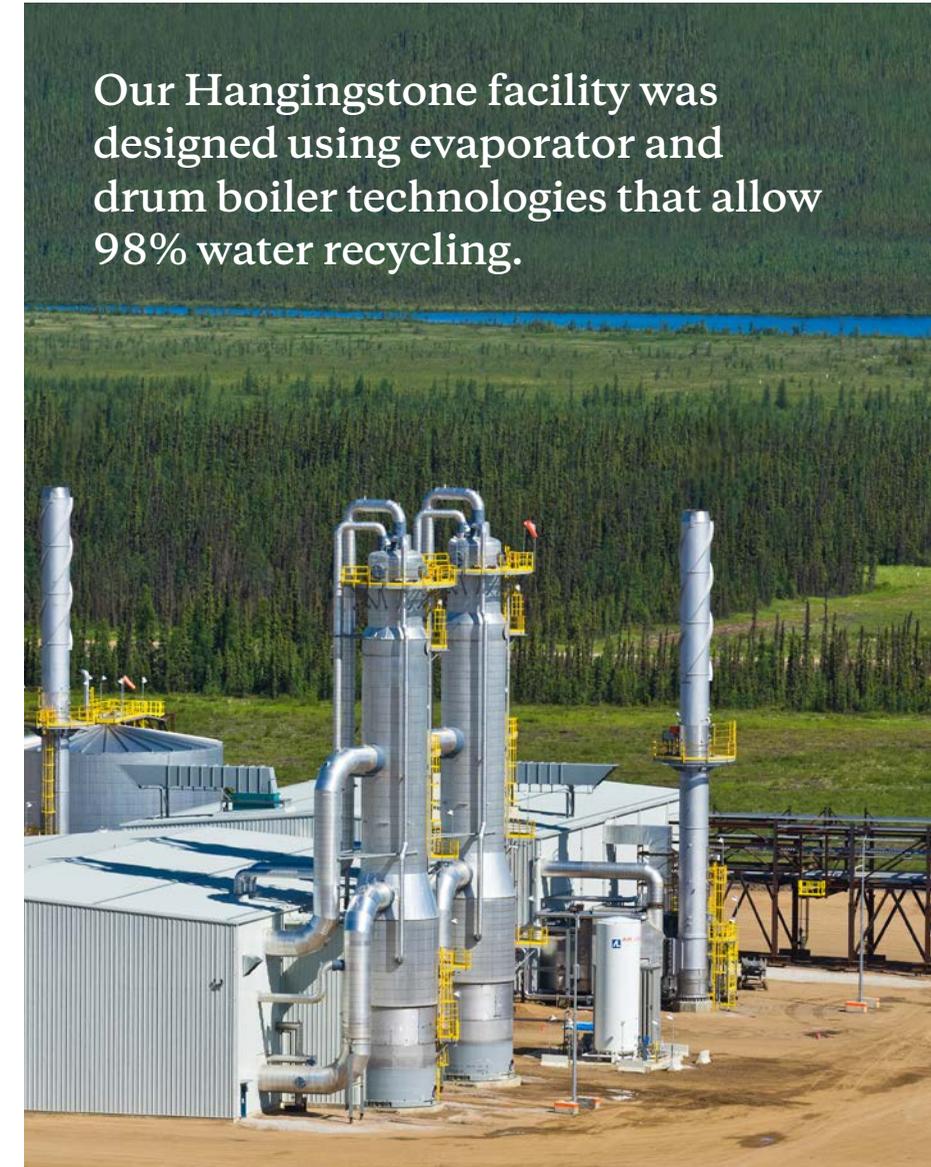
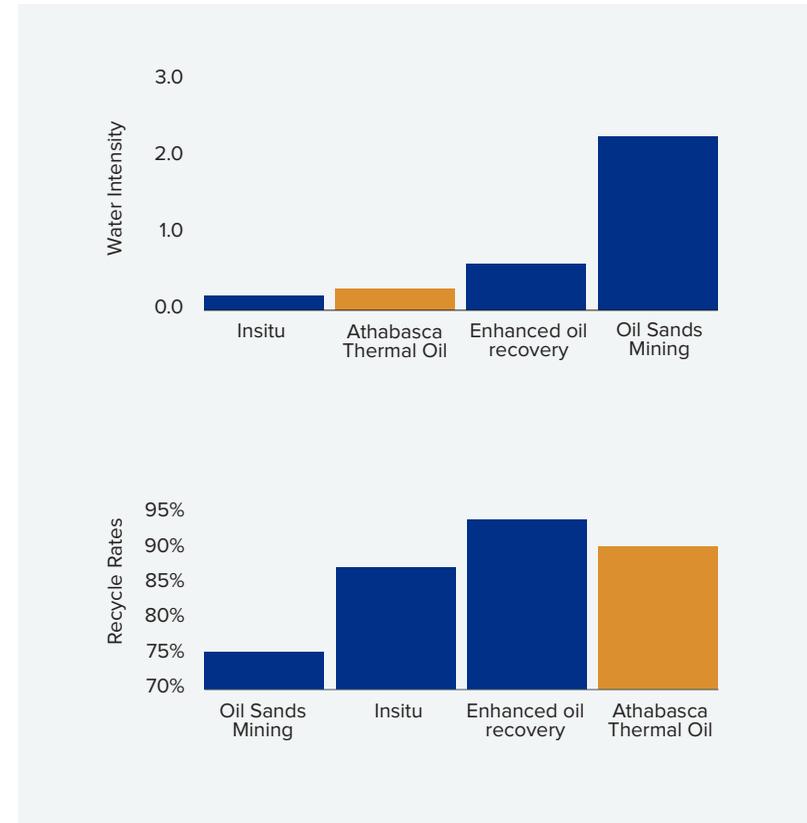
During the facility design stage of the Hangingstone project, we selected technologies that would maximize our water recycling capability. The decision to procure drum boilers and evaporators allows us to recycle 98% of the water used at Hangingstone.

Athabasca's Light Oil production uses water to complete wells. Our priority is to maintain the ecological integrity of our water sources. As part of our commitment to industry best practices, our light oil operations are aligned with CAPP's Guiding Principles and Operating Practices for Hydraulic Fracturing and the associated requirements for water management. This is best exemplified through the strategic use of four engineered water reservoirs located in our Placid and Saxon fields. These

reservoirs provide Athabasca the flexibility to obtain and store water from both surface and subsurface sources during naturally high flow periods (i.e. spring runoff), eliminating withdrawals during low flow periods. The stored water is then used when well completion operations commence.

Athabasca continually strives to minimize non-saline water use by employing advanced completion technologies such as:

- Friction reducing additives;
- Limited entry completion design; and
- Single pad multi-well completions.



Our Hangingstone facility was designed using evaporator and drum boiler technologies that allow 98% water recycling.

### Land and Wildlife

Stewardship of the land is our priority. When evaluating a project, we develop a restoration and reclamation plan. We plan and manage our activities to respect terrestrial systems and in response we have incorporated a lifecycle approach to managing our operations. This lifecycle approach includes the following aspects:

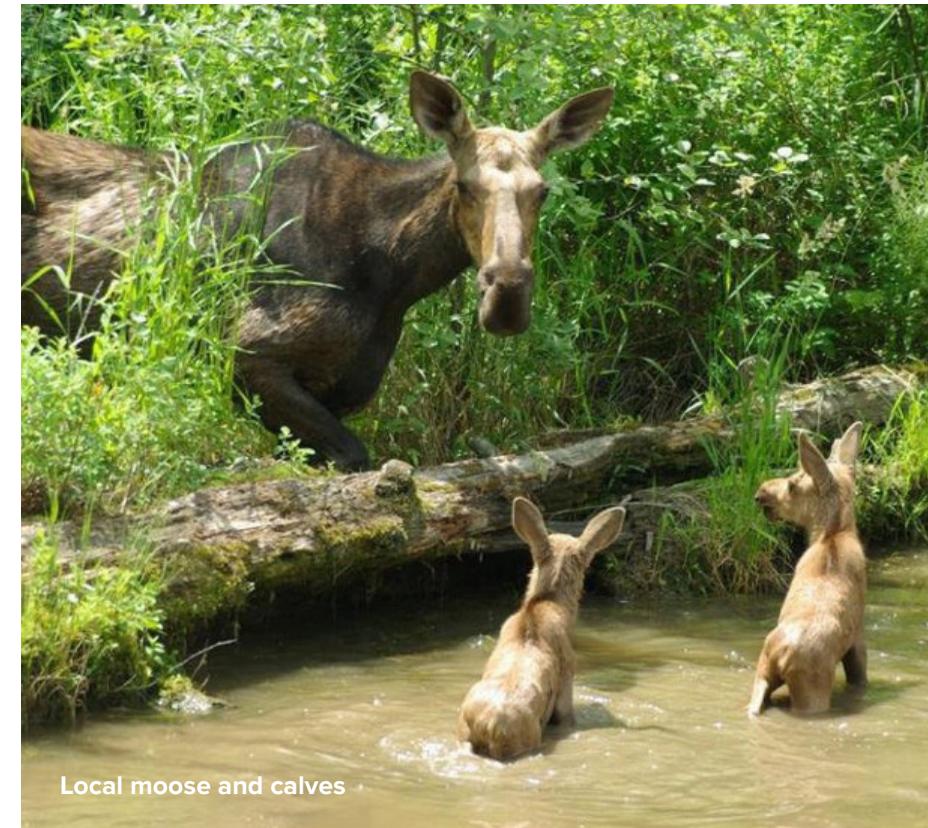
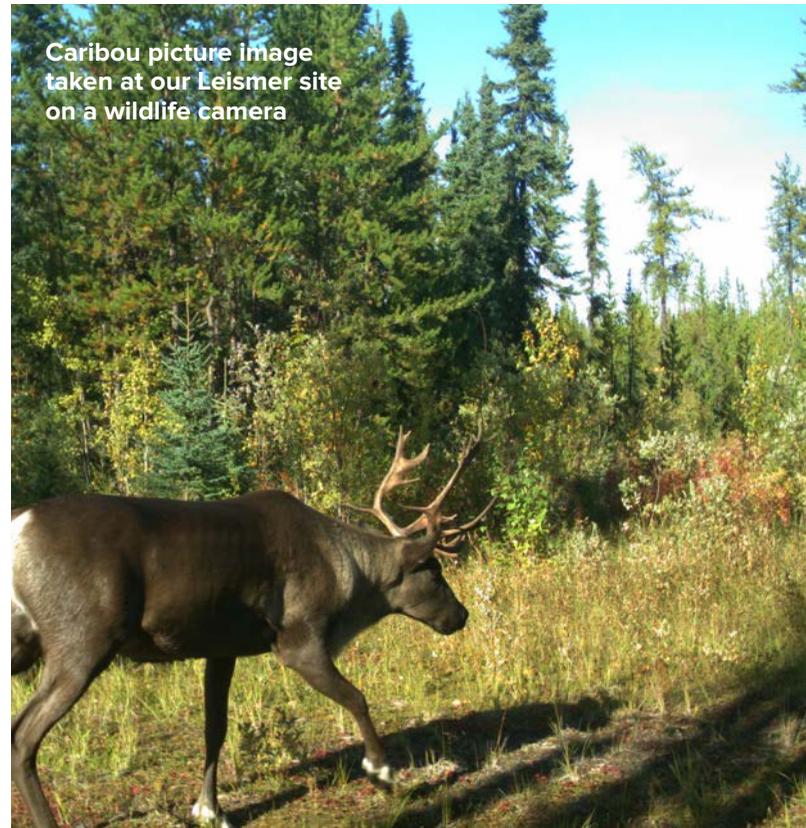
- To the fullest extent possible, we plan our project footprint to avoid specific environmental or cultural features. Additionally, we reuse areas previously disturbed and share access corridors with other operators.
- We complete field investigations on soils, vegetation, and aquatics to develop project specific mitigation strategies and to support reclamation planning.
- We restrict our activities during sensitive wildlife activity periods including caribou calving, migratory bird presence, and fish spawning. We also complete wildlife sweeps to ensure our operations will not negatively impact important wildlife and habitats.
- We employ low-impact seismic techniques (narrow lines and hand-cutting) and we use multi-well pads at all our producing operations. Multi-well pads have allowed us to reduce our footprint by consolidating production and reducing surface infrastructure (roads, pipelines, facilities).
- Our comprehensive monitoring programs include a focus on air quality, groundwater, wetlands, and wildlife. Wildlife cameras monitor the response of wildlife to our operations and are installed within our operating thermal lease areas.

#### Wildlife Monitoring and Mitigation Plans

Our goal is to create as minimal disruption as possible to the natural environment and the animals who live in these areas. Our complete Wildlife Monitoring and Mitigation Plan, at Leismer, helps us minimize any impacts on bears, caribou, moose, birds, and fish.

We limit new land disturbance and allow for wildlife movement in and around our project areas. Wildlife crossings are strategically placed over and under our above-ground pipelines to help wildlife move as freely as possible without increasing risk from predators. Wildlife is monitored using remote cameras and the information gathered helps us improve our operations to further minimize any impacts.

## Athabasca is a member of the Regional Industry Caribou Collaboration (RICC), a group of energy and forestry companies that support caribou recovery efforts in caribou ranges in Alberta.



We also keep seismic lines narrow and limit straight clearing distances that can expose wildlife populations to predators and recreational hunters. When our seismic lines and clearings are no longer required, Athabasca uses habitat restoration techniques to further reduce linear sightlines. These initiatives have minimized the potential for caribou predation by wolves by reducing line of site along linear disturbances.

Athabasca is also taking part in an industry working group coordinated to discuss mitigation measures that will help caribou populations in the East Side Athabasca and Little Smoky Caribou Ranges where Athabasca operates. The goal is to identify an approach to habitat and population management that sustains a working landscape where caribou and careful development can co-exist.

Athabasca is a member of the Regional Industry Caribou Collaboration (RICC). The RICC is a group of energy and forestry companies who support caribou recovery efforts in caribou ranges in Alberta. RICC activities include funding research, planning, and completing caribou habitat restoration projects. The RICC operates the Ecosystem Monitoring Camera program with 14 camera grids across 4 Alberta caribou ranges, as well as in Saskatchewan. One of the camera grids is located on Athabasca’s oil sands leases near our Hangingstone facility. The program monitors changes in relative density/abundance and activity levels of multiple species, including ungulates (moose, deer, and woodland caribou) and predators (wolves and bears) over time in caribou ranges. The results of all RCC research, including this specific research project, is shared through peer-reviewed manuscripts.

### Applying Technology to Reduce Land Disturbance

To further reduce our impact on the land, on our most recent well pad at Leismer, we deployed downhole technology that enabled us to increase well lengths by 50%. We drilled to a depth of 400 to 500 metres underground and the wells were then drilled horizontally for another 800 to 1,250 metres. Longer wells allow more resources to be accessed, resulting in fewer well pads being constructed over the life of the project. This decreases land disturbances and reduces construction expenditures.

In Light Oil, we also drill multi-well pads off a single surface location, which reduces the footprint on the environment by 65% (based on a standard single horizontal pad site size of 1.44ha/well). Multi-well pads and integrated land management practices allow us to consolidate production and reduce surface infrastructure, such as roads, pipelines, facilities, and pad sites.

Our industry is committed to reclamation and our actions demonstrate this dedication. To improve our capacity for reclamation in wetland environments, we collaborate with other oil and gas operators. Athabasca is a member of the Industrial Footprint Reductions Options Group (iFROG). iFROG includes nine oil and gas companies working together to develop and implement wetland research projects to address both road and well pad construction and reclamation techniques.



Hangingstone Pad Site



Kaybob Drilling Site

**In Light Oil, we drill multi-well pads off a single surface location, which reduces our environmental footprint by 65%.**

### Reclamation

Reclamation is an ongoing activity throughout Athabasca’s operations. We implement progressive reclamation, so when exploration areas, well pads, and roads are no longer productive or needed, they are restored.

2020 represents a reclamation milestone for Athabasca’s two operating steam-assisted gravity drainage (SAGD) oil sands developments (Leismer and Hangingstone). The final reclamation certificate was received for Oil Sands Explorations (OSE) programs for these two developments representing successful reclamation at 535 sites equivalent to 290 hectares of footprint.

### Area Based Closure Program (ABC)

In 2018, the Government of Alberta launched the Area-Based Closure (ABC) program, a collaborative initiative. The ABC program encourages licensees to work together to decommission, remediate, and reclaim groups of inactive sites. In doing so, licensees can realize significant benefits arising from operational efficiencies, and cost reductions due to economies of scale and regulatory incentives.

Athabasca has participated in the voluntary ABC program every year since its inception as it allows closure activity to take place in both an environmentally and financially efficient manner. We were very pleased to be recognized as one of 13 licensees in the ABC program that exceeded the voluntary closure spend by more than 50% in the most recent Alberta Energy Regulatory ABC Program report.

We have consistently reduced our liability through winter closure programs and plan to continue to participate in the ABC program as it allows us to achieve our reclamation plans and better leverage each dollar spent.

Over 500,000 seedlings have been planted to date at Athabasca sites to help achieve our reclamation objectives.



Typical Oil Sands Exploration (OSE) reclamation site close to the Leismer asset area

# 6.0 Kitaskino Nuwenënë Wildland Provincial Park

The park expansion will increase habitat connectivity of the Ronald Lake bison herd, a strong cultural link to many Indigenous Peoples in the region. **SEE PAGE 21 FOR DETAILS**



We believe in building a better tomorrow for future generations, and earlier this year we did just that. After years of careful planning and collaboration, Athabasca played a key role in expanding the culturally and ecologically significant Kitaskino Nuwenënë Wildland Provincial Park by contributing to the largest contiguous area of protected boreal forest in the world.

The Kitaskino Nuwenënë Wildland Provincial Park, located in the boreal forests of northeast Alberta, plays a vital role in preserving the Peace-Athabasca watershed, ensuring available habitat for at-risk species, enhancing connectivity between neighbouring parks and protecting an area important to Indigenous culture. Kitaskino Nuwenënë, means “our land” in both Cree and Dene.

By working closely with the Mikisew Cree First Nation, Athabasca recognized the area’s importance in their culture and the value an expanded Kitaskino Nuwenënë Park could bring to the Indigenous People in the area, and to all Albertans. With this in mind, Athabasca supported the Mikisew Cree First Nation’s efforts to expand the park boundaries, approaching the Government of Alberta in 2019 with a proposal to relinquish mineral rights in the area and provide a foundation for the Mikisew Cree vision of an expanded park.

Initially, the park covered an area of 400,014 acres. Following its expansion, the park’s boundaries have nearly doubled to encompass 755,352 acres. Athabasca proudly contributed over 235,000 acres, or 66%, of the expansion lands. In total, we have relinquished 310,000 acres of mineral rights in the area.

The Kitaskino Nuwenënë Wildland Provincial Park connects existing Wildland Provincial Parks and Wood Buffalo National Park. It increases a buffer area for Wood Buffalo National Park, Canada’s largest national park and a UNESCO Heritage Site. This area provides a key staging area for millions of migratory birds and is home to many iconic species, such as Woodland Caribou and bison. The area is also home to the Ronald Lake bison herd, a critical species for many Indigenous Peoples in the region who share a cultural relationship with the herd.



# 7.0 Social



We are passionate about building meaningful connections and supporting the people in our workforce and the communities in which we operate. **SEE PAGE 23 FOR DETAILS**

We believe that our people make a fundamental difference in the local communities where we live and operate by focusing on safety, supporting environmental initiatives, and charitable giving. We are proud of our employees' and our company's drive to give back.

### Our People

Our people are our greatest resource. Our 140 employees across head-office and our field operations care deeply about their work, their co-workers, and our communities. We embrace and embody the values that make Athabasca a dynamic and positive place to work.

We empower our employees to play an integral role in driving our company's positive results. We help our staff grow professionally through mentorship programs and foster a culture focused on continual education and embracing new challenges. Some of our recent employee development programs include:

- **Coaching for Success Leadership Certificate Program.** Over 2019 and 2020, 28 corporate and field leaders attended this leadership program which built their knowledge, skills, and abilities to lead high performing teams.
- **Executive Mentorship.** To support the Coaching for Success Leadership Program, leaders were placed in small cohorts and matched with executive mentors who coached them to apply their leadership skills and tools acquired through the program.
- **Canadian Heavy Oil Association (CHOA) Membership.** As a corporate member of CHOA, Athabasca staff have the opportunity to expand their industry expertise and grow their skills by participating in workshops and panels.
- **Industry Participation.** We are proud to contribute to industry learning and encourage staff engagement for the continuous improvement of our industry. Athabasca is an active member of the Exploration and Producers Association of Canada (EPAC).



### Bringing Employees Together While Staying Apart

The global pandemic has challenged us to be more creative in connecting with our employees. We continue to drive engagement and have found new ways to collaborate and connect virtually. We have adapted our employee town halls to a virtual format and have dedicated time to showcase team projects and achievements across the company.

### We Support Each Other

Athabasca cares deeply about our employees and contractors. Our Leismer site’s 2020 Movember campaign raised funds in the name of men’s health and is an example of our team rallying to support one of our own. The inspiration for the initiative was when one of our operators was diagnosed with cancer and went through a number of successful rounds of treatment. The Leismer team continues to educate their networks and colleagues about the importance of cancer screening at all ages while raising funds to help advancement of treatment for men’s cancers.

### Community Impact

Athabasca supports the communities where we live and operate.

Athabasca builds long-term relationships with our stakeholders in the communities where we live and operate. Our community engagement is guided by Athabasca’s Three Pillars of Giving Back to the Community: Indigenous Relations, Community Investments, and Education.

### 1. Indigenous Relations

As part of our community commitment, we work together with Indigenous People to protect our environment and respect Indigenous rights and cultures. Athabasca has built important relationships with First Nations near our operations.

### Early and Ongoing Engagement to Build Lasting Relationships

We engage Indigenous stakeholders at all stages of a project’s development, including consultation during the project planning and approvals process. We believe that early engagement is key to avoiding and resolving potential stakeholder concerns. This helps build positive, long-term relationships, and keeps our projects on schedule.

### Working with Indigenous-owned businesses

We also engage our Indigenous stakeholders early to procure local services from vendors from Indigenous communities. We ensure that local businesses are considered in our procurement process and we track our expenditures with Indigenous vendors.

In 2020, Athabasca began to develop closure plans (abandonment and reclamation) for inactive assets eligible for the Site Rehabilitation Program (SRP). The SRP program is a federally funded provincially administered program developed to support oil and gas recovery from the COVID-19 pandemic. We engaged an Indigenous-owned business early on to help plan our abandonment activities and together we are submitting SRP applications for 2021/2022 closure activities. Athabasca is proud to collaborate and support Indigenous businesses.

### Kitaskino Nuwenënë Wildland Provincial Park (see Feature)

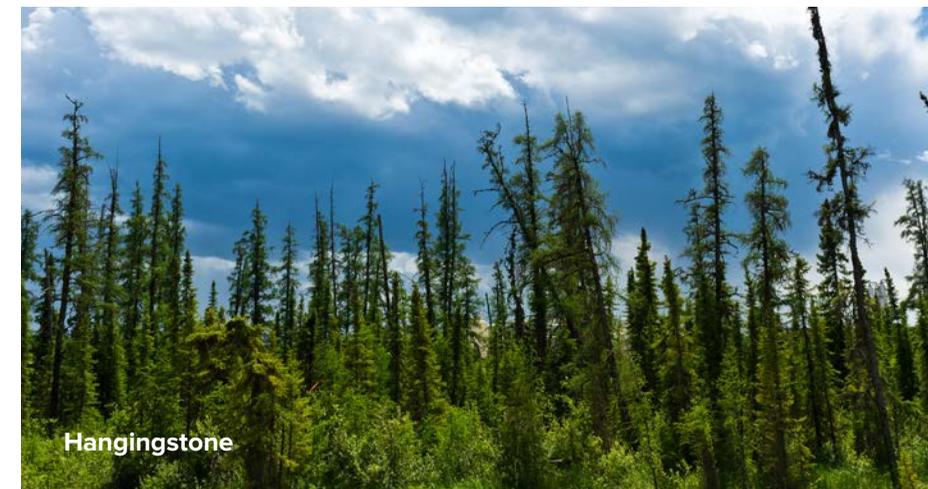
The Kitaskino Nuwenënë Wildland Provincial Park was originally established in 2019 as part of the Mikisew Cree First Nation’s vision to conserve culturally important natural landscapes. Through a joint effort involving the Mikisew Cree, the Government of Alberta and industry leaders, Athabasca relinquished over 310,000 acres of mineral rights to help establish the largest contiguous area of protected boreal forest in the world.

### Moose Lake Access Management Plan

After 20 years of negotiations between the Alberta government and the Fort McKay First Nation, the Moose Lake Access Management Plan was finalized in February 2021. With leases in the immediate area, Athabasca contributed towards a positive resolution for both industry and the neighbouring communities.

Moose Lake is a culturally significant area for the Fort MacKay First Nation, who use the area for hunting, fishing and trapping activities protected by their treaty rights. The Moose Lake Access Management Plan creates a balance that ensures Indigenous community members can practice their treaty rights while industry responsibly develops resources in the area. The access management plan aligns with the ongoing work of Alberta’s government to honour Indigenous land use traditions and provides rules for resource development in the province’s boreal region.

**Athabasca values the important relationships with our Indigenous neighbours. We engage stakeholders early in project consultations and work closely with local Indigenous vendors to procure services.**



Hangingstone

### Providing Support to Communities, Where it is Needed Most

Athabasca makes donations to community direct initiatives, which provides funding to local Indigenous communities, allowing them to allocate funding where it is most needed. Over the past three years, we have built meaningful relationships with local Indigenous communities and learned more about their priorities.

Prior to the COVID-19 pandemic, the Leismer Lodge provided a weekly meal to the Conklin and Janvier school teachers and plans to resume doing so when pandemic circumstances allow. In addition, the recyclables from Leismer Lodge are donated to the Conklin school (~\$10,000/year).

We also helped keep the community of Conklin site warm this winter by supplying vital fuel to families in need. Athabasca arranged for a stockpile of salvage birch to be processed into firewood and donated to the community. The Conklin Resources Development and Advisory Committee (CRDAC) supported Athabasca by determining families in need and Athabasca's Leismer operators delivered firewood. Twenty of the 31 homes we supported are heated only by wood while the other 11 are heated by wood and natural gas/propane.

### 2. Community Investments

Athabasca supports charities, outreach programs and volunteer initiatives in the areas where we operate. Over the past seven years, Athabasca has donated approximately \$500,000 towards these initiatives, including over \$74,000 in 2020.

Athabasca has supported programs and campaigns that benefit both the local communities and Albertans throughout the province which include:

- **Calgary:** Women in Need Society (WINS), Calgary Foodbank, Alberta Children's Hospital, Red Cross, Heart and Stroke, and the Canadian Breast Cancer Foundation;
- **Fort McMurray:** Movember, Edmonton Food Bank, Lac La Biche Regional Health Foundation, Canadian Mental Health Association (CMHA) – Wood Buffalo Region, Fort McMurray Northern Lights Health Foundation, Red Cross Fort McMurray fire relief efforts, Local HERO Foundation, and the First Nation's Youth Council; and
- **Fox Creek:** Lions Club, Hospital Society, Fox Creek Outreach Program, and the Fox Creek Playschool.



Over the past seven years, Athabasca has donated approximately \$500,000 to local communities, including over \$74,000 in 2020.



### 3. Education

We believe that a better tomorrow starts with students. By providing educational opportunities to the next generation, the future of Albertans is brighter. In support of this vision, Athabasca supports a number of educational initiatives.

#### Athabasca Oil Corporation’s Martti Ahtisaari Scholarship in Business

This scholarship is offered annually to a continuing undergraduate student entering their fourth year in the Haskayne School of Business, majoring in Energy Management or Petroleum Land Management. Since 2015, we have awarded nearly \$50,000 to students, with scholarships ranging from \$6,000-\$8,800.

#### Athabasca Oil Corporation Endowment

This fund supports the work of the Chair in Safety Engineering and Loss Management, currently held by Dr. Gord R. Winkel.

The University of Alberta’s endowment is a dedicated and permanent source of funding that maintains the teaching and research mission of the university. The endowment, which was funded by numerous donors, generates approximately \$130,000 a year.

#### Practicum Opportunities for Keyano and Portage College Power Engineering Students

Athabasca also provides opportunities for post-secondary education in local and Indigenous communities through in-kind donations. Our Leismer and Hangingstone operations annually sponsors 3rd and 4th Class Power Engineering work practicums for students at Keyano College and Portage College. This opportunity provides paid training and accommodation for students and represents in-kind funding of \$240,000 annually. The program was initiated in 2010 and since it began, 40 students have been enrolled in the program.

#### Mentorship of SAIT Students for their Capstone Projects

Over the last three years, Athabasca has committed to supporting students in the final semester of their Chemical Engineering Technology program. We provide the students with the opportunity to work on a real-life project where we provide the project goal and work with the students to apply research, critical thinking, communication, and problem-solving skills. We have found this mentorship opportunity allows students to experience real-life challenges while also providing great exposure to new perspectives and innovative solutions for Athabasca mentors.

“Athabasca Oil Corporation is one of the industry leaders that have helped to grow this endowment and fund the Chair of Engineering Safety and Risk Management within Engineering at Alberta.”

Dr. Gord R. Winkel, Industrial Professor of Engineering Safety and Risk Management

“I’d like to sincerely thank Athabasca for their contribution to making my education possible through the Martti Ahtisaari Scholarship. I firmly believe that Alberta will play a crucial role in leading the future of energy. This award ensured financial security for my final year of university, especially with the impacts of COVID-19, so again, thank you Athabasca.”

Josh Snape, Fourth year student at Haskayne School of Business (UofC), Energy Management and Systems Technology Program



### Diversity & Inclusion

Building a culture of diversity, authenticity, growth, and inclusion is integral to Athabasca’s success. We value the benefits created through a diverse workforce and welcome multiple points of view and perspectives. Discrimination of any kind is not tolerated at Athabasca.

Our corporate policies ensure that we have equitable, inclusive, and fair practices that have a goal of eliminating conscious and unconscious bias. We have a robust code of conduct and anti-discrimination policies and procedures that all employees acknowledge and sign annually.

In 2020, our Board hired external consultants to provide an independent evaluation of our practices and policies and no specific concerns around biases were identified. In the wake of a challenging year, it was an important opportunity to ensure our policies and values remained strong.

Athabasca recognizes the benefits of diversity and inclusion at all levels within its organization and, as such, the Board adopted a formal Board Diversity Policy in 2018 that includes provisions relating to the identification and nomination of women directors. In 2017, Athabasca appointed its first female Board member, which represents 14% of our board membership.

When appointing individuals to executive officer positions, Athabasca weighs a number of factors including skills and experience, personal attributes and the level of representation of women in executive officer positions. Athabasca’s executive management team is currently composed of one woman, representing 25% of the total executive officers.

On a corporate basis, female employees account for 38% of head office and 21% of the total employee population. Athabasca supports gender equality through ongoing advocacy and celebrating women’s achievements. As part of our commitment to encouraging the progression of our female staff, on March 8, 2021, we held an International Women’s Day event. Hosted by our female leaders, the initiative provided a forum to discuss women’s achievements, recognize challenges, discuss gender biases and career strategies.

Athabasca has an ongoing commitment at all levels of the organization to challenge ourselves to listen, learn, and do better to ensure all of our people are treated fairly and equally.

**Female employees account for 38% of head office and 21% of the total employee population.**



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# 8.0 Governance

Our Board plays a key role in creating a culture of responsibility and integrity.



“At Athabasca, ESG is firmly embedded in our business. Athabasca’s team is continuously improving processes and finding innovative solutions to reduce our impact on the environment. We have made important changes as we strive for continual improvement. We have set meaningful ESG goals and have real plans in place to achieve them. I look forward to sharing our progress in future ESG reports.”

**Ron Eckhardt**  
Chair of the Board of Directors



1. Ron Eckhardt, 2. Bryan Begley, 3. Robert Broen, 4. Anne Downey, 5. Tom Ebbert, 6. John Festival, 7. Carlos Fierro

**Committees & Membership**

**Audit Committee:** Carlos Fierro (Chair, independent), Bryan Begley, and Tom Ebbert

**Compensation and Governance Committee:** Bryan Begley (Chair, independent), Tom Ebbert, and Carlos Fierro

**Reserves Committee:** Anne Downey (Chair, independent), Ron Eckhardt, and John Festival

At Athabasca, strong governance is core to our business. Our Board provides independent oversight and thoughtful reasoned guidance on our long-term strategy.

By encouraging ethical and responsible decision making and supporting our commitment to corporate social responsibility, our Board is helping build a stronger, more responsible company.

**Structured to Drive Success**

Our Board has formed three standing committees to best utilize our directors' depth of experience. These committees include the Compensation and Governance Committee, the Reserves Committee, and the Audit Committee.

Due to the importance our Board places on ESG performance, our Board has chosen not to create an ESG committee but rather to have our ESG strategy and performance reviewed and considered by the Board as a whole. To keep the Board well informed, management regularly provides updates on goals and accomplishments around environmental considerations, social responsibility, ethics, and corporate citizenship. Our Board also takes a keen interest in our health and safety practices and performance. Management reviews HSE performance at each quarterly Board meeting and discusses current and emerging relevant issues.

Our Board includes directors that bring diverse and complementary skill sets, prior experience, tenure, and gender to ensure a wide range of perspectives that best strategically support Athabasca.

## Key Board Statistics

Number of Directors	7
Independent Directors	6 or 86%
Female Directors	1 or 14%
Governance Experience	7 or 100%
Health, Safety & Environment Experience	4 or 57%
Risk Management Experience	6 or 86%
Tenure	range 1-9 years, average of 4.7 years

### Guiding Ethical Behaviour

We have several policies in place to help govern our day-to-day operations. Our Code of Business Ethics and Conduct is central to business and guides the behaviour of all our directors, officers, employees, and consultants. To keep this important policy front of mind, our employees review and sign it annually.

### Our Policies

**Our Whistle Blower Policy** provides our people with a confidential and anonymous process to raise concerns or complaints regarding our accounting practices or processes, corporate fraud, or violations of our **Code of Business Ethics and Conduct** or **Trading and Blackout Policy**. Employees are encouraged to report concerns and complaints on these matters to their supervisor or the Human Resources Manager. For circumstances when employees are not comfortable with reporting concerns internally, employees are also provided with direct access to the Chair of the Audit Committee of the Board. All complaints received under the Whistle Blower Policy are investigated. To ensure employees are familiar with the policy and process for making complaints, our employees are required to sign the Whistle Blower Policy annually.

Our **Respectful Workplace Policy** ensures our people are able to work in a healthy, discrimination-free work environment, where everyone is treated with dignity and respect. Athabasca is committed to providing equal opportunity for all employees regardless of their age, gender, sexual orientation, ability or ethnicity. We do not tolerate any form of harassment and we are committed to protecting individuals from any potential retaliation from reporting an incident.

### Rewarding What Matters

To help build an integrated health and safety culture and reward strong performance, we have developed HSE targets that make up 20% of our annual corporate performance scorecard. We measure ourselves against these targets on a regular basis and our short-term incentive program reflects a corporate performance element for all eligible employees, with a strong emphasis at the executive level.

### Engaging with Stakeholders

We value the opinions of our stakeholders and encourage feedback on our performance and long-term strategy. We closely monitor our annual shareholder voting results and actively engage with shareholders on

a regular basis. At our 2020 annual general meeting, all our directors received overwhelming support with approximately 95% of votes for the election of our director nominees.

### Managing our Risks

Effective risk management is an important aspect of our business and is crucial to achieving our long-term goals. Risks, particularly ESG-related risks, are often longer-term in nature and we believe that considering them carefully as part of our strategic business and planning activities helps make informed decisions and enhances our resiliency. We also closely monitor emerging trends and changing regulations as a way to mitigate potential future risks.

As part of our risk management program, ESG disclosure was identified as one of our key risks in 2021. In response, we assembled a multi-discipline team of professionals to prepare accurate, transparent, and relevant disclosure materials.

## Our Code of Business Ethics and Conduct covers several important areas:

Discrimination and Harassment	All our people must be treated fairly, without discrimination by reason of race, national or ethnic origin, colour, religion, age, sex, sexual orientation, marital status or ability.	Anti-Terrorism & Anti-Money Laundering	We strictly forbid money laundering and prohibit knowingly collecting or providing property to terrorists.
Health & Safety	All business operations must have proper attention to safety, health, and environment.	Conflicts of Interest	Our people are required to provide full disclosure of any potential conflict of interest and may not be involved in any related decision-making process.
Gifts and Payments to Government Officials	Our people may not accept gifts, other than of nominal value, nor may they give gifts that could influence government officials. We strictly forbid any form of bribery or corruption.	Insider Trading	Our people must not disclose any material information before its public disclosure and may not trade or provide tips while in possession of any material non-public information.

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# 9.0 Data and Advisories



**Glossary: abbreviations and acronyms**

**\$MM** Millions of dollars

**ABC** Area Based Closure

**AER** Alberta Energy Regulator

**AFF** Adjusted funds flow

**ARO** Asset Retirement Obligation

**Bbl** Barrel

**BOE** Barrel of oil equivalency (6 Mcf : 1 bbl)

**CAPP** Canadian Association of Petroleum Producers

**CH<sub>4</sub>** Methane

**CO** Carbon monoxide

**CO<sub>2</sub>** Carbon dioxide

**CO<sub>2e</sub>** Carbon dioxide equivalent

**EPAC** Explorers and Producers Association of Canada

**EPEA** Environmental Protection and Enhancement Act

**ESG** Environment, Social and Governance

**GHG** Greenhouse gas

**GRI** Global Reporting Initiative

**LRIF** Lost-time Recordable Incident Frequency

**M<sup>3</sup>** Metres cubed

**MD&A** Management’s Discussion and Analysis

**MMBOE** Million barrels of oil equivalent

**MSARP** Multi-Sector Air Pollutants Regulation

**NPRI** National Pollutant Release Inventory

**N<sub>2</sub>O** Nitrous oxide

**NOx** Nitrogen oxide

**PM10** Particulate matter with a radius greater than or equal to 10 micrometers

**SASB** Sustainability Accounting Standards Board

**SAGD** Steam assisted gravity drainage

**SOR** Steam oil ratio

**SOx** Sulphur oxide

**SO<sub>2</sub>** Sulphur dioxide

**TCFD** Task Force on Climate-related Financial Disclosures

**TRIF** Total recordable incident frequency

**WBEA** Wood Buffalo Environmental Association

## Reporting Data and SASB Index

### Materiality

This report contains the ESG information that we consider most relevant to our business and to our stakeholders. In selecting the ESG topics and metrics included in this report, we have focused on matters that we believe have the potential to have a significant impact on our operations or financial results, are of most interest to our stakeholders or are particularly relevant to the Canadian upstream oil and gas sector. In preparing this report, we referred to the recommendations and guidance set out in the reporting frameworks listed below. To promote comparability, we have also attempted to align the topics and metrics included in this report with recent ESG reports issued by our peers.

Comparability was deeply considered in the development of our inaugural ESG report. The metrics used are meant to be relevant, standardized, and transparent for our stakeholders. Material ESG metrics from Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), Task Force on Climate-related Financial Disclosures (TCFD), and our peers were identified and selected based on relevance to our business. Recommendations and guidance from the above frameworks were used to prepare the report.

As we continue our ESG journey, we do expect changes as we seek additional feedback from our stakeholders and as reporting requirements evolve.

### Scope and Boundary

We have reported gross emissions and production information directly within our operated control that have not been adjusted to exclude third party interest. Additionally, we have included our net emissions based on net production through our operated assets. We have chosen to focus our efforts on areas directly within our operated control to ensure we have the most transparent, tangible, and attainable ambitions.

<b>ECONOMIC NET<sup>(1)</sup></b>	<b>UNITS</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>GRI</b>	<b>SASB</b>
Consolidated Net Production	boe/d	7,560	11,981	35,421	39,203	36,196	32,483		
Net Light Oil and Gas Production	boe/d	5,587	4,597	7,535	11,280	10,138	9,738		
Net Thermal Oil Production	bbbl/d	1,973	7,384	27,886	27,923	26,058	22,745		
Thermal Oil Steam Oil Ratio	bbbl steam/bbl oil	10.09	5.06	3.72	3.73	4.14	3.63		
Common Shares Outstanding	millions	0.40	0.41	0.51	0.52	0.52	0.53		
Market Capitalization	\$ millions	623	833	546	511	309	90	102-7	
Petroleum and Natural Gas Sales	\$ millions	86	177	784	810	855	492		
Cash Flow From Operating Activities	\$ millions	(68)	(71)	62	84	93	(23)		
Adjusted Funds Flow	\$ millions	(47)	(102)	102	6	155	(19)		
Annual Capital Investments	\$ millions	292	122	213	194	140	89	201-1	
Operating Expenses	\$ millions	62	94	176	176	174	137		
Total Assets	\$ millions	3,462	2,258	2,324	1,826	2,093	1,426	102-7	
Royalties	\$ millions	1	2	12	19	16	6	201-1	
<b>GROSS REPORTED OPERATED</b>	<b>UNITS</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>GRI</b>	<b>SASB</b>
Gross Production Through Operated Facilities	boe/d	11,490	27,373	54,470	61,725	53,777	50,998		
<b>SPILLS</b>									
Reportable Spills	count	0	4	2	3	0	0	306-3	EM-EP-160a.2
Total Volume of Reportable Spills	m <sup>3</sup>	0	103	7	31	0	0	306-3	EM-EP-160a.2
<b>HEALTH &amp; SAFETY</b>									
Lost-Time Injury Frequency - Employee & Contractor	# x 200,000 hours	0.00	0.11	0.11	0.00	0.00	0.00		EM-EP-320a.1
Recordable Injury Frequency - Employee & Contractor	# x 200,000 hours	0.52	0.56	0.28	0.44	0.00	0.11	403-9	EM-EP-320a.1
Employee Fatalities	count	0	0	0	0	0	0	403-9	EM-EP-320a.1
Contractor Fatalities	count	0	0	0	0	0	0	403-9	EM-EP-320a.1
<b>WORKFORCE</b>									
Number of Employees Total	count	162	146	235	197	173	140	102-7	
Women Total	%	31%	29%	25%	21%	21%	21%	102-8; 405-1	
Women in Management	%	26%	31%	26%	23%	23%	16%	405-1	
Women in Senior Management	%	29%	25%	29%	50%	50%	25%	405-1	
Women on Board	%	0%	0%	17%	14%	14%	14%	405-1	
Employee Turnover Rate	%	11%	6%	8%	6%	14%	6%	405-1	
Ratio of Permanent to Temporary Employee Contracts	%	98%	95%	97%	98%	95%	97%	405-1	
<b>COMMUNITY INVESTMENT</b>									
Contribution to Charitable, Non-Charitable, Community Groups	\$	90,705	94,056	67,705	84,768	79,530	74,030	201-1	

GROSS REPORTED OPERATED	UNITS	2015	2016	2017	2018	2019	2020	GRI	SASB
<b>INDIGENOUS ENGAGEMENT</b>									
Indigenous Business Spend	\$ millions	10.2	3.3	10.7	12.8	17.1	9.9	204-1	
<b>GREENHOUSE GAS EMISSIONS</b>									
Direct GHG Emissions (Scope 1)	tonnes CO <sub>2</sub> e	248,017	384,787	920,874	956,528	956,201	812,683	305-1	EM-EP-110a.1
1) Scope 1 by GHG Type - CO <sub>2</sub>	tonnes CO <sub>2</sub>	229,280	363,028	885,177	928,084	926,665	774,107	305-1	EM-EP-110a.1
2) Scope 1 by GHG Type - CH <sub>4</sub>	tonnes CH <sub>4</sub>	747	843	676	1,053	1,098	1,461	305-1	EM-EP-110a.1
3) Scope 1 by GHG Type - N <sub>2</sub> O	tonnes N <sub>2</sub> O	1.42	2.32	63.06	7.07	6.97	6.57	305-1	EM-EP-110a.1
GHG Emission Intensity (Scope 1)	tonnes CO <sub>2</sub> e/boe	0.059	0.038	0.046	0.042	0.049	0.044		
Indirect GHG Emissions (Scope 2)	tonnes CO <sub>2</sub> e	23,553	41,367	75,120	72,939	73,250	60,203	305-2	
GHG Emissions Intensity (Scope 1 + Scope 2)	tonnes CO <sub>2</sub> e/boe	0.065	0.043	0.050	0.046	0.052	0.047	305-4	
<b>AIR EMISSIONS</b>									
NOx Emissions	tonnes	385	558	703	988	954	902	305-7	EM-EP-120a.1
NOx Emissions Intensity of Oil and Gas Production	kg/boe	0.0918	0.0557	0.0354	0.0438	0.0486	0.0483	305-7	EM-EP-120a.1
SO <sub>2</sub> Emissions	tonnes	2.6	6.1	397.9	372.3	465.9	452.9	305-7	EM-EP-120a.1
SO <sub>2</sub> Emissions Intensity of Oil and Gas Production	kg/boe	0.001	0.001	0.020	0.017	0.024	0.024	305-7	EM-EP-120a.1
VOC Emissions	tonnes	54.6	52.2	122.3	141.6	155.5	162.8	305-7	EM-EP-120a.1
VOC Emissions Intensity of Oil and Gas Production	kg/boe	0.0130	0.0119	0.0095	0.0099	0.0118	0.0137	305-7	EM-EP-120a.1
Flared Gas Volume	e <sup>3</sup> m <sup>3</sup>	2,395	2,000	3,151	1,346	1,127	3,052		
Vented Gas Volume	e <sup>3</sup> m <sup>3</sup>	1	0	8	18	17	872		
<b>WATER USE</b>									
Total Water Withdrawal	thousand m <sup>3</sup>	1,129,417	850,878	1,053,507	644,797	444,738	389,987	303-3	
Water Withdrawal by Type:									
1) Total Freshwater Withdrawal	thousand m <sup>3</sup>	1,129,417	850,878	1,053,507	644,797	444,738	389,987	303-3	EM-EP-140a.1
2) Total Other Water Withdrawal	thousand m <sup>3</sup>	0	0	0	0	0	0	303-3	EM-EP-140a.1

NET REPORTED OPERATED	UNITS	2015	2016	2017	2018	2019	2020	GRI	SASB
<b>GREENHOUSE GAS EMISSIONS</b>									
Direct GHG Emissions (Scope 1)	tonnes CO <sub>2</sub> e	223,528	350,259	863,679	869,319	881,943	731,688	305-1	EM-EP-110a.1
1) Scope 1 by GHG Type - CO <sub>2</sub>	tonnes CO <sub>2</sub>	210,018	336,170	848,762	857,051	866,580	710,795	305-1	EM-EP-110a.1
2) Scope 1 by GHG Type - CH <sub>4</sub>	tonnes CH <sub>4</sub>	533	538	300	425	547	771	305-1	EM-EP-110a.1
3) Scope 1 by GHG Type - N <sub>2</sub> O	tonnes N <sub>2</sub> O	1.31	2.17	24.87	5.53	5.66	5.26	305-1	EM-EP-110a.1
GHG Emission Intensity (Scope 1)	tonnes CO <sub>2</sub> e/boe	0.081	0.080	0.067	0.061	0.067	0.062		
Indirect GHG Emissions (Scope 2)	tonnes CO <sub>2</sub> e	22,270	38,257	69,161	67,057	68,304	55,245	305-2	
GHG Emissions Intensity (Scope 1 + Scope 2)	tonnes CO <sub>2</sub> e/boe	0.089	0.089	0.072	0.065	0.072	0.066	305-4	
<b>AIR EMISSIONS</b>									
NO <sub>x</sub> Emissions	tonnes	292	385	554	596	615	560	305-7	EM-EP-120a.1
NO <sub>x</sub> Emissions Intensity of Oil and Gas Production	kg/boe	0.1057	0.0879	0.0429	0.0417	0.0465	0.0471	305-7	EM-EP-120a.1
SO <sub>2</sub> Emissions	tonnes	2.6	6.1	397.9	372.3	465.9	447.3	305-7	EM-EP-120a.1
SO <sub>2</sub> Emissions Intensity of Oil and Gas Production	kg/boe	0.001	0.001	0.031	0.026	0.035	0.038	305-7	EM-EP-120a.1
VOC Emissions	tonnes	48.1	43.1	75.0	83.8	107.0	104.7	305-7	EM-EP-120a.1
VOC Emissions Intensity of Oil and Gas Production	kg/boe	0.0174	0.0098	0.0058	0.0059	0.0081	0.0088	305-7	EM-EP-120a.1
Flared Gas Volume	e <sup>3</sup> m <sup>3</sup>	2,171	1,408	1,626	598	486	1,593		
Vented Gas Volume	e <sup>3</sup> m <sup>3</sup>	1	0	8	18	17	531		
<b>WATER USE</b>									
Total Water Withdrawal	thousand m <sup>3</sup>	914,227	566,939	860,013	555,106	417,022	389,071	303-3	
Water Withdrawal by Type:									
1) Total Freshwater Withdrawal	thousand m <sup>3</sup>	914,227	566,939	860,013	555,106	417,022	389,071	303-3	EM-EP-140a.1
2) Total Other Water Withdrawal	thousand m <sup>3</sup>	0	0	0	0	0	0	303-3	

## Legend

Emissions = Gross

Spills = Gross

TRIF = Combine Employee and Contractor

## Footnotes

- 1 Refer within this ESG report to the "Oil and Gas Information" Advisories for additional information on production disclosures and to the "Non-GAAP Financial Measures" Advisories. For additional information on Adjusted Funds Flow and Annual Capital Investment, refer to the Company's profile on [www.sedar.com](http://www.sedar.com) for the MD&A and Audited Annual Financial Statements for additional information on the Petroleum and Natural Gas Sales, Operating Expenses, Total Assets and Royalties.
- 2 2017 Leismer production numbers represents 11 out of 12 months - Emissions numbers are annual numbers multiplied by 11/12.
- 3 Hangingstone methane volumes are not included in 2015 & 2016 due using estimations for Hangingstone. Complete measured data is included in 2017 onwards.
- 4 Light Oil methane volumes do not include vented methane volumes from 2015-2019 (reported as fuel). 2020 is the first year vented emissions are tracked separately.
- 5 Final 2020 NPRI and GHG verifications not completed until the end of June for Thermal emissions (+/- 1%).
- 6 Light Oil emissions and water do not include Placid for 2015 & 2016 - Placid Facility online in 2017.
- 7 Spills reported as per SASB: Code EM-EP-160a.2.
- 8 Does not include flare volumes for wells during testing as the associated flare volumes are not required to be included in NPRI and GHG calculations (Light Oil).
- 9 Water volumes withdrawn represent water volumes that may have been used in projects or stored in reservoirs for future use. (Light Oil).
- 10 Net Production: Athabasca's working interest (operating or non-operating).
- 11 Net Reported Operated: Athabasca's proportion through operated facilities based on throughput in addition to Athabasca's working interest wells that flow through non-operated assets.

## References to Standards

### GRI References

Framework	Reference	Explanation	Pages
GRI	102-7	Scale of the organization	4, 8, 35
GRI	201-1	Direct economic value generated and distributed (EVG&D)	25, 26, 35
GRI	204-1	Proportion of spending on local suppliers	24
GRI	303-3	Water withdrawal	5, 8, 16, 36, 37
GRI	305-1	Direct (Scope 1) GHG emissions	8, 13, 36, 37
GRI	305-2	Energy indirect (Scope 2) GHG emissions	36, 37
GRI	305-4	GHG emissions intensity	2, 3, 5, 7, 8, 13, 14, 15, 36, 37
GRI	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	14, 15, 36, 37
GRI	403-9	Work-related Injuries	2, 5, 11, 35
GRI	405-1	Diversity of governance bodies and employees	2, 8, 27, 30

### SASB References

Framework	Reference	Explanation	Pages
SASB	EM-EP-110a.1	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations.	13, 36, 37
SASB	EM-EP-110a.2	Amount of gross global Scope 1 emissions from: (1) flared hydrocarbons, (2) other combustion, (3) process emissions, (4) other vented emissions, and (5) fugitive emissions.	14, 15, 36, 37
SASB	EM-EP-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets.	2, 3, 5, 8, 13, 14, 15
SASB	EM-EP-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N <sub>2</sub> O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM10).	15, 36, 37
SASB	EM-EP-140a.1	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress.	16, 36, 37
SASB	EM-EP-160a.2	Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8-10, and volume recovered.	5, 11
SASB	EM-EP-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests.	8, 24, 25, 26
SASB	EM-EP-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), and (4) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees.	2, 5, 11
SASB	EM-EP-320a.2	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle.	2, 8, 11
SASB	EM-EP-530.a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry.	8, 9, 23, 24, 25, 26, 29, 30

## Advisory on Forward-Looking Information

This ESG report contains forward-looking information that involves various risks, uncertainties and other factors. All information other than statements of historical fact is forward-looking information. The use of any of the words “anticipate,” “plan,” “aim,” “continue,” “estimate,” “expect,” “may,” “will,” “project,” “target,” “should,” “believe,” “predict,” “pursue” and “potential” and similar expressions are intended to identify forward-looking information. The forward-looking information is not historical fact, but rather is based on the Company’s current plans, objectives, goals, strategies, estimates, assumptions and projections about the Company’s industry, business and future financial results. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. No assurance can be given that these expectations will prove to be correct and such forward-looking information included in this ESG report should not be unduly relied upon. This information speaks only as of the date of this ESG report. In particular, and without limiting the foregoing, this report contains forward looking statements with respect to our commitment to the continued reduction of our environmental footprint and our goal of achieving a 30% reduction in GHG emissions intensity by 2025; our commitment to providing transparency and continuous ESG advancement; investments in and use of new technology; the reserve and resource potential of the Company’s assets; production and design capacity of the Company’s assets; plans to strengthen stakeholder and community relationships; plans to further incorporate feedback from stakeholders and adapt to evolving reporting requirements; the continuation of health and safety programs including the Advanced Safety Leadership Program and Employee and Family Assistance Program; the continuation of our collaboration with government and industry partners; our participation in government, industry and community programs; our ability to exceed environmental regulations and standards; plans to install solar panels on all future observation well sites and in future remote locations; the continuation and effect of our environmental monitoring, impact minimization and restoration and reclamation strategies; engagement with indigenous and local communities; engagement with our employees; the future allocation of capital.

In addition, information and statements in this ESG report relating to “Reserves” are deemed to be forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated, and that the reserves described can be profitably produced in the future. Certain assumptions related to the Company’s Reserves are contained in the report of McDaniel & Associates Consultants Ltd. (“McDaniel”) evaluating Athabasca’s Proved Reserves, Probable Reserves and Contingent Resources as at December 31, 2020 (which is respectively referred to herein as the “McDaniel Report”).

With respect to forward-looking information contained in this ESG report, assumptions have been made regarding, among other things: commodity prices; the regulatory framework governing royalties, taxes and environmental matters in the jurisdictions in which the Company conducts and will conduct business and the effects that such regulatory framework will have on the Company, including on the Company’s financial condition and results of operations; the Company’s financial and operational flexibility; the Company’s financial sustainability; Athabasca’s cash flow break-even commodity price; the Company’s ability to obtain qualified staff and equipment in a timely and cost-efficient manner; the applicability of technologies for the recovery and production of the Company’s reserves and resources; future capital expenditures to be made by the Company; future sources

of funding for the Company’s capital programs; the Company’s future debt levels; future production levels; the Company’s ability to obtain financing and/or enter into joint venture arrangements, on acceptable terms; operating costs; compliance of counterparties with the terms of contractual arrangements; impact of increasing competition globally; collection risk of outstanding accounts receivable from third parties; geological and engineering estimates in respect of the Company’s reserves and resources; recoverability of reserves and resources; the geography of the areas in which the Company is conducting exploration and development activities and the quality of its assets.

Actual results could differ materially from those anticipated in this forward-looking information as a result of the risk factors set forth in the Company’s Annual Information Form (“AIF”) dated March 3, 2021 and Management’s Discussion & Analysis for the year ended March 31, 2021 and dated March 3, 2021 (“MD&A”), each available on SEDAR at [www.sedar.com](http://www.sedar.com), including, but not limited to: weakness in the oil and gas industry; exploration, development and production risks; prices, markets and marketing; market conditions; continued impact of the COVID-19 pandemic; ability to finance capital requirements; climate change and carbon pricing risk; regulatory environment and changes in applicable law; gathering and processing facilities, pipeline systems and rail; statutes and regulations regarding the environment; political uncertainty; state of capital markets; anticipated benefits of acquisitions and dispositions; abandonment and reclamation costs; changing demand for oil and natural gas products; royalty regimes; foreign exchange rates and interest rates; reserves; hedging; operational dependence; operating costs; project risks; financial assurances; diluent supply; third party credit risk; indigenous claims; reliance on key personnel and operators; income tax; cybersecurity; advanced technologies; hydraulic fracturing; liability management; seasonality and weather conditions; unexpected events; internal controls; insurance; litigation; natural gas overlying bitumen resources; competition; chain of title and expiration of licenses and leases; breaches of confidentiality; new industry related activities or new geographical areas; and risks related to our debt and securities.

The risks and uncertainties referred to above are described in more detail in Athabasca’s most recent AIF, which is available on the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com). Readers are cautioned that the foregoing list of risk factors should not be construed as exhaustive. The forward-looking information included in this ESG report is expressly qualified by this cautionary statement and is made as of the date of this ESG report. The Company does not undertake any obligation to publicly update or revise any forward-looking information except as required by applicable securities laws.

### Reserves Information

The McDaniel Report was prepared using the assumptions and methodology guidelines outlined in the COGE Handbook and in accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities, effective December 31, 2020. There are numerous uncertainties inherent in estimating quantities of bitumen, light crude oil and medium crude oil, tight oil, conventional natural gas, shale gas and natural gas liquids reserves and the future cash flows attributed to such reserves. The reserve information set forth above are estimates only. In general, estimates of economically recoverable reserves are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of oil and natural gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary materially. For those reasons, estimates of the economically recoverable reserves

attributable to any particular group of properties, classification of such reserves based on risk of recovery prepared by different engineers, or by the same engineers at different times, may vary. The Company’s actual production, revenues, taxes and development and operating expenditures with respect to its reserves will vary from estimates thereof and such variations could be material. Reserves figures described herein have been rounded to the nearest MMbbl or MMboe. For additional information regarding the consolidated reserves and information concerning the resources of the Company as evaluated by McDaniel in the McDaniel Report, please refer to the Company’s AIF.

The 700 Duvernay drilling locations referenced include: 7 proved undeveloped locations and 78 probable undeveloped locations for a total of 85 booked locations with the balance being unbooked locations. The 150 Montney drilling locations referenced include: 63 proved undeveloped locations and 35 probable undeveloped locations for a total of 98 booked locations with the balance being unbooked locations. Proved undeveloped locations and probable undeveloped locations are booked and derived from the Company’s most recent independent reserves evaluation as prepared by McDaniel as of December 31, 2020 and account for drilling locations that have associated proved and/or probable reserves, as applicable. Unbooked locations are internal management estimates. Unbooked locations do not have attributed reserves or resources (including contingent or prospective). Unbooked locations have been identified by management as an estimation of Athabasca’s multi-year drilling activities expected to occur over the next two decades based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that the Company will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which the Company will actually drill wells, including the number and timing thereof is ultimately dependent upon the availability of funding

### Non-GAAP Measures

“Adjusted Funds Flow” and “Annual Capital Expenditures” are a financial measures contained in this ESG report that do not have standardized meanings prescribed by IFRS and are considered to be non-GAAP measures. Such measures may not be comparable to similar measures presented by other issuers and should not be considered in isolation with measures that are prepared in accordance with IFRS.

Adjusted Funds Flow is not intended to represent cash flow from operating activities, net earnings or other measures of financial performance calculated in accordance with IFRS. Adjusted Funds Flow is calculated by adjusting for changes in non-cash working capital, restructuring expenses and settlement of provisions from cash flow from operating activities. The Adjusted Funds Flow measure allows management and others to evaluate the Company’s ability to fund its capital programs and meet its ongoing financial obligations using cash flow internally generated from ongoing operating related activities. Adjusted Funds Flow per share is calculated as Adjusted Funds Flow divided by the applicable number of weighted average shares outstanding. See the Company’s MD&A and Management’s Discussion & Analysis for previous years for reconciliations of Adjusted Funds Flow to cash flow from operating activities.

Annual Capital Investment is not intended to represent capital expenditures. Annual Capital Investment is calculated by combining cash outflow for additions to property, plant and equipment and additions to exploration and evaluation assets, then netting the recovery of the capital-carry proceeds. This measure allows management and others to evaluate the true net cash outflow related to Athabasca’s capital expenditures.

#### Oil and Gas Information

The Company uses the term “barrels of oil equivalent” (or “boe”), which is consistent with other oil and gas companies’ disclosures. The term boe may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 Mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

This ESG report contains certain other oil and gas metrics, including “steam oil ratio” or “SOR” and “reserves life index”, which do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies and should not be used to make comparisons. Such metrics have been included herein to provide readers with additional measures to evaluate the Company’s performance; however, such measures are not reliable indicators of the future performance and future performance may not compare to the performance in previous periods and therefore such metrics should not be unduly relied upon. Steam oil ratio, or SOR, measures the average volume of steam required to produce a barrel of oil. The Company’s reserves life index for a given period is determined by taking the Company’s total proved plus probable reserves at the end of that period divided by the Company’s gross production for the same period.

PRODUCTION	UNITS	2015	2016	2017	2018	2019	2020
<b>Light Oil:</b>							
Conventional Natural Gas	mcf/d	8,975	3,966	1,182	780	252	13
Shale Gas	mcf/d	8,203	9,891	19,707	32,324	28,028	23,216
Condensate NGLs	bbl/d	362	788	2,687	2,793	2,009	1,964
Other NGLs	bbl/d	642	383	505	1,049	918	785
Light & Medium Crude Oil	bbl/d	808	331	104	98	27	2
Tight Oil	bbl/d	913	784	758	1,823	2,471	3,116
<b>Total Light Oil Division</b>	boe/d	5,587	4,597	7,535	11,280	10,138	9,738
<b>Total Thermal Oil Division Bitumen</b>	bbl/d	1,973	7,384	27,886	27,923	26,058	22,745
<b>Total Company Production</b>	boe/d	7,560	11,981	35,421	39,203	36,196	32,483