

Kearl EPO Update #10 - April 19, 2023

Imperial is committed to complying with an environmental protection order that was issued by the Alberta Energy Regulator (AER) related to industrial wastewater at our Kearl oil sands operating site. We regret these incidents and are making every effort to learn from it and apply preventative measures.

Imperial will provide regular updates to communities and potentially affected stakeholders. Updates will be posted to Imperial's website weekly and notifications will be sent via e-mail.

There are two separate incidents included in the order issued on Feb. 6. We are working with the regulator on next steps for both.

Imperial progressing seepage mitigations; pumping systems operational

Imperial today provided an update on work underway at its Kearl oil sands facility. As part of work to address seepage and collect water on site, pumping systems have been activated at all seep locations. We continue to provide information to communities, regulatory officials from the Alberta Energy Regulator and government departments.

Summary

- Pumping systems operating at all locations as work progresses on expansion of seepage interception system.
- Implementing plans to further protect nearby waterbody from potential seepage.
- Continuing to provide information to communities on ongoing cleanup, mitigation and remediation actions.
- Participating in federal environmental committee hearing reviewing tailings ponds.
- Water testing has indicated drinking water is safe, which has been confirmed by the local regional municipality.
- There continues to be no indication of impacts to wildlife or fish.

Seepage mitigation and prevention

Imperial continued to advance work to address seepage and collect water on site ahead of spring melt. Pumping systems are now operating at all four seep locations as work advances to complete seep mitigations. About 200 people continue to work on related activities at the site.

There continues to be no indication of impact to wildlife. Additional fencing continues to be installed as work is completed to prevent potential access by wildlife. Wildlife monitoring is ongoing, with regularly scheduled sweeps in the area. We are working in collaboration with communities to incorporate their feedback on our monitoring plans.

Cleanup of drainage pond overflow

Sampling has been conducted to confirm cleanup of impacted materials resulting from wastewater released from a drainage pond on January 31, 2023. Imperial continues to work with the Alberta Energy Regulator on cleanup certification.

Based on our monitoring, released fluids did not enter any waterways and water sampling shows there has been no impact to local drinking water sources. There is no indication of impact to wildlife.

The company has determined the overflow was caused by a combination of equipment problems and process failure. We are taking actions to prevent reoccurrence at all drainage ponds:

- Inspected and re-programmed all level measurement equipment around the ponds.
- Enhancing processes for sediment management.
- Increased inspection requirements during regular operator surveillance.
- Conducted additional training for all operators working in this area.

Water quality

Imperial continues to take actions to prevent potential impacts to downstream waterbodies. We continue to actively monitor Waterbody 3, which is primarily located on the Kearl lease. We will be working with the Alberta Energy Regulator to confirm recent test results showing detections of F2 hydrocarbons and naphthenic acids. Our ongoing third-party sampling analysis in Waterbody 3 continues to meet aquatic life guidelines for F2 hydrocarbons. No guidelines exist for naphthenic acids.

We have put forward a plan to the regulator to install additional recovery equipment and accelerate an already planned recovery program at Waterbody 3. We are also enhancing our monitoring efforts and evaluating an additional precautionary step to install a barrier at the outflow of the waterbody.

Learn more about Imperial's ongoing water sampling and monitoring program: Kearl water results video

Meeting with stakeholders

This week, Imperial representatives will participate at a hearing of the federal Standing Committee on Environment and Sustainable Development. We recognize the importance for Canadians to hear directly from us on the progress of our remediation actions and to answer questions. We take the situation at our Kearl oil sands facility very seriously; we apologize for these incidents and are taking steps to correct the issues to ensure they do not happen again.

Meeting with communities

Imperial continues to engage directly with Indigenous community leaders and other community members to answer questions, provide information and begin to rebuild trust. We recognize that we still have work to do in this area and are committed to improving our communications in the future.

We have shared our mitigation and monitoring plans with communities and have offered for them to complete their own independent reviews of our technical work. We are also seeking input from communities on our plans to improve our communications going forward.

Additional information

We have shared a factsheet about Imperial's response at Kearl on our website: <u>Getting the facts -</u> <u>Imperial response at Kearl (imperialoil.ca)</u>