kiwetinohk energy

2022
Environment, Social, & Governance Report

Kiwetinohk, pronounced Key-Wheat-In-Oh, means north in Cree, the most widely spoken Indigenous language in Canada.

Bestowed by Cree friends, our name reflects the high value Canadians place on our natural environment and honors the strong role of stakeholders and Indigenous peoples in our past, present and future.

About the cover:

Energy 2048 is a representational piece that endeavors to capture the spirit of Kiwetinohk's sustainable initiatives and the relationship with a dynamic natural environment of vast resources and abundant opportunities. The composition depicts the familiar urban environment cradled in a greater landscape of timeless mountains and expansive prairies with the life force energy of the river running through it, all under a mystical northern light sky. Beyond the city is a radiating 'fabric' of sustainable industries supported by united communities and operated by responsible businesses in harmony towards the common goal - a vision of a clean, healthy and prosperous future.

Energy 2048 artist, Alyssa Tao, is currently a second-year student at the University of Toronto's Daniels School of Architecture. Alyssa was a summer student at Kiwetinohk with a special interest in sustainable planning and design.

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Advisories

We have taken care to ensure the information in this report is accurate. However, the data presented in this report includes aspirational goals, approximations and estimates, which will differ from actual results, and is for informational purposes only. We disclaim any liability whatsoever for errors or omissions. Some of the information in this report may have been disclosed previously in other Kiwetinohk public disclosure, and such disclosure is not intended in any way to be qualified, amended, modified or supplemented by information herein.

The word "material" may be used within this report to describe issues for voluntary sustainability reporting that are considered to have the potential to significantly affect sustainability performance in our view and may be important in the eyes of internal or external stakeholders. However, material for the purposes of this report should not be read as equating to any use of the word in other public reporting or filings. This report does not provide investment advice, and readers are responsible for making their own financial and investment decisions.

There is no single standard system that applies across companies for compiling and calculating the quantity of GHG emissions and other sustainability metrics attributable to our operations. Accordingly, such information may not be comparable with similar information reported by other companies. Our GHG emissions are derived from public and regulator reported data generated from a combination of measured volumes and advanced engineering estimates that may be different from those applicable to the financial information presented in our consolidated financial statements and are, in particular, subject to less sophisticated internal documentation as well as preparation and review requirements, including the general internal control environment. We may change our policies for calculating these GHG emissions and other sustainability metrics in the future without prior notice.

Certain statements contained in this report constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws (collectively, "forward-looking statements"). These statements relate to management's or, as noted, an independent evaluator's expectations about future events, results of operations and the Company's future performance (both operational and financial) and business prospects. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "contemplate", "continue", "estimate", "expect", "intend", "aspire", "target", "propose", "might", "may", "will", "shall", "project", "should", "could", "would", "believe", "predict", "forecast", "pursue", "potential", "objective" and "capable" and similar expressions are intended to identify forward-looking statements. These statements involve 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 statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this report should not be unduly relied upon. Unless otherwise indicated, these statements speak only as of the date of this report and the Company does not intend to update such statements unless required by applicable securities laws. In addition, this report may contain forward-looking statements and forward-looking information attributed to third-party industry sources.

In particular (and without limitation), this report contains forward-looking statements pertaining to the following: objectives, strategies and competitive strengths and weaknesses; our financial, operational and ESG goals, strategy, plans and focus; our sustainability program, practices, initiatives, plans, goals and reporting and the impact and timing thereof; our risk management policy, the development and implementation of additional measures and the commitment to stakeholders; our goal to assign financial and qualitative values to risks and opportunities; the development of business systems and processes to provide prospective data and better inform decision making; our materiality assessment and the identification, prioritization and monitoring of key factors; Kiwetinohk's sustainability scorecard, commitments and goals relating thereto and timing thereof; growth strategy, including its focus on consolidation of strategic upstream assets, identification and development of natural gas-fired and renewable power generation projects and the plans for integration of its upstream and power portfolios; the plans for developing a low emission power generation business as a source of power for Alberta's electrical grid (including contributing to the reliability of the grid), including development of its natural gas-fired and solar and wind power generation projects and expectations with respect to future opportunities for other renewable energy projects; ability to achieve its near to medium term objectives, including but not limited to: building power generation projects that capture solar and wind renewable energy and an array of natural gas-fired power generation projects, some if not all of which include CCUS; adapting, extending and applying existing CCUS technologies with Firm Renewable plants and NGCC plants; storing CO_2 in underground storage reservoirs; and certain other short- to mid-term goals; ability to achieve its mid- to long-term objectives, including but not limited to: combining hydrogen production from natural gas with power generation; bringing natural gas production into equivalent proportion with its use of natural gas for electricity and hydrogen production; providing low/zero carbon energy in the form of electricity and hydrogen; building Firm Renewable gas-fired plants; becoming a significant supplier of power to the Alberta power grid; and certain long-term aspirational goals; the importance of traditional fuels such as natural gas during the energy transition; the need to reduce and ultimately eliminate the "green premium" associated with renewable power generation; the benefits of owned excess surface infrastructure capacity; expectations regarding the further development and operation of existing upstream properties, including ability to add production, reserves and net present value and plans for exploration, resource testing, development, exploitation and acquisitions; future commodity prices and other market prices and costs; nature, timing and development of capital projects, including in respect of final investment decisions and regulatory approvals and the expected financial performance of such projects following completion of the development and the commencement of operations, as applicable; current capital budget, capital investment programs and future capital requirements for both its upstream and power generation and renewable power portfolio, including its ability to raise capital; beliefs and expectations with respect to its business model, energy demands, energy transition, the future of energy, distribution of power prices, and the best strategies for Kiwetinohk to succeed in the Alberta power industry moving forward.

With respect to forward-looking statements contained in this report, assumptions have been made regarding, among other things: future oil, natural gas liquids and natural gas prices; ability to realize on expectations regarding low supply cost, reliability and efficiency of its power generation portfolio; development and completion of natural gas-fired, wind and solar power generation projects in a timely and cost-efficient manner and ability to continue to identify and progress projects for its power generation portfolio; ability to successfully integrate its upstream business and assets with power generation portfolio; ability to obtain qualified staff and equipment in a timely and cost-efficient manner; access to third party processing for sweet and sour natural gas processing; the regulatory framework governing royalties, electricity generation, transmission and distribution, taxes and environmental matters in the jurisdictions in which conducts its business and any other jurisdictions in which may conduct its business in the future; ability to market production of oil, condensate, natural gas liquids, natural gas, electricity, low-emissions electricity, hydrogen, CO_2 and tax credits and other financial instruments as they emerge and evolve from time to time related to the production of low-emissions electricity and/or hydrogen successfully to customers; industry demands for low-cost, low-emissions, reliable and dispatchable power generation; ability to buy and sell hydrocarbon gathering and processing services and CCUS services to other parties; future production levels; the applicability of technologies for recovery and production of reserves and the production of electricity and/or hydrogen and the implementation of emissions reducing technologies including but not limited to CCUS in connection with its power generation business; the recoverability of reserves; the performance of wells; that will have access to solar and other renewable resources in amounts and at the costs consistent with the amounts and costs expected for the development projects in its power generation portfolio; the nature of carbon capture technologies and the benefits of their application, including to proposed projects; the market shift toward CCUS with fossil fuel-fired power and a general shift away from coal toward natural gas use in power generation; future cash flows from production; future sources of funding for capital program and plans for future capital investments; future debt levels; geological and engineering estimates in respect of reserves; the geography of the areas in which its conducting exploration and development activities, including for its natural gas-fired and solar power generation projects and peaker power plant, and the access, economic, regulatory and physical limitations to which may be subject from time to time; community and stakeholder commitment to sustainable energy sources, and positioning within the sustainable energy or energy transition space; the intentions of the Board as they evolve from time to time with respect to the executive compensation plans and corporate governance programs described herein; the impact of competition on; ability to deal with climate change and seasonality issues; ability to access fresh water for operations; ability to obtain the support of stakeholders other than regulators which may affect ability to efficiently develop its capital projects including the cost or timing thereof; the ability to access lands by road; the ability to maintain government leases; the ability to obtain or maintain insurance coverage; and ability to obtain financing necessary for the advancement of business plan on acceptable terms.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and included elsewhere in this report, including: risks associated with developing and operating the power generation and renewable energy business; the ability to achieve its investment and development objectives; the ability to successfully execute its energy transition strategy; the successful integration of Distinction Energy Corp. and Kiwetinohk into one cohesive entity, being; risks associated with exploration, development and production of crude oil and natural gas, and drilling for unconventional oil, natural gas liquids and natural gas; the risks and limitations of forecasting reserves data; risks associated with operating and integrating a newly-combined business; global economic and financial conditions; capital markets; licences and permits; government regulations; health, safety and environmental risks; competition in the crude oil and natural gas industry; carbon taxes and environmental compliance costs; coronavirus, variants or derivations of it; market constraints and access to services and equipment; talent, recruitment and retention of key personnel; technology risks; seasonality; environmental, health and safety requirements; and these and other risks are set out in more detail in Kiwetinohk's annual information form for the year ended December 31, 2021 (the AIF) and Kiwetinohk's management's discussion and analysis for the year ended December 31, 2021 and the period ended June 30, 2022 (collectively, the MD&As). The AIF and MD&As can be accessed on Kiwetinohk's profile on www.sedar.com. Readers are cautioned that the foregoing list of risk factors should not be construed as exhaustive.

Reserves and Oil and Gas Disclosures

The term "boe" may be misleading, particularly if used in isolation. We have adopted the standard of 6 Mcf:1 barrel when converting natural gas to barrels of oil equivalent (boe) when reporting net product sales in this report. This is aligned with our consolidated financial statements. A boe conversion ratio of six thousand cubic feet per barrel of natural gas to barrels of oil equivalence is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All boe conversions in this report are derived from converting gas to oil in the ratio mix of six thousand cubic feet of gas to one barrel of oil. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from an energy equivalency of 6:1, utilizing a conversion ratio of 6:1 may be misleading as an indication of value.

This report discloses certain 2P reserves. These reserves are derived from independent reserves reports dated effective as of December 31, 2021 and include the reserves Kiwetinohk obtained pursuant to the acquisition of an incremental working interest in its Placid Montney asset on September 15, 2022.

This report also has reference to Kiwetinohk's netback. Netback does not have a standardized meaning prescribed by IFRS, and our method of calculating netback may differ from the methods used by other companies. Accordingly, our netback may not be comparable to similar measures presented by other companies. This measure should not be considered as an alternative to, or more meaningful than, other measures of financial performance, but we believe that it is useful in, among other things, assessing our relative operating performance and evaluating Kiwetinohk against other companies in the energy industry.

This report includes market, industry and economic data which was obtained from various publicly available sources and other sources believed by Kiwetinohk to be true. Although Kiwetinohk believes it to be reliable, it has not independently verified any of the data from third party sources referred to in this report or analyzed or verified the underlying reports relied upon or referred to by such sources or ascertained the underlying economic and other assumptions relied upon by such sources. Kiwetinohk believes that its market, industry and economic data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market, industry and economic data used throughout this report are not guaranteed and Kiwetinohk makes no representation as to the accuracy of such information.

CEO Message

Families are important. I think a lot about my family's future and what the world of energy and climate change will be like for my grandchildren. Our two sons and their wives brought us six grandchildren: 5 girls and 1 boy, now aged 4 months to 11 years. Only the oldest two will be of driving age before Canadian law requires new cars to be zero emissions. The youngest may never drive a gasoline or diesel-fueled car.

The transition is on.

The announcement of the ban on petroleum-fueled vehicles has a ripple effect. Who wants to own a vehicle that can't be fueled before it is worn out? You keep it well maintained, but then who will buy it in 5 to 10 years? With the prospect of no fuel and no resale value, sales of petroleum-fueled vehicles may drop well in advance of the government's deadline. And if the government has already outlawed petroleum-fueled vehicles, how much longer do our natural gas furnaces, water heaters and appliances have? What will fuel the trucks, trains and airplanes that bring fresh fruit and vegetables in the winter months? Switching to electricity is one answer but power grids may become overwhelmed and struggle to keep up with demand as Canada electrifies.

My interest in the energy transition turns to passion when I think of my grandchildren facing the full impact of climate change. There are already hints of what may happen: severe storms and floods, drought and desertification, forest and prairie fires, thawing permafrost and release of the methane it traps, melting of glaciers and ice caps and the rise of sea level.

The disruption in weather patterns will affect water supply, ocean temperature and currents and food production capacity and all of that will affect the migration of populations. While every generation has experienced challenges, my grandchildren may face the toughest yet. The carbon dioxide we emit now and until we get to zero emissions may be in the atmosphere for centuries, continuing to trap heat, continuing to disrupt the planet's climate, continuing to cause human misery. The situation needs to be addressed with the full might of global economic systems.

> To be profitable for the long-term a company must be sustainable, and it must be sustainable to be profitable.

Pat Carlson
Chief Executive Officer

We need to act urgently and decisively on the things that we can profitably do right now.

Hydrocarbon energy is essential today, will be required for decades but we need to move increasingly to cleaner sources and uses of energy. That's why we are building a company that focuses on traditional oil and gas and the energy transition, pursuing profitable activities within a differentiated energy transition business model. This should also be society's way forward.

The present market situation offers a unique entry point into the low-to-no emissions electrical power business. Recent legislation requires discontinuation of power generation from coal, opening about 5 GW of power capacity on the Alberta grid. Further legislation is anticipated that will outlaw hydrocarbon use for other purposes and other regions. Alberta's power grid has portions which are not at maximum capacity where commercial scale power generation can be added. Although the situation seems ideal, we are also amid a rush to add power supply and there is a risk that additional generating capacity will be overbuilt, or the grid capacity will not be expanded fast enough to meet the demand, especially for solar and wind. Alberta has a need for a combination of power generation that will provide reliable, dispatchable electricity with the lowest emissions commercially possible. That need fits perfectly with Kiwetinohk's mandate. We must move quickly to seize transmission capacity for our blend of solar, wind and gas-fired power and to backstop power projects with long-term power purchase agreements and greenhouse gas reduction contracts.

Humanity has commercial technology to greatly reduce atmospheric emissions of carbon dioxide and methane. It seems absurd to me that society should debate whether to wait for science to deliver the perfect solution or to proceed

Kiwetinohk's anticipated scope of business, defined by its products, includes gas and oil production, solar, wind and gas-fired power production, hydrogen production and carbon capture, use and storage.

immediately, implementing the best that we can profitably do now. Doing the best that we can do now needs to be our guiding principle any time, now and in the future. We can greatly reduce the emissions associated with most of our energy needs over the next decade by electrifying most of our transportation and domestic and commercial heat and power needs. This requires capturing and converting solar and wind energy to electricity and by using high-efficiency, natural gas-fired power when output of solar and wind power facilities fall short of energy demand. All the systems required for this strategy are likely to evolve, incrementally, improving from time to time, in the future. I am not, however, aware of any big gain that can be achieved by waiting on science that is worth the extra emissions while we delay action.

Kiwetinohk is the energy company needed today for a better tomorrow.

Kiwetinohk's scope of business, defined by its products, includes gas and oil production, solar, wind and gas-fired power production, hydrogen production and carbon capture, use and storage.

Kiwetinohk is a commercial enterprise, operating with the mantra that to be sustainable, a commercial enterprise must be profitable and, for the longer term, to be profitable a commercial enterprise must be sustainable.

Stakeholder service is an essential element of success.

Kiwetinohk is mandated through its *Prime Directive* to serve all its stakeholders: people everywhere, who seek to protect the environment; governments and regulators; communities most impacted by our activities, including Indigenous communities, industry partners, customers, suppliers and service providers, employees, and capital providers. Stakeholder in this context means any group of people that could significantly impair or enhance our ability to reach our goals.

Our business, any business, needs to be of benefit to all its stakeholders if it holds the expectation that it will last long enough to be of benefit to any. A derivative of this concept is that, fundamentally, we must be profitable to be sustainable and long-term profitability is only earned by those who satiate all their stakeholders. Establishing the profitability of low-to-no carbon projects, showing that change is possible and inevitable, is key to accelerating change in the systems and sectors where new technologies and practices are available.

COVID-19 has not slowed us down.

With that description of our raison d'etre, I will describe our status. Since the COVID-19 crisis began, we have progressed more than two gigawatts of power generation projects (total nameplate capacity) in the Alberta Electric System Operator's (AESO) grid access and regulatory queue and consolidated an attractive liquids-rich gas resource base in northwest Alberta, near Fox Creek.

We have not built a power or hydrogen project yet, but we have seven power projects totalling slightly more than 2 GW, and one hydrogen project, in the design, evaluation, site selection and permitting processes. Note that we do not expect every project in the queue to get the internal and stakeholder nods of approval. Some pursuits are likely to become dead ends for reasons discovered during the evaluation and approval process that cannot be predetermined. We hope our efforts will bring two projects — one solar and one gas- fired — currently at stage 2 and 3 respectively in the AESO regulatory queue to project financing in 2023.

We are energy in transition.

Abundant, reliable, affordable energy.

We need to pass forward a sustainable energy economy.

In my vision of a perfect world, my grandchildren will find careers that fascinate them as mine has fascinated me. Their world will have abundant, reliable, affordable energy as mine has enjoyed. Alberta will lead the energy transition, remain an energy provider to the rest of the continent, and we will continue to lead the world in energy-related technical transformation. New companies, with products for a better future, will locate near Kiwetinohk's gas/power/hydrogen/carbon dioxide hubs. The energy transition is inevitable and unavoidable, it is not an option. Turning a challenging situation into a wonderful opportunity is an option, and it is very clearly the choice we need to embrace.

Pat Carlson
Chief Executive Officer

Site of Kiwetinohk's 400-megawatt Homestead Solar Project near Claresholm, Alberta. The Canadian Energy Regulator estimates power demand will double by 2050.

Chief Sustainability Officer – Message

Canada's audacious goal of net zero 2035 for the electricity sector, and net zero 2050 across the economy is only meaningful if credible companies are pursuing viable pathways to achieving it. Finding and developing those pathways is what we do each day at Kiwetinohk, working both inside and outside our company, across industry and, more and more, with our customers and suppliers.

Progress is more important than perfection.

– Simon Sinek

Kiwetinohk's corporate journey, and its integrated ESG journey, is just beginning. In this first ESG report for Q4 2021, we are pleased to provide an accounting of our ESG performance in key areas and to describe the areas where we see that ESG risks – and opportunities – may have a material effect on our business.

This first report was developed in collaboration with Kiwetinohk's senior executive team which also comprises our ESG Steering Group. Throughout 2022, as we continued delivering on our business strategy, the ESG Steering Group met to discuss the issues most important to achievement of our energy transition vision, the performance criteria we must get right to be successful, and how we will drive sustainability into all the company's activities.

Today we are small and agile, and connected with each other as a team, which allows us to seize opportunities, and quickly pivot our approach to adopt best practices. As we grow, we don't want to lose that approach, our focus on continuous improvement, solving problems and growing a great team that also enjoys the challenge of being original and doing new things.

Like the year 2021 was for our young company, this ESG report is just a starting point and launch pad for stakeholders to learn more about us. Publishing a first report less than one year after our TSX listing is ambitious. We learned a lot about our assets, our processes, our plans and our people along the way, and we're excited about the opportunities that lie ahead.

The time to act on emissions is now, using immediate best-efforts while advancing zero-emission technology.

Janet Annesley
Chief Sustainability Officer

If Canada is going to confront the net zero challenge, we've got to get moving. The energy industry in particular needs to put an end to zombie-ism on climate change and instead identify new opportunities in the growing low carbon marketplace. It's time for a bold vision and time to become builders again.

That's why Kiwetinohk's business strategy focuses on progress as core principle. Unlike most other energy companies, we are built for the purpose of finding safe, investable, low risk pathways that reduce GHG emissions from our energy system.

Working on the energy transition is a major challenge. We think about it every day. Why? Because to achieve net zero, Canada's energy sector must smash new investment and construction records – across production, generation, transmission, distribution, energy efficiency and demand-side management – each and every year until 2050, and perhaps beyond.

It's a tall order that, despite years of talking, we are only just beginning to turn our minds and resources toward.

I hope you will follow our progress, assess our priorities and tell us how you think we are doing.

Janet Annesley
Chief Sustainability Officer

About This Report

This environment, social and governance (ESG) report provides an overview of Kiwetinohk's 2021 ESG performance, highlighting key metrics (aligned to SASB), initiatives and accomplishments that we achieved from October 1 to December 31, 2021, Kiwetinohk Energy Corp.'s first full quarter, unless otherwise stated.

Scope

The scope of this ESG report includes all businesses, assets and partnerships owned and operated by Kiwetinohk as of December 31, 2021. Unless otherwise noted, all dollar amounts are expressed in Canadian dollars. All amounts are provided on a before tax basis unless otherwise stated.

Standards & Frameworks

Where applicable, all indicators used in the report are aligned to internationally recognized standards and frameworks relevant to the energy industry. This report is aligned to the Task Force on Climate-Related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB).

In addition to this document, further information about our energy transition business strategy, sustainability performance, policies and initiatives is available on our website, SEDAR profile or via our additional reporting and disclosure available on our **website**.

About Kiwetinohk

Kiwetinohk Energy Corp. (Kiwetinohk) is an energy transition company formed in September 2021 upon the amalgamation of Kiwetinohk Resources Corp. with Distinction Energy Corp. (Distinction).

As such, Q4 2021 represents a partial reporting year for the Company and includes reporting on our environmental, social and governance (ESG) performance in this first report on ESG and certain of our continuous disclosure documents to shareholders.

Management appreciates that all stakeholders may benefit from further information on how Kiwetinohk is addressing climate change and our perspective on the transition to low- and no-carbon energy.

Sharing how we evaluate and advance opportunities to address climate risks also promotes collaboration with stakeholders on carbon reduction and clean power initiatives.

We continue to evaluate additional disclosure and reporting mechanisms to ensure transparency on our climate and energy transition strategy while recognizing the challenges of providing forward-looking information within regulatory financial disclosure requirements.

As of November 1, 2022

Kiwtinohk Today - Third Quarter 2022

Kiwetinohk is based in Alberta, Canada with:

- **16,487 boe/day Q3 2022 average production** coming largely from high-netback, liquids-rich gas fields, that include owned processing infrastructure.
- **2,150 MW across 7 electrical power generation projects** (3 solar and 4 low-emissions, gas-fired) in early stages of development and sourcing of external project financing
- Team skills, experience and the aspiration to consolidate, develop and operate **high netback natural gas properties** and build a **market-leading energy transition company**

[1] Reserve life index refers to the ratio of Total Proved + Probable reserves as per the McDaniel's Reserves Evaluation effective December 31, 2021, divided by annualized Q4 2021 production.

Targeted Ten-Year Vision

Kiwetinohk aspires to position among Alberta's energy transition leaders, becoming an energy company of significance to the Alberta economy by targeting:

1. Generating **>1,500 MW of electricity** (>10% of Alberta grid capacity) from solar, wind and natural gas
2. Consolidating and developing **>300 MMcf/d of natural gas** production
3. Becoming a **significant producer** in the emerging hydrogen businesses
4. Capturing **>90% of the carbon** associated with its gas-fired power and blue hydrogen production operations

Prime Directive

Kiwetinohk's mandate is to provide its stakeholders with clean, reliable, dispatchable, affordable energy as well as, economic, environmental and social benefits through the successful management of our assets, business and growth projects.

We recognize that the fortunes of stakeholders are inseparable. In the long-term, for any to benefit, all must be engaged and contribute. Meeting our stakeholders evolving energy needs through leadership in the energy transition is our goal. We call these founding principles our Prime Directive.

We acknowledge these stakeholders and the duty to address the reasonable desires of each:

- **People, everywhere, who seek to protect the environment** want us to reach beyond compliance and find ways to lead the energy industry in reducing the environmental impact of our activities, restoring disturbed land and reducing GHG emissions intensity.
- **Governments and regulators** want us to comply with all laws and regulations and to advise them of changes that would enable the industry to better serve society.
- **Communities most impacted by the Company's activities, including Indigenous communities**, want to participate in planning, building and operating projects and in restoring the land when the projects are done.
- **Industry partners** want us to honor our arrangements and reasonably accommodate change and adaptation.
- **Customers** want us to reliably deliver our products at the specifications and in the amounts that we forecast.
- **Suppliers and service providers** want an opportunity to compete for our business, to be paid promptly and fairly, and to contribute to the evolution of our business.
- **Employees** want an energizing, inclusive, positive work environment where everyone is treated with dignity and respect, to be compensated fairly and a safe and healthy workplace.
- **Investors** want strong returns on their investment, effective communication and management of risks, environmental, social, financial and reputational.

We, at Kiwetinohk, see ourselves in the business of serving our stakeholders and working together with them to transition to sustainable energy. By engaging all of our stakeholders openly and honestly and by encouraging their participation in our business, we expect to best serve each of them.

Why invest in Kiwetinohk?

Energy transition investment opportunity creating a sustainable and profitable low-carbon future

1 Integrated energy transition business model

- Business model aligned with growing global energy demand for lower carbon energy
- Low volatility and robust business model

2 Market diversified and prospect rich upstream inventory

- Strong exposure to Chicago market (90% of Q4 2022 gas production)
- 20+ year drilling inventory running a full-time two rig program[1]

3 Integrated Green Energy portfolio with advantaged economics

- Positioned to capture grid capacity
- Large grid-scale projects create capital efficiencies
- Spark spread integration advantages

4 Robust financial position

- Significant credit capacity
- Prudent risk management
- Hedging policy protects capital expenditure risk against commodity price volatility

5 Experienced green energy, natural gas and ESG leadership

- All necessary skills in-house to deliver energy transition strategy
- CEO Pat Carlson has a track record of successfully implementing new technologies and ESG leadership
- Engaged, diversified and independent board of directors

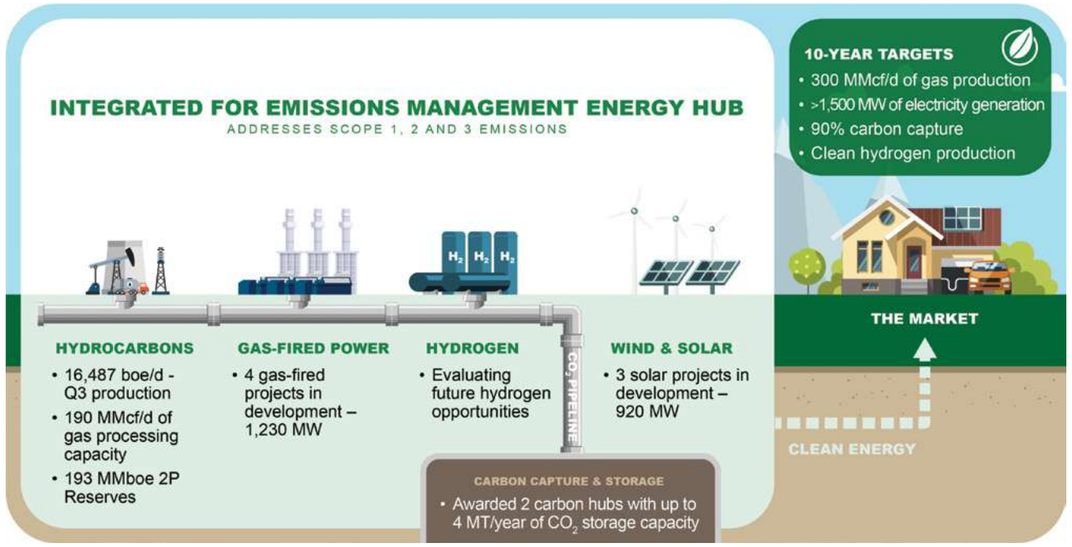
[1] Total drilling locations of 554.5 / 20 wells drilled/year. See "Reserves and oil & gas disclosure".

Energy Transition Business Strategy

Kiwetinohk's mission is to profitably provide clean, reliable, dispatchable and affordable energy to consumers. We see electricity and hydrogen as the two clean energy vectors (forms of energy that can be readily shipped and distributed to consumers, and consumer use without creating new GHG emissions).

Our scope of business, as defined by our products, therefore includes:

1. Electricity generated from renewable energy (focused on solar and wind which are available and can be profitably captured in the Alberta market),
2. Natural gas resource acquisition, development and production,
3. Natural gas-fired power with carbon capture, use and storage (CCUS), and
4. Blue (hydrogen and related natural gas derivatives) and green (derived from water and renewable electricity).



Fossil fuels should be re-directed to large plants with CCUS, making clean consumer energy available to all.

As our business is being planned and built today we expect in the long term to be able to provide markets with these products and services: oil, natural gas liquids, natural gas, electricity, possibly hydrogen as well as carbon capture, use and storage (CCUS) and commodity marketing.

A view of how the energy market is likely to evolve and securing an affordable option is Kiwetinohk's strategy. Canada has committed to transition to net zero greenhouse gas emissions by 2050, with an interim target of 40 to 45% reduction by 2030 and a goal of net zero electricity by 2035.

As part of this accelerating effort to combat climate change, Canada has set a date (2035) after which petroleum-fueled vehicles will no longer be sold. Governments in the U.S. and Canada are setting dates beyond which new buildings may not be connected to natural gas distribution. These are early indicators of a trend away from small scale use of fossil fuels. However, the North American market currently uses a vast amount of hydrocarbon energy and much of that use is likely to continue.

The hydrocarbon fuel market needs to transform from widespread, distributed use of hydrocarbon fuels with associated GHG emissions to large-scale conversion of hydrocarbons to clean energy vectors (electricity and hydrogen) including carbon capture, use and storage. CCUS is and is likely to remain an expensive addition to energy costs and is likely to be scale dependent, remaining unfeasible at an individual household or vehicle level.

It is not the use of hydrocarbon but the nature of the use that needs to change.

However, the need to abate GHG emissions from fossil fuel use will drive up the cost of energy and motivate substitution and efficiency efforts. This will drive consumers to electric vehicles and electric heating and businesses to electricity. The transition will motivate increased generation of electricity from renewable sources. Hydrogen is likely to be second choice to electricity and preferable where electricity is not practical (e.g. heat in high temperature processes), and when expansion and/or cost of the power gathering and distribution grid fails to keep up with demand.

What this all means is that hydrocarbon-burning is likely to evolve to much fewer but, on average, much larger consumers that have CCUS. Among these large consumers will be producers of electricity and hydrogen. Depending on how the midstream business evolves, natural gas producers may be exposed to market-related risks that Kiwetinohk, with its integrated low carbon business strategy, expects to avoid.

Even at Kiwetinohk's small size and young age we have people that have built power facilities, hydrogen facilities, carbon capture facilities, and oil and gas facilities.

Our integrated scope of business is motivated by:

1.

The need to adapt to an energy marketplace in which widespread retail marketing of hydrocarbons no longer exists or is significantly curtailed. A new midstream business will emerge in regions with CCUS capacity, such as Alberta. The new business will convert hydrocarbons to clean energy vectors, specifically electricity and hydrogen, that consumers can use without emitting carbon dioxide, that is to say the new business will largely eliminate Scope 3 emissions;

2.

The opportunity to acquire capacity in the power grid as it fills to full capacity with new projects that will replace the coal-fired capacity that provided half of Alberta's power just a few years ago;

3.

The ability to hire people with rare technical and management skill related to the emerging parts of the business, especially CCUS and hydrogen manufacturing;

4.

The ability to control the entire value chain for our natural gas from resource acquisition and development to power generation and hydrogen manufacturing with CCUS, eliminating some of the market risk that will be borne by pure play natural gas, power or hydrogen producers.

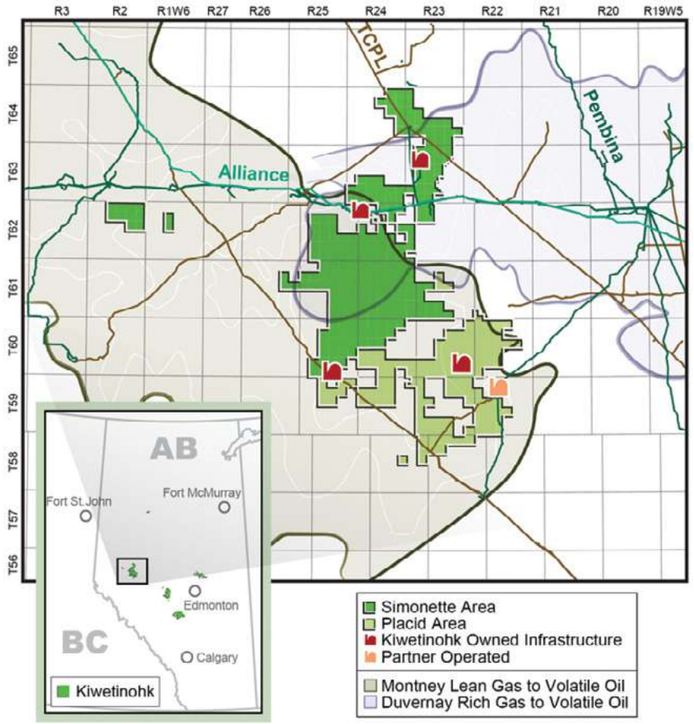
In our view, given the sign posts in the transition to low carbon energy, a company that has the ability to operate effectively in the power generation and hydrocarbon production and processing space has a clear advantage over being specialized in either.”

Upstream Overview

Kiwetinohk’s upstream assets are primarily liquids-rich natural gas producing and developing properties in the WCSB within the Canadian province of Alberta. As an energy transition company, the main objective of Kiwetinohk’s upstream business is to provide natural gas for its anticipated gas-fired power and, eventually, for its anticipated hydrogen production business.

Historically, Kiwetinohk has acquired liquids to provide revenue diversity and production stability to the upstream oil and gas business while the first power projects are built. Kiwetinohk’s current operations are primarily focused in the Fox Creek region, and we also have land and smaller operations in West Central Alberta.

FOX CREEK REGION



Kiwetinohk's Simonette 10-29 gas plant.

FOX CREEK

At Fox Creek, we anticipate significant upside recovery and value potential from technology adaptation and extension, specifically:

- Optimizing layout and well design:
  - lateral spacing
  - lateral length
  - tubular diameters
  - frac spacing
  - perforation clusters per frac
  - frac slurry volume
  - frac fluid including proven fluids and methane foam
  - slurry pump rate
  - proppant specification
  - slurry proppant concentration
- Electric frac spreads
- Artificial lift system selection and adaptation and operation optimization
- Cyclic gas injection for enhanced liquids recovery

Many of these value optimization opportunities are expected to increase resource recovery and may also deliver improved environmental performance including reduced GHG emissions, reduced surface land disturbance, reduced saltwater production and reduced freshwater use.

	GAS PROCESSING CAPACITY1 (MMCF/D)	C5+ CAPACITY (BBLS/D)
Simonette	90	14,350
Placid	100	5,000
Total	**190**	**19,350**

Established portfolio

- Four operated gas processing facilities (plus one non-operated) with ~190 MMcf/d of capacity[1]
- ~39% Working Interest in partner-operated gas processing facility with 80 MMcf/d of capacity

Large scale processing platform with capacity

- Simonette-owned facilities have approximately 50% spare capacity, allowing for reduced fixed cost per boe with production adds
- Approved low-cost expansion opportunities at Simonette and Placid gas plants are estimated to increase capacity by ~40% (50 MMcf/d)
- To further reduce direct GHG emissions, the 5-31 gas plant will be fully electrified as part of the approved expansion. Planning for grid access to electrify the 10-29 gas plant is underway.
- Front-end engineering is complete; detailed engineering and procurement underway; capacity expected by end of 2023
- Program expected to fill Simonette-owned expanded capacity in late 2023 / early 2024
- Evaluating Placid Montney acceleration opportunities

MIDSTREAM, MARKETING AND TRANSPORTATION ARRANGEMENTS

Our Fox Creek natural gas, natural gas liquids, condensate and crude oil assets are located near strategic transportation and processing infrastructure for both liquids and natural gas. The significant amounts of Kiwetinohk-owned infrastructure with ample spare capacity and midstream, marketing and transportation arrangements provide more than sufficient capacity for future production growth. While only about a decade old, our plants and pad sites include some natural gas-fire engines and natural gas line pressure control equipment. We are advancing opportunities to reduce GHG emissions through replacement of components and electrification of the 5-31 gas plant.

1 Net ownership interest in operated facility raw gas capacities of Kaybob 05-31 38 MMcf/d, Simonette 10-29 60 MMcf/d, Negus 11-03 15 MMcf/d, 07-11 Sour 52 MMcf/d, 07-11 Amine 23 MMcf/d and 05-08 10 MMcf/d.

Filling Our Owned and Operated Infrastructure

Alliance Pipeline

The Alliance Pipeline is a transcontinental pipeline network that carries liquids-rich natural gas from British Columbia and Alberta to the Chicago, Illinois area, where liquids contained therein are extracted, fractionated and sold into the U.S. Midwest refining and petrochemical markets, and remaining natural gas is sold into the Chicago area and interconnecting natural gas markets. Kiwetinohk currently has a contract to deliver 120 MMcf/d of natural gas into the Alliance pipeline for sale in the greater Chicago market.

Kiwetinohk meets the contract obligation through the delivery of gas that it produces and gas that it acquires from other producers.

Aux Sable

Aux Sable owns and operates one of the largest NGL extraction and fractionation facilities in North America, located in Channahon, Illinois at the terminus of the Alliance Pipeline. Kiwetinohk's natural gas marketing contracts associated with the Simonette-Alliance Pipeline transportation contracts currently include a liquids extraction agreement with Aux Sable.

TC Energy

The Nova Gas Transmission Ltd. system receives, transports and delivers natural gas within Alberta and connects with the 14,114 km (8,770 mile) pipeline system that is owned and operated by TC Energy Corporation and its affiliates, which carries natural gas from the WCSB to Ontario and beyond, the Foothills pipeline system and other third-party pipelines.

Kiwetinohk acquired 1.1 mmcf/d of NGTL service effective May 1, 2021.

Pembina

This pipeline system and related facilities are owned and operated by Pembina Pipeline Corporation and delivers crude oil, condensate, propane mix and ethane mix from northeastern British Columbia and northwestern Alberta to local markets in Alberta.

Kiwetinohk's two Simonette gas plants are directly connected to the Pembina Peace Pipeline.

Green Energy Overview

Our main goal is to provide affordable, no-to-low emissions energy in the form of hydrogen and reliable, dispatchable electricity. A concomitant vision with this goal are the observations that:

1. Today's small, distributed uses for fossil fuels will be replaced by electricity and hydrogen produced in large plants -- large enough to capture the scale advantages of CCUS.
2. Solar and wind energy will be used to generate some of the electricity needed by the new market but hydrocarbons, especially natural gas will also continue to be needed.
3. Solar and wind renewable energy must be stored during peak hours of availability and withdrawn from storage when sunshine intensity and wind speed are low.

To compensate for some of the intermittent nature of output from our anticipated solar and wind power plants, we plan to build "Firm Renewable" gas-fired plants that are intended to nimbly compensate for volatility in supply and demand of power from the grid.

We are also planning reliable baseload power generation from efficient natural gas combined cycle (NGCC) plants. Kiwetinohk expects to investigate the feasibility of CCUS and plans to deploy CCUS to significantly mitigate GHG emissions from our natural gas-fired plants. Our objective is to have natural gas production and consumption approximately in balance so that we can account for emissions from the use of natural gas (rather than pass those emissions onto consumers) and reduce risk from natural gas price volatility.

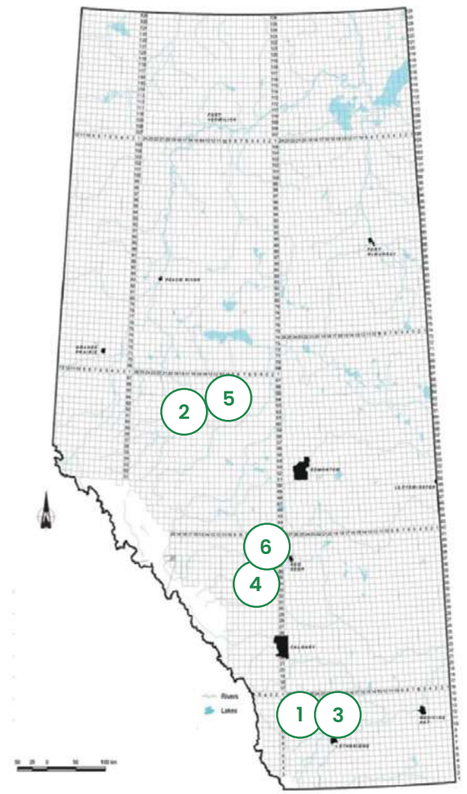
Kiwetinohk believes it is important to have "resource to CO_2 sequestration" control on the amount of natural gas it produces, not necessarily the specific natural gas molecules it produces. Kiwetinohk currently holds high quality natural gas resources in the Montney and Duvernay tight/shale formations near Fox Creek, Alberta, and we continue to look for additional natural gas resources both proximal to its Fox Creek assets and elsewhere within Alberta and British Columbia.

CURRENT POWER GENERATION PROJECTS

We are advancing identification, acquisition and development of both greenfield and/or brownfield renewable and natural gas-fired power generation projects.

Green Energy: 2,150 megawatts of power projects in development

PROJECT LOCATIONS IN ALBERTA



	1 HOMESTEAD (SOLAR 1)	2 OPAL (FIRM RENEWABLE 1)	3 GRANUM (SOLAR 2)	4 PHOENIX (SOLAR 3)	5 NGCC 2	6 NGCC 1
Capacity[1] (Nameplate)	**400 MW**	**101 MW**	**350 MW**	**170 MW**	**500 MW**	**500 MW**
Capacity (net to Grid)	400 MW	97 MW	350 MW	170 MW	460 MW	460 MW
Regulatory/ Environmental	AUC power plant application approved; AEPA low risk rating	AUC plant application approved; AEPA application submitted	AUC applications to be filed; AEPA low risk rating	AUC applications to be filed; AEPA low risk rating	Work underway	Work underway

1 Capacity factor over 25–year project life based on DC/AC ratio of 1.35, and bifacial, single axis tracking design.

We are committed to standards of governance consistent with regulatory requirements and with evolving best practices aligned to our strategy.

Governance Overview

Kiwetinohk believes that strong, independent Board direction and oversight are critical aspects of effective corporate governance. Good governance is not just about overseeing the company, but doing so in a way that's transparent, independent of management and adheres to high ethical standards.

We are committed to standards of governance consistent with regulatory requirements and with evolving best practices.

Kiwetinohk's Board supports inclusion, equity and diversity at all levels in alignment with Kiwetinohk's diversity policy. We include a wide variety of expertise, perspectives and backgrounds, and in particular the Board considers the level of representation of women, BIPOC (Black, Indigenous, People of Colour) and other diverse groups as it recruits experienced members with deep industry and financial knowledge and governance expertise. Currently, 33% of board members are women and 22% have self-identified as BIPOC.

- Majority independent board
- Fully independent audit committee
- Code of Conduct
- Anonymous Whistleblower Policy
- Board Diversity Policy
- Insider shareholder ownership
- 33% female representation
- 22% BIPOC representation
- Separated Chair, Lead Director and CEO positions
- Annual director elections
- No dual class shares issued
- Strong energy and utilities sector industry experience

Kiwetinohk's Board understands our business and its risks, and challenges management. As an energy transition company, our Board works hard to understand the risks and opportunities of the energy industry and economy, setting robust standards and principles that will guide our success, enhance value for our shareholders and help all our stakeholders thrive.

From left to right:

Leland Corbett
Chair, Compensation Committee
Governance and Nominating, Sustainability
August 2018

Kaush Rakhit
Chair, Reserves Committee
Compensation
August 2018

Kevin Brown
Board Chair
Audit, Governance and Nominating
December 2018

Judith Athaide
Director
Governance and Nominating, Sustainability
February 2022

Pat Carlson
CEO
Reserves, Sustainability
February 2018

Nancy Lever
Chair, Sustainability Committee
Compensation, Reserves
September 2021

Steve Sinclair
Chair, Audit Committee
Compensation
September 2021

Beth Reimer-Heck
Chair, Governance and Nominating Committee
Audit
September 2021

John Whelen
Director
Audit, Compensation
February 2022

Board Independence Statement

The majority of Kiwetinohk board members are independent. The Board chair, lead director and CEO positions are separated. Kiwetinohk meets all the requirements for independent members on its Audit, Reserves and Governance and Nominating committees as set out in NI-52-110, NI-51-101 and NI-58-201.

KIWETINOHK'S CODE OF CONDUCT COVERS

ESG Role of the Board

Kiwetinohk's purpose is to build a company that profitably provides customers with clean, reliable, dispatchable and affordable energy. In the near-term this will see us reduce greenhouse gas emissions from upstream oil and gas production and develop a range of low- and no-carbon power projects. In parallel with these ambitious business plans, we also aim to be a leader in developing systems to track, maximize and achieve greenhouse gas reductions.

Kiwetinohk's Board of Directors holds responsibility for the oversight of management's identification and evaluation of the Company's principal risks, including (without limitation) environment, climate-related and social risks, and the implementation of policies, processes and systems to manage or mitigate the risks to achieve an appropriate balance between the risk incurred and potential benefits to our stakeholders.

Board oversight of GHG emissions and climate change.

As part of its delegated authority, the Sustainability Committee of the Board oversees Kiwetinohk's health, safety, environment, and Indigenous and stakeholder engagement programs, including sustainability, emissions tracking, emissions reduction strategies, emissions reporting, water and land use, and asset retirement.

The Sustainability Committee also oversees Kiwetinohk's approach to climate change, ESG reporting and reviews ESG reports and other ESG disclosures.

The fully independent Governance and Nominating Committee oversees Kiwetinohk's corporate governance system, including board composition, ethical business practices, shareholder and stakeholder communication, policy creation, and policy compliance. It ensures directors engage in continuous learning, including about climate change and management of climate-related risks and opportunities.

In 2021, Kiwetinohk's Board undertook Effective Climate Governance for Corporate Boards training offered by University of British Columbia's Canadian Climate Law Initiative.

The fully independent Audit Committee monitors compliance with the Whistleblower Policy.

The Sustainability Committee oversees any applicable third-party verification processes related to ESG, including GHG emissions data.

Founding Kiwetinohk CEO Pat Carlson drives Kiwetinohk's transition-focused business strategy and plan. Addressing climate change is embedded in our CEO's position description as a foundational value and pillar of Kiwetinohk's mission.

You can read more about the composition and qualifications of our Board and its committees, our governance structure and our corporate governance documents, **here**.

ESG Steering Group Charter

PURPOSE

Kiwetinohk's ESG Steering Group is created to develop Kiwetinohk's first 3- and 5-year ESG strategies, including annual delivery plans. The goal of Kiwetinohk's ESG strategy is to advance progress toward our Prime Directive: serving our stakeholders and working together with them to transition to sustainable energy.

The Steering Group sets and embeds ESG direction among Kiwetinohk's existing teams and working groups where needed on specific ESG topics such as Health and Safety, Climate Change, Indigenous Inclusion, Diversity, Land, Water and Biodiversity.

Board Chair Kevin Brown and Chief Financial Officer Jakub Brogowski in discussion at Kiwetinohk's annual general meeting.

GUIDING PRINCIPLES

Kiwetinohk's inaugural ESG strategy was developed in Q1 2022 with implementation plans, review and evaluation ongoing as the Company embarks on its sustainability journey.

The ESG Steering Group is tasked with standing up and maintaining a leading ESG strategy for Kiwetinohk that addresses the key ESG priorities of stakeholders, including investors and lenders. In developing the strategy and plan, the ESG Steering Group will adhere to these principles:

Our ESG Principles

1 LEADERSHIP

When setting performance ambitions for our business, we seek to continuously improve, with the goal of positioning among industry leaders in our priority performance areas or explaining why we cannot yet do so.

2 SYSTEMATIC

We take a systems approach to ESG risks and opportunities, embedding and integrating environmental, social and governance performance thinking into our corporate structures, systems and work plans. They do not stand on their own.

3 LEARNING

We learn from our peers, subject matter experts and our stakeholders, bringing new information and practices into our company to improve our performance.

4 STAKEHOLDER FOCUS

We add information and perspectives from others to our own in assessing which ESG topics are most material to our business, developing our action plans and assessing our performance.

5 SUSTAINABILITY MEANS PROFITABILITY

We can only be sustainable if we are profitable and, for the long term, we can only be profitable if we are sustainable.

ROLES AND RESPONSIBILITIES

ESG STEERING GROUP MEMBERS

- CEO
- Chief Sustainability Officer - Chair & Secretary
- Chief Financial Officer
- President, Green Energy
- Chief Operating Officer - Upstream
- SVP, Midstream and Market Development
- SVP, Business Development
- SVP, Business Systems
- Vice President, Projects
- EVP, Land and Community Inclusion
- Sustainability Committee Chair (optional)

Sustainable Finance and ESG Investing

- Identifies target ESG investors and climate / green / ESG lenders, including their ESG criteria for investing or lending
- Identifies and recommends to the CEO and board priority one-year, two-year and three-year ESG standards, certifications, ratings and frameworks based on desired investor, lender and reputation outcomes
- Represents Kiwetinohk at ESG investment conferences as required

Strategy

- Develops considerations to be included with Kiwetinohk's risk management reviews, including ESG risks
- Imbeds consideration of Kiwetinohk's material ESG risks into annual business planning, project planning and investment decision making processes
- Establishes and oversees the work of cross functional work teams where needed to assess and develop plans for specific ESG material topics, e.g. water, community relations, etc.
- Develops or tasks development of UN, IPCC-aligned or public policy aligned scenarios (e.g. carbon taxes, declining fossil fuel demand, etc.) as required to test the resilience of Kiwetinohk's ESG business strategies, updates models and information as required

Operations

- Assesses current and future asset retirement obligations and management plans to ensure financial and environmental sustainability
- Ensures approved ESG strategies and targets have achievable implementation plans that are integrated into departmental business plans and goals
- Assigns and develops accountability matrices for delivery of ESG targets
- Tasks analysis, assessment and planning as required
- Regularly meets with work plan leaders to review and assess progress
- Develops systems and processes to ensure Kiwetinohk uses and reports quality environmental data to stakeholders, including investors and regulators

Communications and Advocacy – Internal and External

- Provides input to, reviews and approves / recommends to CEO for approval Kiwetinohk's positions statements on ESG issues and policies
- Represents and advocates for Kiwetinohk's positions at government, industry and other stakeholder meetings
- Engages staff and contractors on ESG topics
- Identifies and helps organize staff education sessions on ESG issues
- Acts as Kiwetinohk spokesperson on ESG issues as required

EXPIRY

This charter can be modified at any time. It has a lifespan of one year and will either be renewed, altered or retired on January 31, 2023.

Leadership and Governance

- Provides recommendations to CEO and board on ESG and governance best practices to be incorporated into board and corporate policies and policy updates
- Identifies and helps organize board information sessions on key ESG topics
- Recommends to CEO and board ESG metrics and targets to be used in departmental, individual and corporate performance assessments
- Reviews the annual ESG report
- Makes ESG-related recommendations to the audit committee and sustainability committee of the board in the fulfillment of their duties

Task Force on Climate-related Financial Disclosure

Governance Overview

Kiwetinohk believes that strong, independent leadership is a critical aspect of effective corporate governance. Good governance is not just about overseeing the company, but doing so in a way that's transparent, independent of management and adheres to high ethical standards.

BOARD OVERSIGHT

BOARD OF DIRECTORS AND ITS COMMITTEES
Oversees and approves how we manage climate opportunities and risks.

SUSTAINABILITY COMMITTEE
Oversees the Company's monitoring and management of emerging issues, risks and opportunities associated with climate change. Reviews climate-related disclosure and provides climate and other sustainability reports to the board of directors of the Company (the Board).

GOVERNANCE & NOMINATING COMMITTEE
Ensures climate-related risks are reflected in Board and committee mandates and establishes required climate competencies and skills considered necessary for the Board to possess. Provides resources for ongoing learning and Board professional development.

AUDIT COMMITTEE
Oversees the Company's reporting, internal controls over financial reporting and disclosure controls and procedures, including third-party verification processes.

Responsible for Whistleblower policies and processes.

MANAGEMENT OVERSIGHT

EXECUTIVE AND ESG STEERING COMMITTEE
Oversight of and responsibility for providing strategic direction and implementation regarding climate-related goals, risks, opportunities and disclosure.

CHIEF EXECUTIVE OFFICER (CEO)
- Establishes vision for energy transition and climate-focused business strategy
- Drives integration of climate-related factors into business decisions
- Reports to the Board and stakeholders on climate-related performance
- Responsible for corporate disclosures on climate-related risks and opportunities

CHIEF FINANCIAL OFFICER (CFO)
- Responsible for financial reporting and establishing and maintaining internal controls
- Develops commercial structures to advance climate-related opportunities
- Integrates climate-focused targets into corporate financing strategy
- Responsible for corporate forecasts with inclusion of climate targets

CHIEF SUSTAINABILITY OFFICER (CSO)
- Integrates and drives adoption of the climate strategy across the company
- Produces climate disclosures
- Manages reputational and regulatory risk associated with climate
- Measures emissions and conducts scenario analysis

CHIEF OPERATIONS OFFICER - UPSTREAM (COO)
- Implements climate-related initiatives in the upstream, including emissions reductions programs
- Identifies emissions reductions opportunities

PRESIDENT, GREEN ENERGY
- Advances low- and no-carbon energy projects to provide dispatchable, reliable and affordable energy to customers
- Identifies emissions reduction technologies, partnerships and other opportunities
- Develops commercial structures to advance climate related opportunities

ESG STEERING COMMITTEE
- Identifies and engages climate-related opportunities and stakeholders
- Embeds climate-related risk management and responsibilities into the organization
- Demonstrates leadership on climate-related issues, opportunities and risks

Board Oversight

CLIMATE-RELATED RISK ROLE OF THE BOARD

Our purpose is to build a company that profitably provides customers with clean, reliable, dispatchable and affordable energy. The near-term strategy is to see us reduce greenhouse gas emissions from upstream oil and gas production and develop a range of low- and no-carbon Green Energy power projects. Specifically, we are evaluating, acquiring and advancing opportunities to build solar photovoltaic renewable power and gas fired power projects (that are designed for integration with carbon capture and sequestration equipment as economics allow).

In parallel with these ambitious business plans, we also aim to be a leader in applying systems to track, maximize and achieve GHG emissions reductions.

Kiwetinohk's founding CEO Pat Carlson drives Kiwetinohk's transition-focused business strategy and plan.

Canadian Climate Law Initiative

The Canadian Climate Law Initiative (CCLI) is Canada's climate governance knowledge mobilization and policy hub. CCLI uses its academic rigour and active partnerships to bring together knowledge, leading practice and trusted insights to advise Canadian businesses and governments on how to respond to today's urgent climate risks and opportunities through effective climate governance.

CCLI uses experts from academia and from across finance, law and business to inform and educate corporate boards about their duties with respect to climate-related risk oversight and disclosure.

In January 2022, CCLI delivered Effective Climate Governance for Corporate Boards to the Board, providing it with deep insight into the environmental, economic and social dimensions of climate risk and the pathways to net zero. Presented by a leading financial expert and climate change expert from the investment industry, CCLI highlighted the responsibilities of Board members to ensure adequate risk oversight of both the physical and transition risks resulting from climate change, including current and emerging climate disclosure frameworks, changes to securities regulations and the Board's legal duties with respect to fiduciary responsibilities, duties of loyalty and care, business judgement and disclosure.

Role of Management

Kiwetinohk's CEO Pat Carlson together with CSO Janet Annesley lead Kiwetinohk's 10-person, enterprise-wide ESG Steering Committee consisting of:

Pat Carlson
Chief Executive Officer

Jakub Brogowski
Chief Financial Officer

Mike Backus
Chief Operating Officer – Upstream

John Maniawski
President, Green Energy

Janet Annesley
Chief Sustainability Officer

Sue Kuethe
Executive Vice-President, Land and Community Inclusion

Kurt Molnar
Senior Vice-President, Business Development

Mike Hantzsch
Senior Vice-President, Midstream and Market Development

Lisa Wong
Senior Vice President, Business Services

Chris Lina
Vice President, Projects

Addressing climate change is embedded in our CEO's position description as a foundational value and pillar of Kiwetinohk's mission.

You can read more about the composition and qualifications of our Board and its committees, our governance structure and our corporate governance documents, here.

In addition to serving as members of the ESG Steering Committee, Pat Carlson and Janet Annesley act as the primary conduits for communication between the Board and the leadership team with respect to ESG matters, manage all significant ESG initiatives and lead the Company's risk assessment and management processes in this regard.

Our ESG Steering Committee is comprised of a multi-disciplinary team, including leaders from across the organization. The ESG Steering Committee meets monthly and is responsible for identifying the sources of long-term value creation and risk management for all stakeholders, understanding the link between long-term issues and the business case, developing long-term metrics and ensuring the transparent and accurate reporting of data.

In September 2021, following the combination with Distinction Energy Corp., the ESG Steering Committee undertook an assessment of Kiwetinohk's material topics, which are the most important issues driving long-term value creation, linking each to management strategies and metrics that will be used to assess progress.

- Climate Change and the Energy Transition
- Health and Safety
- Inclusion, Equity and Diversity
- Community & Indigenous Inclusion
- Land, Water and Biodiversity

Strong, independent leadership.

Kiwetinohk designed the position of Environment, Health and Safety (EHS) Controller, a unique role that oversees and develops Kiwetinohk's EHS systems and data, ensuring compliance and accuracy.

Joanne Germaine, Certified Engineering Technologist, serves in this position, bringing extensive experience in occupational health and safety, asset retirement, environment and GHG emissions reporting to the role.

Joanne Germaine
EHS Controller

Role of the Kiwetinohk Team

Kiwetinohk team members add ESG value and manage energy transition and climate-related risks each and every day -- whether they are working in the office to develop low- or no-carbon Green Energy power opportunities or are in the field focused on bringing new production online and getting everyone home safe, always.

Staff and contractors are expected to understand and contribute to Kiwetinohk's ESG strategy, plans and performance. Moreover, they are expected to ask questions and challenge leadership to remove barriers so they can capture sustainability improvements and opportunities at every level and fully contribute to realizing the company's energy transition business plan. The goal is that safety, environmental protection and stakeholder inclusion are as much a part of business decision making processes as the economics of alternatives are.

Ethical business practices.

Our leadership team is passionate about sharing their extensive business experience and knowledge and about creating a culture where talented people are empowered to think, create and innovate.

Strategy

Kiwetinohk expects to nimbly transition as market conditions transition. We intend to choose our path in the future by selecting energy transition activities that we can do in a differentiated way. Our long-term goal is to be a leading competitor in the provision of clean energy vectors as measured by both carbon emissions and cost of energy. We want to reduce emissions across the value chain, providing clean energy solutions while maintaining energy reliability and supporting a smooth transition.

In using the term "leading competitor" in this context, we mean that we aspire over 10 years to grow to 2,150 megawatts (MW) average grid power delivery, a size that is relevant for the power and / or hydrogen Alberta power market. Together we seek to produce clean energy vectors relevant to the Alberta market and thus relevant to the public equity markets.

The goals include broad equity analyst coverage across these respective industry verticals and, possibly, index inclusion so that we can continue to competitively finance energy transition activities. In short, Kiwetinohk is striving to be an Alberta market leader in the energy transition, delivering successful outcomes for all stakeholders.

A plant operator at Kiwetinohk's Simonette 10-29 gas plant. Today Kiwetinohk produces natural gas, natural gas liquids and oil and is aggressively expanding its low- and zero-emissions power business with about 2 gigawatts of projects at various stages of development, including 850 megawatts of solar.

> IEA projections indicate complete exclusion of hydrocarbons, especially natural gas, is not practical, reliable or affordable with current commercial renewable technologies. ”

PRIORITY TOPIC REVIEW

At Kiwetinohk, our approach to sustainability and the topics and metrics we measure and report continues to evolve as our business grows and changes. In 2021, we acquired and consolidated oil and gas upstream assets and advanced several power projects through the early stages of development. As we move forward in growing our upstream production and developing our deep inventory of low- and no-carbon Green Energy power projects, we'll continue to assess new issues and risks ranging from clean technology and Indigenous and stakeholder inclusion to supply chain and construction safety.

In addition to demonstrating to our stakeholders that we competently assess and manage ESG risks, our business strategy is focused on capturing opportunities, including opportunities to finance our business using green and sustainability-linked sources including dedicated corporate and project-focussed equity and lending. We are working with several banks and other interested financial institutions to advance our ESG strategy, including the development of specific key performance indicators and targets.

For this report, we examined ESG topics provided for upstream oil and gas producers by the Sustainability Accounting Standards Board and the Task Force on Climate-related Financial Disclosures, evaluating each topic based on the risks and opportunity profile for our lines of business and assessing material concerns.

As we move forward, we will conduct an expanded materiality review with additional stakeholders and for future reports we expect to continue to refine our assessment of the trends, industry standards and regulations to determine material issues and engage stakeholders to better understand their perception of business risks.

The resulting topics for this report were reviewed and approved by Kiwetinohk's ESG Steering Committee, the Sustainability Committee of our Board and our Board, as a whole. This report discusses how we currently address and plan to mitigate ongoing risks and considers opportunities to create key performance indicators, goals and targets as we evolve our ESG strategy and reporting.

KIWETINOHK'S TCFD PROGRESS

TOPIC	DISCLOSURE FOCUS AREA	DISCLOSURE	2021	2022	2023	2024
Governance	Disclose the organization's governance around climate-related risks and opportunities	Describe the Board's oversight of climate-related risks and opportunities				
		Describe management's role in assessing and managing climate-related risks and opportunities				
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is available	Describe the climate-related risks and opportunities the organization has identified over the short-, medium- and long-term				
		Describe the impact of the climate-related risks and opportunities on the organization's business, strategy and financial planning				
		Describe the resilience of the organization's strategy, taking into account different climate-related scenarios, including a 2-degree Celsius or lower scenario				
Risk Management	Disclose how the organization identifies, assesses and manages climate-related risks	Describe the organization's processes for identifying and assessing climate-related risks				
		Describe the organization's processes for managing climate-related risks				
		Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organization's overall risk management				
Metrics & Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities and where such information is material	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management processes				
		Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions and the related risks				
		Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets				

Formal process in place that will be monitored and updated as required

No formal process established

Initiated guidelines and putting processes in place

Sustainability requires profitability and profitability requires sustainability.

RESILIENCY TO EXTREME WEATHER EVENTS / ACUTE PHYSICAL RISKS

We assess risks to our physical assets, including the risk of extreme weather events. We manage these risks through facility design and operational procedures, and maintain insurance for damage to, or loss of, assets and production interruption.

Kiwetinohk's assets are potentially exposed to severe weather conditions and natural disasters such as extreme temperatures and precipitation, floods, droughts, wildfires, with resulating habitat fragmentation causing pressure on or extirpation of species. These events have the potential to cause business interruptions directly and indirectly through stakeholder concerns and adversely impact the delivery of energy which could lead to decreased revenues and increased operating and capital costs.

TEMPERATURE EXTREMES

Extreme hot and cold weather, heavy snowfall, heavy rainfall and wildfires may restrict our ability to access properties, causing operational difficulties,

including damage to machinery and facilities. Extreme weather may also increase the risk of personnel injury as a result of dangerous working conditions.

Some of Kiwetinohk's assets are located close to forests and grasslands, and a wildfire may lead to significant downtime and / or damage. Moreover, extreme weather may disrupt our ability to transport produced oil, natural gas and natural gas liquids and good and services along the supply chain. Extreme heat also presents safety risks to workers.

WILDFIRES

Kiwetinohk's oil and gas upstream facilities are located in Canada's boreal forest. Wildfires pose a risk to our operations and communities where we operate. Wildfires are an unpredictable risk depending on the specific combination of hot weather, rain, lightning, and wind each spring, summer and fall that could damage infrastructure, limit access and, as a result, also lead to reduced operations or a cessation of operations. We have detailed emergency preparedness and response plans in place to ensure we can respond to wildfire situations effectively while maintaining a very high priority on safety of people.

PRECIPITATION AND DROUGHTS

Kiwetinohk's oil and gas upstream operations are not located in stressed watersheds where the current availability of water, or severe restrictions on water withdrawals, could compromise our ability to operate. We manage, optimize and conserve water use in line with seasonal variations in water availability through water storage, or by purchasing water supply services, as required. Our current operating locations are not at high risk of flooding.

In our Green Energy power business, variability in wind regimes and solar radiation and their predictability may be affected by extreme weather events such as windstorms, hailstorms, floods, forest fires and severe wind weather, which may affect the amount of energy generated by our future renewable projects.

Wildfires and droughts can destroy natural habitat. Together with surface disturbances from human activity, these events may lead to habitat fragmentation to a degree that species of plants and animals become locally threatened. Adding to the direct concern, some stakeholders, if this situation occurs may become concerned and seek government policies to limit land-disturbing or water-consuming development.

Kiwetinohk aims to compete on the basis of both economics and emissions with Alberta's power producers and other energy suppliers to provide reliable energy products in an increasingly electrified and, potentially, hydrogen-fueled world.”

Transition Risk

REGULATORY AND POLICY RISK

Climate change regulations, frameworks and guidance that apply to energy companies and energy investors are rapidly evolving. The Government of Canada and the Government of Alberta have already introduced comprehensive rules, including regulated reductions and carbon levies, to reduce GHG emissions. Both governments have focused on reducing GHG emissions specifically from energy production and use. The Government of Canada has indicated future policy intentions including caps on greenhouse gas emissions and banning the sale of gasoline and diesel powered vehicles.

Kiwetinohk monitors policy and regulatory developments and seeks to collaborate with governments on policy measures, which, taken together, will make the most impact on GHG emissions by creating clear market signals, increase investor confidence and protect the competitiveness of Canadian companies.

While government policies have the possibility to constrain unabated fossil fuel production and use, they also create new opportunities for Kiwetinohk in the energy market. As such, failure to deliver climate policy objectives, including scheduled increases in carbon levies, mobilize private capital and generate market demand and premiums for low carbon products is also a risk.

As such, Kiwetinohk maintains an active stance on policy engagement, closely monitoring and/or engaging on policies and regulations, including:

- Government of Alberta Technology, Innovation and Emissions Reduction (TIER) Implementation Act and 2022 Review
- Government of Alberta - Methane Emission Reductions Regulation
- Government of Alberta – Alberta Energy Regulator Directives 060, 017
- Government of Canada – Greenhouse Gas Pollution Pricing Act
- Government of Canada – Net-Zero Emissions Accountability Act
- Government of Canada - Net Zero Regional Tables
- Government of Canada – Canadian Environmental Protection Act (Clean Fuel Standard, Clean Fuel Regulations)
- Government of Canada – Canadian Greenhouse Gas Offset Credit System Regulations
- Government of Canada – Clean Electricity Standard
- Government of Canada – Options to Cap and Cut Oil and Gas Sector Greenhouse Gas Emissions to Achieve 2030 Goals and Net Zero by 2050

Policy is key to clear market signals, investor confidence, and competitiveness.

Market Risks and Opportunities

Kiwetinohk believes that Alberta's natural resources, existing markets, market structure, pool of talent and existing infrastructure will support resilience and competitiveness as our energy systems transform. In 2021 Kiwetinohk consolidated high quality, infrastructure-rich oil and gas assets. These provide multiple years of high-quality drilling inventory with embedded material operating leverage from owned excess surface infrastructure capacity. The resulting growth opportunity can drive cash costs lower, at the same time allowing for material production growth. We believe the natural gas resources from this base of operations favourably position Kiwetinohk to develop its Green Energy power strategy and provide lower emissions with the support of carbon capture.

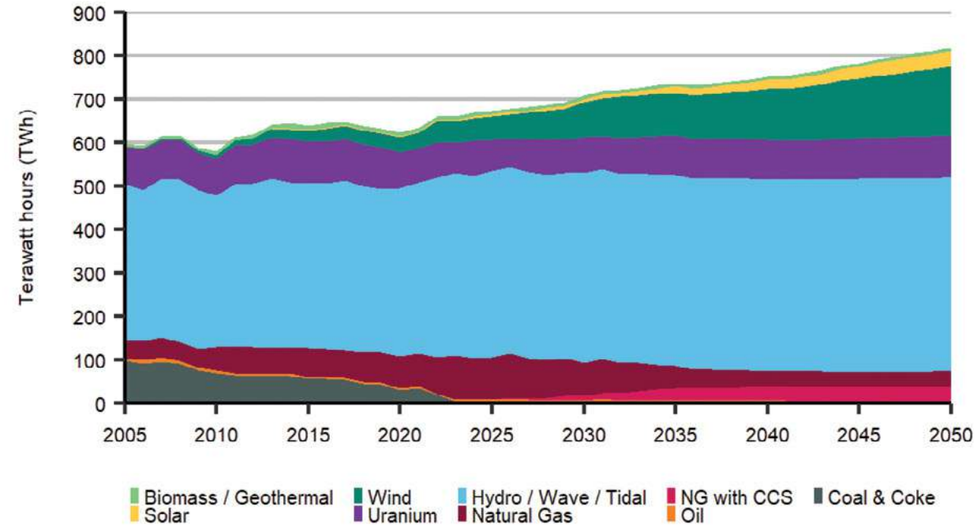
A number of the markets and customers we serve have the potential to be significantly impacted by climate-related transition risks, including increased regulations, technology changes and shifts in consumer preferences. In some markets, natural gas and oil are expected to no longer be the fuel of choice or may be restricted, taxed or otherwise regulated causing a major business line to be materially affected. This is why Kiwetinohk seeks to integrate its natural gas production into its Green Energy division, using industrial-scale leading decarbonization technology to produce low- and no-carbon power, and hydrogen, for markets and customers who require or demand it.

Recognizing these growing low-carbon energy markets and developing these opportunities is core to Kiwetinohk's business strategy. We believe Alberta's deregulated power market facilitates new entrants and promotes competition. Alberta has very modest import / export capacity for electricity, which simplifies forecasting future market conditions most often to supply and demand developments solely within the province – which is also undergoing significant electricity power market structural change as power generation moves entirely away from once-dominant coal.

Kiwetinohk's approach to the energy transition is reinforced by the Government of Canada's forecasts and scenario planning as well. In its Canada's Energy Future 2021: Energy Supply and Demand Projections to 2050, the Canada Energy Regulator (CER) considers two main scenarios, where energy supply and demand projections differ based on the level of future action to reduce GHG emissions.

In its Evolving Policies Scenario, the CER shows Canadians reducing their energy consumption and adopting lower carbon sources. Total primary energy use falls 21% from 2021 to 2050 with, low and non-emitting sources of energy making up the strong majority of energy use. Unabated fossil fuel combustion (fossil fuel combustion without carbon capture and storage) falls 19% from current levels by 2030, 45% by 2040, and 62% by 2050. However, Canadians use more electricity from increasingly low-carbon sources. Despite total energy use declining by 21%, electricity demand grows 44% from 2021 to 2050 in the Evolving Policies Scenario, much of it from new areas such as electric vehicles and hydrogen production.

TOTAL GENERATION BY ENERGY SOURCE (CANADA)



Source: https://www.cer-rec.gc.ca/en/data-analysis/canada-energy-future/2021overview/

INTEGRATION OF CLIMATE-RELATED RISKS AND OPPORTUNITIES INTO BUSINESS STRATEGY

Identifying, assessing and managing climate-related risks – and opportunities – is core to Kiwetinohk's business strategy.

Climate risks and opportunities affect every aspect of our business. In November 2021, we reported on climate risks and opportunities in our first Annual Information Form, including our views on future carbon prices, GHG emissions regulations and power market forecasts.

From this basis we are building an integrated approach to identifying and analyzing climate-related risks and opportunities across organizational boundaries to optimize and coordinate management and mitigation of climate risks, and maximize opportunities, for the entire company.

Board-level oversight of these risks and mitigation efforts and dedicated executive management through the CEO, CSO and ESG Steering Committee ensures an integrated, coordinated approach across our business.

A risk management framework supports the assessment and prioritization of all risks and opportunities, identifying different kinds of risk, including reputational, financial, operational and environmental.

Additional processes and risk management evaluation techniques under development include:

- An annual carbon price outlook that integrates existing regulations and expected cost and credit forecasts into the evaluation of projects and business options
- An annual business unit and functional level assessment of key risks, including physical risks posed by climate change effects
- Facility-focused GHG emissions forecasts to inform and optimize business planning

For detailed information on Kiwetinohk's business strategy and risks, see our Annual Information Form for the year ended December 31, 2021 on our website .

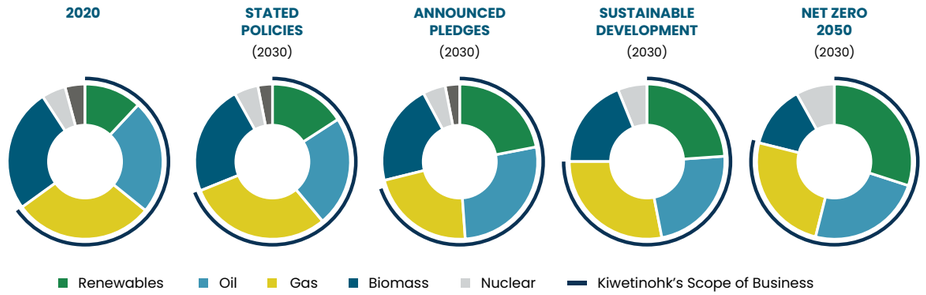
Scenarios

EVOLUTION OF PRIMARY ENERGY DEMAND AND KIWETINOHK'S SCOPE OF BUSINESS

The International Energy Agency's (IEA) Announced Pledges Scenario (APS), Sustainable Development Scenario (SDS) and Net Zero Scenario (NZS) highlight that existing global energy policy commitments, shifting investment decisions and technological advancements could lead to a fundamental shift in primary energy demand by 2050. In all IEA scenarios, the role of renewable energy and electrification increases, which is why Kiwetinohk sees future value from its investment in low GHG emitting and renewable energy solutions.

Kiwetinohk's focus on traditional upstream oil and gas, combined with renewable energy, falls very much in line with the potential future global states, providing a strong balance for our customers. Kiwetinohk is grounded in delivering a growing energy supply that meet four fundamental customer needs - reliable, dispatchable, affordable and clean (low emission) energy. IEA scenarios indicate that the complete exclusion of hydrocarbons, especially natural gas, is not practical, reliable or affordable with current commercial renewable technologies. In addition, recent global energy shortages reinforce this.

Kiwetinohk acknowledges fossil fuels are required for a transition period until new technologies can meet consumers' four fundamental needs without hydrocarbons. Kiwetinohk believes the use of natural gas, the cleanest fossil fuel (in terms of energy value per unit of GHGs emitted), together with CCUS, offers a fast, sensible path to measurable global emissions reduction. Furthermore, the Company believes that relying heavily on future technology improvements to address the climate change challenge is impractical given the lack of immediate alternatives to natural gas or coal to meet a system's firm power requirements.



We believe the time to act on emissions reductions is now, using immediate best-efforts at reducing carbon emissions alongside advancing zero-emission technology.

Advances in battery technology and renewable capacity factors are likely required to eliminate the need for natural gas and other petroleum products. Current batteries for either portable use, such as long-distance transportation, and stationary uses, such as stabilizing volatile wind and solar power supply, do not meet reasonable performance specifications for widespread adoption. Kiwetinohk believes that the supply side of Alberta energy market's best response to the climate change challenge is to:

Kiwetinohk is positioning itself to participate in all four of these areas.

1. **Build solar and wind renewable power**

2. **Advance the development of hydrogen distribution and use infrastructure**

3. **Stabilize and back-up intermittent renewable capacity with natural gas-fired power generation with CCUS**

4. **Monitor battery technology and other technology to support the energy transition**

To Kiwetinohk, the energy transition involves transforming today's energy systems to create reliable and affordable electricity to meet consumer electricity demand with low, and ultimately net zero, GHG emissions. Therefore, Kiwetinohk approaches these business goals with a sense of urgency because:

1. Certain GHGs such as methane and CO_2 have a long-life expectancy in the Earth's atmosphere. What is emitted in the next few years will accumulate in the atmosphere and will continue to persist in the long term. Technology is evolving at a rapid pace and governments are devising policies that may make the net zero goal by 2050 possible and economic. For now, great strides can be profitably achieved with current technology and current legislation.
2. Regulations are constantly evolving, leading to opportunities that are unlikely to last a long time. Examples include but are not limited to:
   a) Mandated phase out of coal-fired power generation is creating a market demand for low- carbon energy to replace coal and to serve electrical power demand growth opening the door to grid capacity for new renewable and gas-fired power generation,
   b) The Government of Alberta is seeking industry input before finalizing new policy regarding injection of CO^2 for permanent disposal into saline aquifers, creating an opportunity to secure the right to sequester CO^2 captured at any future gas-fired power project that the Company may build, and
   c) The Government of Canada is considering subsidies for CCUS which may create opportunities for superior overall economics that include the capture of CO^2 in the Company's proposed gas-fired power projects.

The time to act on emissions reductions is now.

For these reasons, Kiwetinohk believes the time to act on emissions reductions is now, using immediate best-efforts at reducing carbon emissions alongside advancing zero-emission technology. We believe an energy transition with private capital and companies doing as much as can profitably be done, as fast as it can be done, with awareness of zero-emissions technology development, but without waiting on full zero emissions technology and systems, is important and necessary.

The global shift to clean energy is creating opportunities based on favorable government policies. These policies are aimed at sustainability, energy security and emissions reduction. For private capital investment to be motivated to meet the challenges of climate change, Kiwetinohk believes that sustainability requires profitability and profitability requires sustainability. Kiwetinohk aims to compete on the basis of both economics and emissions with Alberta's power producers and other energy suppliers to provide reliable energy products in an increasingly electrified and, potentially, hydrogen-fueled world.

To execute on its energy transition strategy, Kiwetinohk must excel in producing both natural gas and converting primary energy sources including solar, wind and natural gas to clean energy vectors, such as electricity and hydrogen. The Company's present aspiration is to maintain production of natural gas and use of natural gas for low-carbon energy production in near balance.

Burning natural gas generally produces more usable heat per unit of CO_2 emitted than burning other fossil fuels. Further, producing, shipping and burning pipeline specification natural gas is often more energy efficient than the use of liquid, such as crude oil, and solid fuels, such as coal. For those reasons, the Company believes that simply converting from coal and crude oil to natural gas is a logical first step forward in the energy transition.

Preparing for an Orderly Energy Transition

To ensure the continued availability and supply of affordable energy supplies during the energy transition, we expect that traditional fuels like natural gas will play an important role both for power generation and heating in certain regions, as well as for the production of hydrogen[1]. Many are now coming to this conclusion after observing experiences of other jurisdictions navigating the energy transition. Observing the success and challenges experienced in other jurisdictions can provide insight into the potential risks and opportunities for Alberta, which is expected to be our principal market. Future reliability, relative cost and price volatility of energy supply are all important measures when evaluating the effectiveness of approaches to energy transition.

The energy transition will require a significant amount of investment. In addition, lower carbon technologies are generally more expensive than their fossil fuel counterparts, which is often termed as the "green premium" required to deliver an equivalent form and amount of cleaner energy. Kiwetinohk believes that, to enable a transition that can be afforded and accepted by society, the green premium for new energy technologies will have to be reduced and eventually eliminated. The clear constraint in the adoption of renewable power generation sources today is the variability of the power generated by wind and solar as well as the lack of utility scale, long duration battery storage that can back-up the intermittency. Furthermore, lower capacity factors of renewable power sources and their significant capital costs means fixed costs are amortized over lower power volumes during the project life resulting in higher prices. Traditional levelized cost of electricity measures also do not incorporate the significant costs associated with backing-up power and grid support services that will be required as renewable generation capacity increases[2].

1 See also: Blackrock – Larry Fink's 2022 Letter to CEOs.
2 Renewable Constraints – The Energy Transition – A Realistic Look at the Path Forward. Pickering Energy Partners Investments and SailingStone Capital Partners

Kiwetinohk's Business Strategy in Response to the Climate Change Challenge

Kiwetinohk was conceived, and its mandate remains, to build an energy transition company, one that responds to the global challenge presented by climate change but specifically adapted to the situation in Alberta's energy markets. Kiwetinohk's long-term aspiration is to be a leading producer of low-carbon energy into the Alberta power and hydrogen markets. We are currently at an early stage and this report describes our current activities, short to mid-term plans and mid to long-term aspirations in the context of rapidly evolving technology and regulations.

Kiwetinohk's vertically integrated business model is premised on pairing natural gas production with CCUS-enabled natural gas-fired and renewable power generation. We believe this business model will position us advantageously to meet increasing demand for electricity in the context of a shifting energy landscape. We expect that neither renewables nor gas-fired power, alone, can provide an adequate solution for stable low-emissions grid power supply. We plan to pursue a business model that will result in superior returns to investors and allow them to participate in the growth of a balance of low carbon and zero carbon energy sources.

In 2021, the Company completed acquisitions of attractive upstream oil and gas assets and associated infrastructure. These assets consist of high-netback, liquids-rich natural gas production with development upside and substantial spare natural gas processing capacity from owned infrastructure. The upstream assets also provide a foundational base for us to pursue energy transition opportunities.

Kiwetinohk's Current Activities in the Context of the Global Challenge to Provide Renewable Energy and Reduce GHG Emissions

The table below describes certain types of low-carbon energy projects and their current status:

TYPE OF PROJECT	PRESENT STATUS WITHIN KIWETINOHK
Natural gas resource development and production	Base of high-quality properties in the Fox Creek area has been acquired. Monitoring market for opportunities.
Solar photovoltaic power generation	Options to lease land for three projects have been secured and applications in the Alberta Electrical System Operator (AESO) approval process are being advanced. Company expects to take a final investment decision on the Homestead Solar Project (400 megawatts) in 2023. We continue to evaluate land and transmission connection alternatives suited to solar power development for additional projects.
Natural gas-fired power generation with CCUS (Firm Renewable configuration)	Front end engineering and design (FEED) is complete for a 101 megawatt, fast-responding, flexible-output, reciprocating engine-driven power generation (which Kiwetinohk calls "Firm Renewable") project. Pre-FEED evaluation and investigation is underway for the addition of a pilot-scale – carbon capture project, which is 1/9th the full-scale size and would be added onto this Firm Renewable project).
Natural gas-fired power generation (natural gas combined cycle configuration)	Identification and acquisition of locations with favorable attributes for the location of natural gas combined cycle (NGCC) power plants with CCUS is underway.
Hydrogen production	We are evaluating a joint venture which, if implemented, is expected to supply hydrogen production from gas to hydrogen-fired simple cycle turbine-power generator and hydrogen-fueled process heat to an industrial complex.
Wind turbine power generation	We are evaluating locations for greenfield projects as well as projects currently in the approval process.
Opal Carbon Hub and NGCC 2 Carbon Hub	We are in the process of executing an evaluation agreement with the province to conduct evaluations and testing of deep subsurface reservoirs. We are also advancing commercial assessment of the carbon hubs, including work to determine how to offer sequestration services to other industry players and the terms of such offers. The commercial assessment will also provide an opportunity to help establish a provincial CO_2 midstream policy.

Firm Renewable – What is it?

The term "Firm Renewable" is a Kiwetinohk- originated term that describes efficient, flexible-output, fast-responding, gas-fired, reciprocating engine-driven power generation that addresses the need for stability that has been revealed as wind and solar renewable grows to become a significant proportion of a grid's power supply.

Rapid technological evolution is both an opportunity and a threat.

In addition to the projects listed above, we also monitor the evolution of new technology and markets that can advance the transition of energy toward lower cost and / or lower GHG emissions supply. These technologies and markets include but are not limited to:

1. Advancements in large capacity power storage that can provide an alternative to Firm Renewable in managing the volatility of the gap between intermittent solar and wind renewable supply and demand on the electricity grid,
2. Advancements in hydrogen storage and distribution systems (both technology and installed capacity) that enable new markets for hydrogen,
3. Advancements in oxygen and gas-fired (oxy-fuel) power systems that can eliminate the need for much of the carbon capture component of CCUS systems,
4. Carbon capture systems that increase the CO_2 capture efficiency and /or reduce the toxicity and corrosivity and improve the regeneration energy efficiency relative to commercially established systems,
5. Advancements in geothermal technology including heat-to-power systems that can make geothermal (in the conditions that prevail in Alberta) comparable in cost and full-scope emissions to other sources of energy for power generation.

In these times of rapid technology evolution, Kiwetinohk sees technical development as both an opportunity and a threat. Kiwetinohk looks at its transition investments with a view to managing risk of obsolescence or non-competitive performance due to eventual commercialization of competing technology evolution.

Kiwetinohk's Near- to Mid-Term Objectives

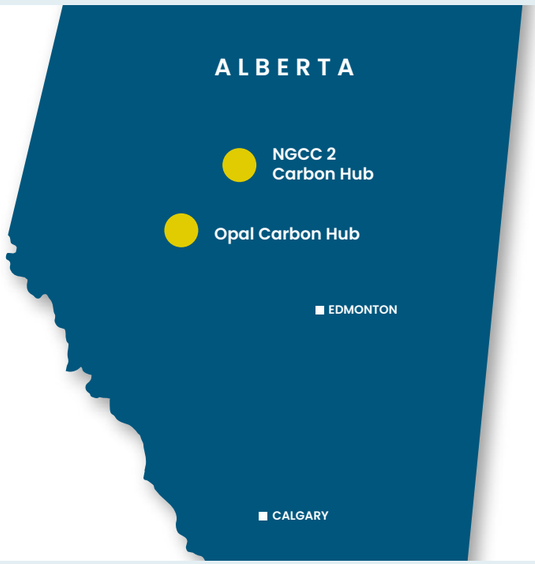
Near to Medium Term Objectives

Kiwetinohk's short- to mid-term goal is to build power generation projects that capture solar and wind renewable energy and to build an array of natural gas-fired power generation projects that include CCUS. The Company aspires to produce sufficient natural gas to supply its own power generation and hydrogen facilities. The Company intends to maintain expertise to enhance oil recovery with CO_2 EOR and it is prepared to acquire suitable oil resources and implement CO_2 EOR / carbon sequestration schemes. As a matter of preference not necessity the Company would prefer to work with other companies that hold and operate suitable assets if the operators are prepared to safely and reliably capture CO_2 produced as part of the operation. Kiwetinohk expects, however, to also maintain its own back-up capability to sequester CO_2 in brine aquifers.

Kiwetinohk's planned power projects include:

1. Solar and Wind Renewables – Utility-scale projects,
2. Firm Renewable – High-efficiency gas-fired power plants that have the ability to quickly stabilize the portion of the power grid that is fed by wind and solar generation equipment which can be a more volatile source of supply, and
3. Natural Gas Combined Cycle – NGCC plants that are significantly more efficient than existing coal retro-fits and simple cycle gas-fired power assets.

Carbon Capture, Use and Storage – A Key Alberta Differentiator



In October 2022, the Government of Alberta awarded Kiwetinohk the right to explore the safe development of two carbon storage hubs, the Opal Carbon Hub near Whitecourt and the NGCC 2 Carbon Hub near Swan Hills.

Large-scale CO2 capture is already a safe and effective measure to reduce CO2 emissions from industrial sources in Alberta, and one that will continue to grow as technology advances and economies of scale improve.

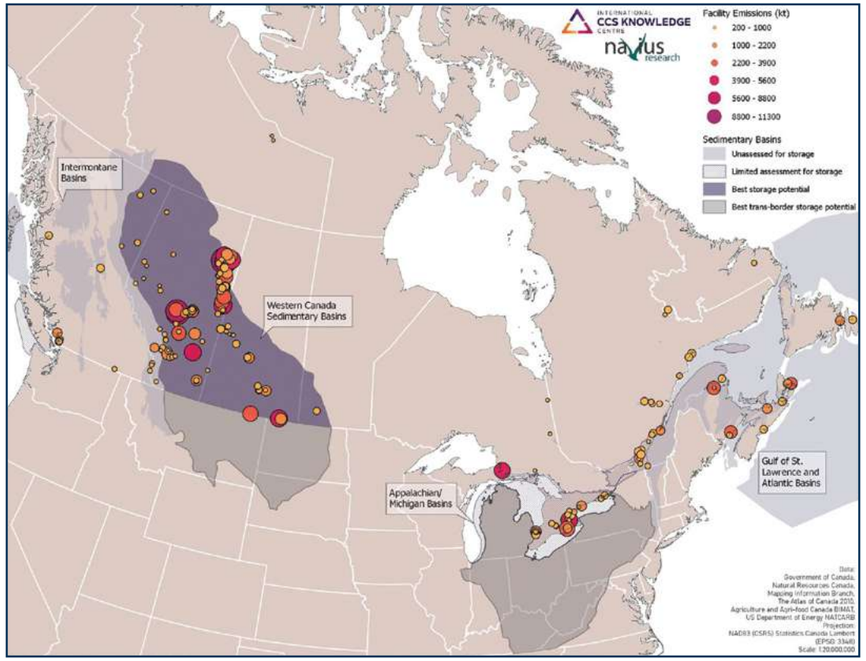
In its recent special report setting out a pathway to net zero by 2050, the International Energy Agency (IEA) identifies carbon capture as one of five key pillars to decarbonization. The UN's Intergovernmental Panel on Climate Change agrees, as does the National Academies of Science. Both state that CO2 removal is essential to all pathways that would limit global temperature increases to 1.5 degrees Celsius.

The IEA estimates that an energy transition scenario with more limited use of carbon capture and storage could make the transition to net zero USD $4 trillion more expensive for hard-to-abate sectors. This is particularly important in places like Alberta, where the path to decarbonization risks significant strain on the economy, jobs and livelihoods given the economic importance of fossil fuels in our economy.

CCUS can help us reach our climate goals while ushering in a new growing economic sector that provides the building blocks for net zero industrial hubs, including opportunities for carbon use in a circular economy.

We must do all we can to deploy CCUS at scale while being matched with an equally ambitious and urgent effort to scale up other areas of decarbonization, such as the deployment of renewable power.

CARBON SOURCES AND SINKS IN CANADA



Source: The International CCS Knowledge Centre

As with most early-stage industries, public policy support will be critical, especially to generate early revenue streams to accelerate scale up. The Canadian federal and Alberta provincial governments have taken encouraging steps in the right direction. Carbon pricing acts as a powerful incentive for businesses to invest in carbon capture. The use of meaningful direct government financial support to help cover the upfront capital investment of carbon capture projects, which has been particularly evident in Europe and in some early Canadian projects, is crucial as the Government of Canada finalizes the details of the Investment Tax Credit for CCUS announced in Budget 2022.

Kiwetinohk intends to adapt, extend and apply existing CCUS technologies for deployment with both Firm Renewable and NGCC power generation and we aspire to operate and store CO2 in underground storage reservoirs.

The federal and Alberta provincial governments are in the process of determining and implementing a suite of policies and regulations, including financial incentives, to accelerate investment and deployment in CCUS. Alberta has already differentiated itself as a leader in subsurface and pore space regulation. After a competitive process, Kiwetinohk was awarded the opportunity to develop plans for two CCUS hubs and is well positioned to design and operate CCUS facilities to deliver reliable, dispatchable and affordable clean energy to Alberta customers.

We continue to monitor the regulatory and fiscal regime and how it may encourage CCUS development including applicable royalties, taxes, tax credits and other government incentives.

Kiwetinohk's Mid- to Long-Term Objectives

Mid- to Long-Term Objectives

In the mid- to long-term, Kiwetinohk plans to use hydrogen from natural gas in a blend to generate power. Although the basic technology exists today, because of the magnitude of the loss of heating capacity between methane and hydrogen, uses which hydrogen is preferrable to power from methane are limited. Advancements in the hydrogen market, distribution infrastructure and a supportive fiscal regime are required for profitability. In the long-term, we expect hydrogen- natural gas blends, and then hydrogen, alone, to displace fossil fuels in select current uses (e.g residential distribution, long distance and large vehicles). In the longer-term, technology may evolve to allow long-distance, high-pressure transportation of hydrogen. This might enable economic shipment of hydrogen from gas and/or renewable primary energy to markets around the world.

As a mid- to long-term objective, Kiwetinohk plans to bring its natural gas production into equivalent proportion with its use of natural gas for electricity and hydrogen production.

Long term, aspirational goals include:

1. Growing to become a significant supplier of power to the Alberta power grid,
2. Using both natural gas for power generation with CCUS and renewable power,
3. Producing and consuming natural gas in nearly equivalent amounts from very low emissions natural gas production operations in Alberta and British Columbia,
4. Participating significantly in supplying hydrogen to the Alberta gathering and distribution and market infrastructure as it evolves,
5. Continuing to position in new low-emissions and green energy transition technologies within, and within reach, of the Alberta market, and
6. Attracting other businesses to integrate with the Company's power generation, CCUS, and hydrogen production hubs creating a circular economy, making a profitable business of providing energy, conserving waste heat and process water and CCUS to adjacent businesses and industries.

Kiwetinohk expects to nimbly transition as the market conditions transition. We intend to choose our path in the future by selecting energy transition activities that we can do in a positive and differentiated way. Our long-term goal is to be a leading competitor in the provision of clean energy vectors as measured by both carbon emissions and cost of energy. We want to reduce emissions across the value chain and provide clean energy solutions while maintaining energy reliability and supporting a smooth transition.

In using the term "leading competitor" in this context, we mean that we aspire to grow to a size that is relevant for the power and / or hydrogen markets and thereby also relevant to the public equity markets. The goals include broad equity analyst coverage across these respective industries and, possibly, index inclusion so that we can continue to competitively finance energy transition activities. In short, Kiwetinohk is striving to be an Alberta market leader in the energy transition, delivering successful outcomes for all stakeholders.

Risk Management

To evaluate climate-related risks as part of enterprise level risks to its business, as part of its public market listing in early 2022, Kiwetinohk assessed how policy, market, technology, reputational and physical risks may manifest in different scenarios. This work is expected to continue with additional stress-testing of its business and assessment of its resilience in a low-carbon economy as part of Kiwetinohk's ongoing upstream development plans and as it takes final investment decisions on its Homestead Solar Project and Opal Power Plant in 2023.

Kilometer 1 on the Tower Road near Fox Creek, AB looking north.

These climate-related financial and other risks, including policy risks (and opportunities) are being integrated into Kiwetinohk's financial investment decision processes.

Kiwetinohk's business and ESG strategies, including our Prime Directive for stakeholder engagement, provide the overarching framework for managing our climate-related risks. The business strategy, ESG strategy and Prime Directive encompass and apply to all our business operations, and includes collaboration and engagement with stakeholders within and outside our value chain.

Our business strategy and ESG approach addresses Kiwetinohk's carbon footprint in terms of both direct and indirect GHG emissions (Scope 1 and Scope 2 emissions, respectively), as well as our value chain (Scope 3) to the degree that we can influence them.

We are setting up systems and processes to ensure we have accurate measurement and reporting of GHG emissions, including forecasting and planning emissions reductions projects.

As we work toward final investment decisions, we include GHG emissions in our decision framework as a core financial, technical and strategic consideration.

Moving forward as GHG emissions data from assets acquired in 2021 become increasingly clear and further engineering allows us to more reliably forecast GHG emissions from Green Energy projects, we will be in a position to set near- and medium-term targets, and to include these targets, possibly, in our financing tools, for example, sustainability linked loans.

Kiwetinohk continues to integrate climate-related risk identification, assessment and management into its overall business strategy, project development, operational and financial decision making processes.

As energy leaders who are passionate about climate change, climate-related risks and opportunities are considered a priority in our business strategy and we assess risks and opportunities across our upstream oil and gas and our Green Energy power business, including physical risks and transition risks stemming from policy changes and markets. Financial risks and opportunities are fully integrated into our business decisions, including carbon price assumptions and identification of opportunities to mitigate risks associated with carbon pricing and other climate policy uncertainties.

Kiwetinohk factors stated policies and energy market trends into its long-range planning and will continue to develop its technological risk assessment and mitigation strategies through 2022 and 2023.

We also aim to communicate more often and in more detail in 2023 and beyond, engaging our stakeholders -- including employees, investors and governments – on specific energy transition challenges, risks and opportunities.

Metrics and Targets

SCOPE 1 EMISSIONS

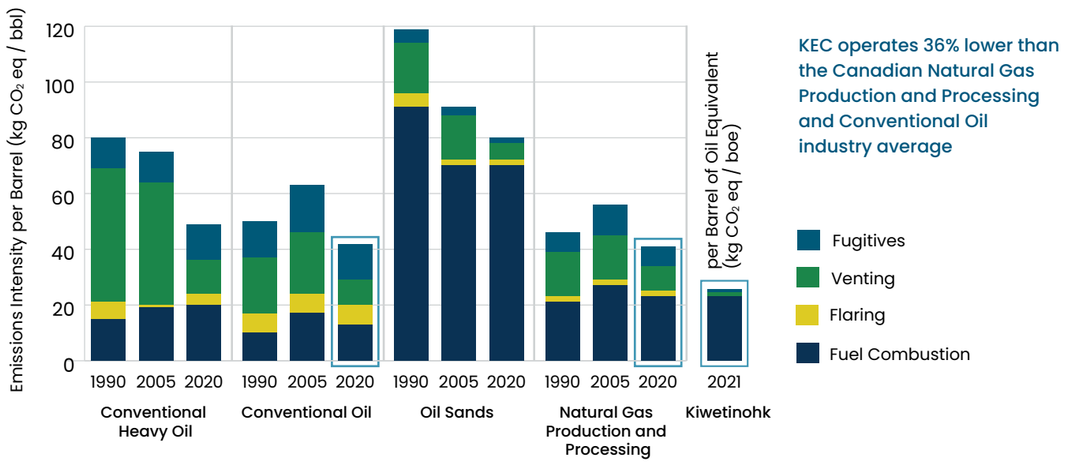
Today Kiwetinohk's Scope 1 emissions consist of GHG emissions from fuel gas from our heaters, compressors, small-scale gas field-located power generators, and from methane emissions from operational and safety flaring and venting as well as fugitive emissions primarily of natural gas.

In 2021, we began implementing solutions to reduce our Scope 1 emissions and to capture drilling and completions emissions that precursor companies did not previously track.

We also began analysis of Scope 1 and Scope 2 emissions reduction projects targeting methane emissions as the first priority with a full assessment of combustion emissions underway, including plant electrification and associated low-carbon power purchase opportunities.

As two of our low- and no-carbon Green Energy power projects progress through engineering stages and reach final investment decision in 2023, we expect to assess estimated Scope 1 emissions, seeking reductions through improved design, fuel switching or other efficiencies, such as electrification of travel, where possible.
Based on ownership structure of our Green Energy power projects, we will also be able to estimate GHG emissions offset credits generated.

BASELINE GHG EMISSIONS – BY SOURCE CANADIAN TYPE COMPARISON (SCOPE 1)



Industry data from Environment and Climate Change Canada, National Inventory Report (Part 1) 1990 - 2020: Greenhouse Gas Sources and Sinks in Canada. Figure 2 - 27. Kiwetinohk data per SASB data sheet on page 100 of this report.

We believe electrification is the best plan to eliminate Scope 3 emissions associated with the burning or conversion of natural gas.

SCOPE 2 EMISSIONS

In Q4 2021 we started tracking and measuring our indirect Scope 2 emissions with focus on purchased electricity for our gas plants. We are also broadening our data tracking to include company-owned vehicles used primarily in the field.

SCOPE 3 EMISSIONS

Kiwetinohk is not reporting estimated Scope 3 emissions for Q4 2021. Plans are in development in 2022 to measure and report Scope 3 emissions for future years disclosures. Further data is required to estimate complete emissions from our offices and employee commuting and business travel. However, due to COVID-19 restrictions ongoing in 2021, these emissions are not significant. These emissions are expected to be included in 2022 reporting.

Given that Scope 3 end-use emissions are by far the largest scope of emissions from oil and gas production and use, Kiwetinohk's long-term business strategy seeks to address and eliminate Scope 3 emissions from consumer use as a primary goal. We believe economy-wide electrification is the best plan to eliminate Scope 3 emissions associated with the burning of or conversion of natural gas.
We plan to significantly reduce Scope 3 emissions through development of renewable, non-emitting power sources, such as solar and wind, and integration of natural gas production into hydrogen production and / or power generation equipped with CCUS.

SCOPE 1
Direct emissions from operations

SCOPE 2
Indirect emissions from purchased energy

SCOPE 3
All other emissions associated with a company's activities

Sustainability is integrated into everything we do. We believe ESG drives better financial performance due to improved risk management and more innovation, which will drive long-term value for all our stakeholders.

Jakub Brogowski, Chief Financial Officer

WHY ARE TARGETS IMPORTANT?

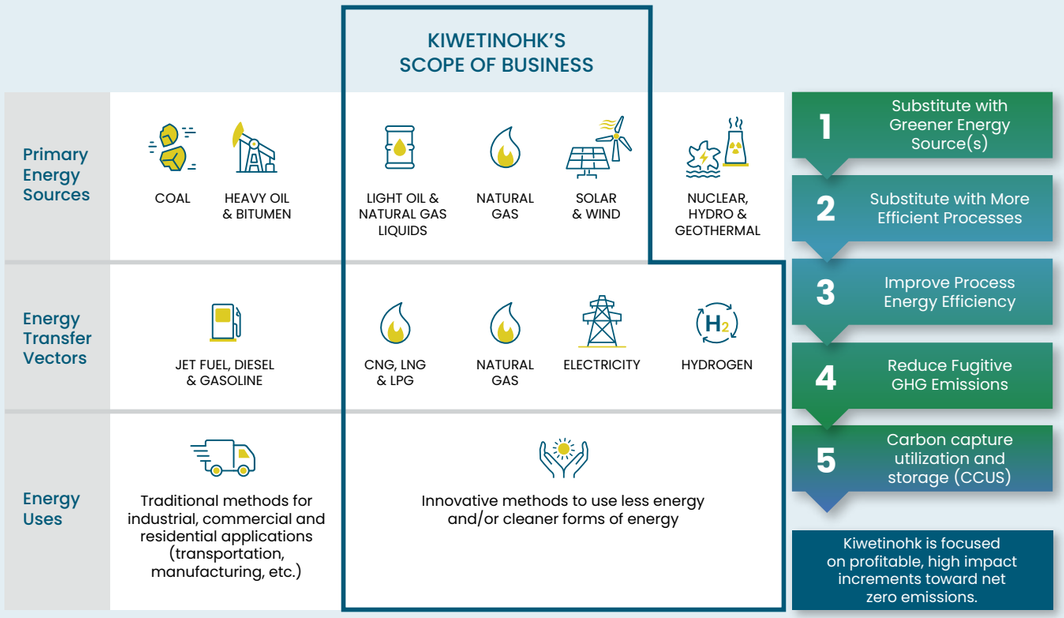
GHG emission measurement, carbon reduction and renewable power targets are important tools to help improve decision-making as Kiwetinohk executes on its energy transition business plan. We are in the process of developing our target setting methodology that will inform business choices and seek the reduction and removal of carbon emissions in the energy system.

OUR TARGETS SHOULD:

Drive real emissions reductions across the energy system both within Kiwetinohk and outside it

- Embed GHG reduction and elimination goals, and the energy transition mentality, into our business and asset development plans
- Support sustainability-linked loans or other sustainability-linked financial instruments
- Encourage appropriate risk taking and innovation

TRANSITION OF ENERGY TO LOW GREENHOUSE GAS EMISSIONS



CIRCULAR ECONOMY

Kiwetinohk's long-term aspirational goals include attracting other businesses to integrate with our power generation and hydrogen production hubs, creating a circular economy and making a profitable business of providing energy, conserving waste heat and process water and providing CCUS options to adjacent businesses and industries.

Targets

Kiwetinohk's strategy integrates low-carbon thinking into the Company's day-to-day operations and business planning. We are passionate about addressing climate change and we are building a culture where the activities and decisions of our staff are driven by maximizing emissions reductions across the value chain and seeking transformational solutions to the climate crisis.

Our progress will be measured by reductions in upstream oil and gas absolute emissions and in our emissions intensity per barrel of oil equivalent that we produce. Importantly, it will also be measured by growth in our Green Energy and Green Energy power business, including absolute emissions and the emissions intensity of the power and products we make.

Going forward, we expect to use 2021 as our upstream baseline year for future reporting and to develop targets and goals. For our Green Energy power business, we expect to seek to establish targets through engineering and design work that will continue through 2022 and into 2023.

Assessing our 2021 data for our upstream and Green Energy power business segments helps us realize the scale of the challenge globally to achieve a net zero future, and the urgent need for public policy tools and regulations to drive and de-risk the required investments and help stimulate demand for low-carbon products and develop new markets.

Given the system transformation required, we will also assess the need to set specific internal goals and targets for generation of offset credits and no-carbon power generation, ensuring that our focus is on both reducing emissions and eliminating emissions.

In our upstream business, focusing on safety and the environment is our license to operate.

Mike Backus, Chief Operating Officer, Upstream

Health and Safety

Safety is our first and foremost value in every aspect of our business. We are committed to making our workplaces and communities safer for our workers, neighbors and the public.

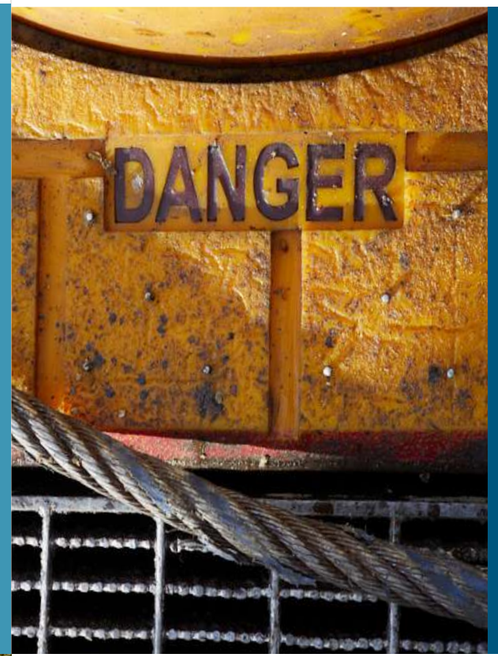
In 2021, as part of integration of the Simonette assets and Distinction Energy and in anticipation of construction at our first two Green Energy power projects, Kiwetinohk implemented a unified health and safety program that applies best practices across our business.

The "KEC Principles" underpin our approach:

1. **Knowledge and learning** – we gather data and understand facts, interpret our environment and apply knowledge to our activities. We seek to be a learning organization, learning from our performance and making necessary changes.
2. **Standards and procedural compliance** – we capture knowledge in standards, processes and procedures, which we follow.
3. **Measure and evaluate** – through proactive health and safety activities - safety audits and inspections, near miss reporting, training achievements, and health and safety culture.
4. **Questioning attitude** – we always ask whether we understand the hazards and risks, what could go wrong and if we have the right processes, procedures and tools.
5. **Team backup** – we support and look out for each other, intervening when something is not right.
6. **Integrity** – we do the right thing, the right way, every time.

First Year Safety Objectives

- Implement updated Health, Safety and Environment policies and manual
- Full field participation in health and safety training and in developing our policies and procedures
- Conduct joint and internal emergency response planning and exercises
- Integrate Green Energy projects into health and safety program
- Implement an office health and safety program
- Formalize Contractor Management HSE management and tracking system
- Achieve internal and external audit scores above 95%
- Alberta Energy Regulator Asset Integrity Audits – Zero Outstanding Items
- Increase near miss reporting
- Focus on road safety and Fit for Duty



HAZARD IDENTIFICATION

We design, maintain, and operate our assets with a focus on process safety and asset integrity to safeguard our employees and contractors, protect the public, and minimize potential risks to the environment.

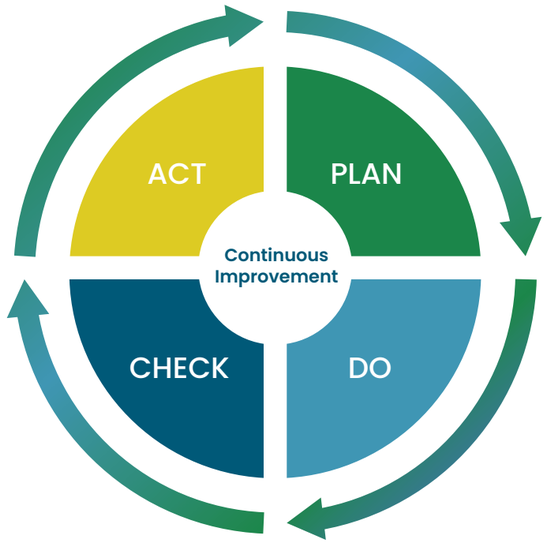
Proactive hazard identification is key to mitigating these risks and eliminating potential incidents from occurring. We train and educate our workers, so they can evaluate the severity of a situation, mitigate, and control potential hazards, and be able to discuss the plan and lessons learned to facilitate continuous improvement and a safe environment.

Continuous Improvement

Kiwetinohk embraces continuous improvement and learning on safety across upstream operations, Green Energy projects and our corporate groups.

Accountability and authority to stop unsafe work and to make occupational and process safety recommendations rests with each and every individual and team.

As we deliver on our business strategy, increase upstream production and diversify into Green Energy, ensuring a safe and healthy workplace through continuous improvement and staff engagement on safety remains our top priority.



EMERGENCY RESPONSE
For emergencies involving Kiwetinohk's staff, contractors, wells, projects or facilities please call:

1-888-492-4424

Stock photo

Community and Indigenous Inclusion

Kiwetinohk aims to be an active member of the communities where we operate, contributing to communities through jobs and local contracting as well as supporting quality of life and public services through community investments and growing the tax base.

We are proud to work in Treaty 6, 7, and 8, also home to the Métis Nation of Alberta.

We work hard to be a good neighbor whether we are exploring for and producing oil and gas or developing low-carbon or zero-carbon power projects. Engaging communities in our business is paramount to our Prime Directive and it's in our DNA.

In 2021 Kiwetinohk's upstream oil and gas operations grew considerably with the consolidation of assets acquired from two companies, and the drilling of four new wells in the Fox Creek region, which is southeast of Grande Prairie. First Nations whose traditional territories include all or part of the area of Kiwetinohk's current drilling operations include the Sturgeon Lake Cree Nation and Aseniwuche Winewak.

Although the COVID-19 pandemic created challenges to relationship building as we expanded into new areas. Kiwetinohk made significant efforts to engage with local communities and companies to offer support and begin growing its network and base of service providers.

In our Green Energy power business, we engaged with communities and neighbors near our Homestead (Solar 1) project, our first large-scale renewable energy project located southeast of the town of Claresholm, Alberta and Opal (Firm Renewable 1), our first high-efficiency natural gas combined cycle plant with carbon capture, use and storage, located near Fox Creek, Alberta.

Homestead Solar Project

On September 22, 2022 the Alberta Utilities Commission approved the 400-Megawatt Homestead Power Plant.

Kiwetinohk continues to advance the Homestead Solar Project located near Claresholm, Alberta, a region with some of the best solar resource in Canada. Engagement and consultation with neighbors and the community is an ongoing priority to address issues and answer questions about project construction, operations and reclamation.

The Homestead Project offers a number of benefits for communities, including:

Local economic benefits – Local businesses will benefit from opportunities created by Homestead during development, construction and operations

Property taxes – Homestead will contribute annual property taxes to the MD of Willow Creek, resulting in financial benefits to the community

Local employment – Homestead will create about 400 full-time construction jobs and up to 10 full-time operations jobs, creating opportunities for local Indigenous and non-Indigenous individuals and businesses

Green electricity generation – Homestead will generate emissions-free electricity for the equivalent of 163,000 homes and offset about 520,000 tonnes of greenhouse gas emissions annually.

Innovation – Homestead will employ leading edge technologies and stimulate innovation and collaboration opportunities among education, business and governments.

Kiwetinohk has leased land from local farmers around Claresholm for its solar projects.

Opal Power Plant

An illustration of the Opal Power Plant.

We continue working on the design and engineering of our “Firm Renewable” Opal Power Plant Project, having consulted with nearby stakeholders and Indigenous Communities as we advanced our regulatory application to the Alberta Utilities Commission (AUC). The Opal power plant application was approved by the AUC earlier this year.

The Opal Power Plant offers a number of community benefits, including:

- A clean, reliable, cost-effective source of new electricity supply
- Local employment – Opal will create 75 full-time skilled trades construction jobs and 15 full-time operations jobs
- Ongoing capital, maintenance and operations spending is estimate in the $6 million per year range, creating significant opportunities for local contractors and businesses
- Increased annual tax income for the municipality
- Local Indigenous and non-Indigenous businesses will benefit from opportunities created by Opal during development, construction and operations
- A value-added, sustainable use for Alberta’s large natural gas resource
- Potential for regional industrial hub for natural gas, affordable electricity, hydrogen, carbon capture and associated products

We will continue engaging with Indigenous and non-Indigenous communities and stakeholders during the entire life cycle of the project.

As business people ourselves, we recognize the need for capital to turn a great idea into a business, and we're proud to help Indigenous entrepreneurs achieve their goals.

Sue Kuethe, EVP Land and Indigenous Inclusion

Indigenous Inclusion

We are fortunate to live and work in Treaty 6, 7 and 8 territory and Metis homeland. Kiwetinohk owes its name to the generosity of leaders and elders in the Cree community where we live and work, and we value building inclusive relationships with the Indigenous communities on whose traditional lands we operate.

Kiwetinohk's Indigenous inclusion principles are centered around meaningful consultation and engagement, economic participation, community involvement and cultural understanding.

HIGHLIGHTS

- Contracting and procurement – Initiated contracting with Sturgeon Lake Resources Ltd.
- Operator trainee program – Established an Indigenous operator trainee program that had its first intake in 2022
- Project equity discussions – Launched initial discussions with local First Nations about project partnerships and equity participation opportunities
- Cultural awareness training – Staff education session with Treaty 8 First Nations of Alberta on the culture and history of Treaty 8, as well as a session with Cree elder and language teacher about the Cree language and the deep roots and meaning of our company name.
- Event support and participation – Served dinner for Sturgeon Lake pow-wow and supported a community gathering honoring the dedicated staff of Sturgeon Lake Cree Nation.
- Economic development - Partnered with Indian Business Corporation to create the Kiwetinohk Microloan Fund.

What's in a name?

Kiwetinohk, pronounced Key-Wheat-In-Oh, means "north" or "northward" in Cree, the most widely spoken Indigenous language in Canada

Kiwetinohk CEO Pat Carlson recently spoke with the Daily Oil Bulletin (DOB) about our name and seeking perspectives around it.

DOB: Where did the current name of the company come from?

Pat: At my previous company, prior to starting Kiwetinohk I had an especially close working relationship with two Indigenous community leaders. When we started Kiwetinohk we wanted to acknowledge that we would be operating in traditional territory so I asked my friends to help name the company. They both came forward with suggestions. One of the was already in use by an energy industry service company and the other was "Kiwetinohk," which means "north" or "northward" in Cree. Kiwetinohk was suggested to my friend by his aunt who teaches the Cree language at a school in Northern Alberta. She advised us that she conducted a ceremony in line with Cree tradition to offer us the name. We have met with her to thank her and to receive very basic instruction in the Cree language and culture.

DOB: What are your thoughts on the results in favour of the name change?

Pat: To be clear, the resolution is to allow the Board to make a decision that prior to the resolution's approval would have required approval by the shareholders directly. So the resolution is not necessarily to change the name but to delegate the decision as to whether to change the name and what any new name might be to the Board of Directors. I am not surprised by the vote. I will note that this resolution did not provoke any discussion at the shareholder meeting.

DOB: Will the name be changed?

Pat: Out of respect for the elders and leaders who granted the name, we need to work with them to determine a path forward.

DOB: If so, what is the timeframe for the change to occur?

Pat: The time will be determined through engagement with Indigenous leaders and elders.

DOB: What process will you go through in selecting the next name?

Pat: Since the name was granted to us through a consultation processes with former Indigenous leaders and the suggestion originated with a person who has dedicated her career to teaching Cree language and culture and since she did a ceremony to grant us

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the name, changing the name without consultation and a proper process would not be appropriate. We are in the process on consulting friends of Kiwetinohk's executive with Indigenous heritage to learn cultural sensitivities that we should observe in considering whether to change the name and what to change it to.

DOB: Is there a theme/concept that you're considering for the name currently?

Pat: Responding to climate change, the Company's mission is to build an energy transition company, one that profitably provides consumers with clean, reliable, dispatchable and affordable energy. By "clean," in this context, we mean energy that can be used by consumers with no to low emission of greenhouse gases in our production or the consumers use of the energy. The Company values differentiating in the service to people who are impacted by and in a position to impact the Company's operations. Prominently, among this group, are the Indigenous people in whose traditional territory we are or would like to operate. We like "Kiwetinohk" as a name in that context. Whatever name we end up with, alignment with our mission and values will be a consideration.

Barb Bellacourt, a Cree language instructor with the Peace Wapiti Public School Division, selected the name Kiwetinohk and works with the Company to drive Indigenous cultural awareness and reconciliation action plans.

IBC looks forward to working with Kiwetinohk Energy Corp. who have a desire to see First Nations businesses thrive and succeed.

Rob Rollingson, Indian Business Corporation General Manager

Kiwetinohk and Indian Business Corporation are working together to support Indigenous entrepreneurs grow their businesses through financial loan programs.

Back row: Sue Kuethe, EVP of Land and Community Inclusion and Rob Rollingson, Indian Business Corporation's General Manager.

Front row: Pat Carlson, CEO and Jack Royal, Chairman of Indian Business Corporation.

SUPPORTING MICROLOANS FOR INDIGENOUS ENTREPRENEURS

In 2022, Kiwetinohk was proud to partner with Indian Business Corporation in the creation and funding of a newly created special microloan fund for members of First Nations communities in which Kiwetinohk operates, the Kiwetinohk Microloan Fund.

Indian Business Corporation's developmental lending program provides essential funding to growing Indigenous businesses across Alberta.

Founded in 1987, the Indian Business Corporation has provided access to capital for First Nations peoples, fostering opportunities for success and development. They have lent out over $100 million to finance First Nation's business initiatives across agriculture, heavy equipment and transportation, mining, oil and gas, and the service and hospitality industries.

At Kiwetinohk, we recognize that the fortunes of our stakeholders (which include people, everywhere, who seek to protect the environment; government and regulators; communities most impacted by the Company's activities, including Indigenous communities; industry partners; customers, suppliers and service providers, employees and capital providers) and our fortunes are inseparable. We see ourselves in the business of serving our stakeholders and together producing energy. Many of our operations take place on the traditional territories of First Nations. It is important for us to serve them well. We strive to be a solid, beneficial member of those communities in which we operate.

We recognize that members of these communities often lack access to capital.

Economic opportunity is the foundation of self-determination.

We believe the having funds made available in a special fund earmarked for our First Nation's community members has the feel of a circular economy. Our dollars invested with individual entrepreneurs helps families, which helps their communities, and when our employees get involved with those receiving the loans, it helps build lasting relationships between our company and members of these communities. When these small businesses thrive, entrepreneurs feel pride and can help others in their community. When the dollars are repaid those funds are available to start the process all over again. This is sustainable and the fortunes of the communities and Kiwetinohk will both be enhanced.

Kiwetinohk and Indian Business Corporation (IBC) are working together to support qualified entrepreneurs within Kiwetinohk's areas of activity.

For more information on the Kiwetinohk Microloan Program and other developmental loan programs available through Indian Business Corporation, visit www.indianbc.ca.

Land, Water and Biodiversity

We design, plan and manage our operations to reduce impacts on natural resources, such land, water and wildlife. Minimizing and managing land use begins early in the planning stages for both our upstream developments and Green Energy projects -- and continues across all parts of the energy project lifecycle – from operations to asset retirement and reclamation.

Our comprehensive land planning includes pursuing plant expansions on existing sites versus new standalone facilities and using existing roads, pipelines and other right-of-way to minimize surface disturbance.

Our key biodiversity, land and water initiatives include:

BIODIVERSITY

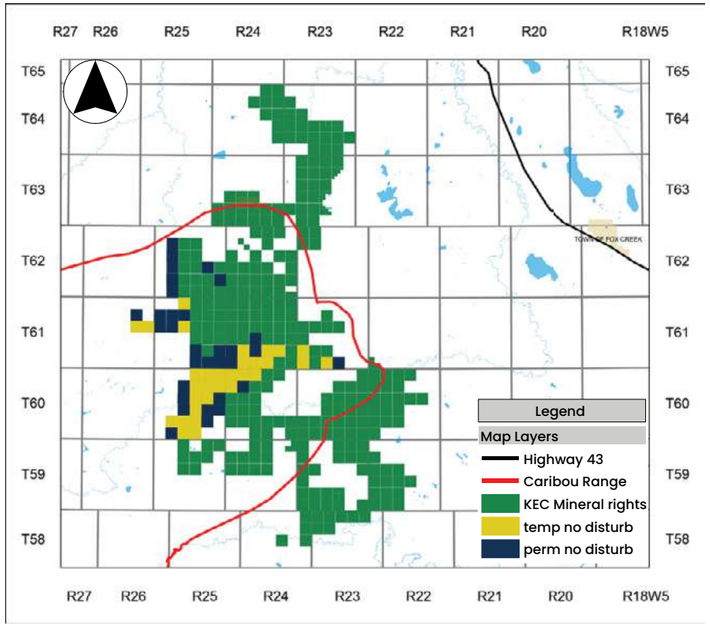
Woodland Caribou

Kiwetinohk's primary upstream operating area is located near Fox Creek, Alberta in an area where some of our lands are designated as important habitat for the Little Smoky Herd of Woodland Caribou, a Species at Risk.

Kiwetinohk strongly supports caribou recovery efforts in northwestern Alberta, including the vital multi-stakeholder efforts being undertaken by the Government of Alberta and Government of Canada to achieve specific species recovery objectives.

Kiwetinohk works with the Government of Alberta to restore caribou habitat including legacy seismic lines. Industrial impacts on the landscape, including seismic lines, are a key reason for elevated predator-caused mortality.

Kiwetinohk also adheres to strict land access conditions which significantly restrict current and future land disturbances in alignment with caribou recovery goals.



Recognizing the importance of Woodland Caribou and their habitat to the biodiversity and culture of the region, Kiwetinohk continues to work with the Government of Alberta, stakeholders and Indigenous people in the region to discuss additional proactive habitat restoration and species recovery activities.

As a new operator in the region, our goal is to set a high standard for caribou habitat restoration and protection, and to contribute new ideas and solutions to this complex multi-stakeholder issue.

Athabasca Rainbow Trout

The Athabasca Rainbow Trout is the only native population of rainbow trout in Alberta. It resides in the cold, clear streams of the upper Athabasca River system and has been declining for decades due to mining activity, climate change and breeding with introduced rainbow trout that leads to hybridized populations threatening the loss of this important biodiversity.

Canada's federal government lists the Athabasca Rainbow Trout as Endangered and it is considered an Alberta Species at Risk.

Kiwetinohk's leases and development areas include some areas of the Athabasca Watershed. In addition to taking ongoing precautions and ensuring regulatory compliance with respect to freshwater protection, Kiwetinohk takes extra measures to protect fish habitat and the riparian environment during road construction, including design and placing of culverts, controlling erosion and managing run off.

Grizzly Bears

Grizzly bears, a species at risk in Alberta, are found in some of the foothills and boreal regions where Kiwetinohk operates. We work actively to prevent human-bear conflicts that are both an occupational safety concern and a grizzly bear protection issue.

It is well known that grizzly bears searching for food can be attracted to human settlements such as oil and gas camps, drill sites and operating locations. We seek to prevent and deter grizzly bear intrusion through training staff and providing facilities to safely manage food storage and waste disposal.

We also provide workers with non-lethal bear deterrents such as bear spray and educate workers on the role and importance of grizzly bears as an iconic Alberta species and important part of our biodiversity. Given that our employees and contractors primarily work and live in the region, or other areas of grizzly bear habitat, this bear safety training has benefits that extend well beyond the workplace.

Western Grebe

Over the past several decades, western grebe populations in Alberta have declined as a result of habitat loss, boating disturbances and bioaccumulation of pesticides. A fish-eating water bird that winters on the Pacific coast and migrates inland to breed on freshwater lakes throughout much of Alberta, the western grebe was listed as a species at risk by the Government of Alberta is 2015.

Although the western grebe does not nest on any of Kiwetinohk's upstream operating sites, recorded nesting and breeding sites indicate its presence in the region and migration over areas in central and northwestern Alberta where Kiwetinohk conducts drilling and operations.

Kiwetinohk continues to explore ways it can work with conservation organizations and other stakeholders to protect this species and restore its natural habitat.

Early environmental work at Kiwetinohk's Homestead Solar Project site near Claresholm, Alberta.

WELL PAD DESIGN AND DRILLING

Land conservation and management begins with smart and responsible well design, which can significantly reduce surface land disturbance and impact of wildlife.

Kiwetinohk uses large, efficient multi-well pads, which can support up to 20 wells. Through increasing the lateral reach from the surface wellhead and increasing the reach of the fractures as well as drilling longer horizontal laterals, we can enable each well to drain a larger area.

We are working to optimize recovery and reduce use of land through well design and longer subsurface laterals. This allows us to space well pads more widely so we can also reduce the land needed for roads, pipelines, power lines, and the pads themselves.

Longer laterals and more multi-well pads mean less land use and less land disturbance for roads and other infrastructure.

A beaver dam on a pond near Fox Creek, Alberta.

WATER MANAGEMENT AND PROTECTION

Kiwetinohk uses fresh water in its upstream business and works actively to prevent produced and brackish water spills.

We collaborate with area operators to manage water use collectively and operate in strict compliance with Alberta's water regulations.

Kiwetinohk's operating region has abundant water resources. We develop fresh water pits to store water from the wettest parts of the year to reduce water withdrawals from rivers and groundwater when it is drier. Kiwetinohk, and the industry together, operates well within defined watershed use guidelines and regulations.

ASSET RETIREMENT AND RECLAMATION

Kiwetinohk takes an active approach to asset retirement and reclamation. With the consolidation of Kiwetinohk Resources Corp. and Distinction Energy in September of 2021, Kiwetinohk Energy committed to eliminating its total inactive asset retirement obligations (ARO) within five to seven years at a $36-million cost estimate based on current data.

In early 2022, Kiwetinohk advanced its ARO program, including phase one assessments of its inactive retirement obligations and began planning the implementation of an active asset retirement financial planning guideline.

Kiwetinohk's active asset retirement financial planning methodology is designed to ensure proactive funding for assets across their lifecycle through active phase funding for future retirement.

This approach anticipates Alberta Energy Regulator requirements for increased asset retirement spending and demonstrates our commitment to environmental performance and maintaining financial resiliency through end-of-life asset management.

GREEN ENERGY POWER PROJECT PLANNING AND DESIGN

In addition to Kiwetinohk's Green Energy power portfolio's focus on low- and no-carbon emissions, we are also focused on the highest standards of land, water and wildlife protection and performance across the lifecycle of our projects.

Environmental protection begins with site selection, screening for and avoiding environmentally sensitive sites, such as native grassland or on migratory bird pathways for our renewable solar energy projects.

Kiwetinohk has completed comprehensive environmental studies including wildlife studies, vegetation studies, wetlands delineation, rare plants, soils assessments, habitat mapping, and air emissions modeling for its Homestead Solar Project and Opal Power Plant applications.

Inclusion, Equity and Diversity

Kiwetinohk is working to become one of the most inclusive, equitable and diverse organizations in Canada, creating a place where everyone feels valued, respected and a strong sense of belonging.

In addition to offering the employees, contractors and consultants that work with us the opportunity to contribute to a compelling vision for Alberta's energy transition, we work to provide a respectful, inclusive and engaging work environment, including:

- Competitive pay and employee benefits
- Career growth and professional development
- A physically- and psychologically-safe workplace
- Opportunities to participate in the energy transition
- Ability to bring your whole self to work and be valued for your skills and talent

In 2022 we conducted our first ever Inclusion, Equity and Diversity Survey of Kiwetinohk employees, contractors and consultants. Although we are a small company, we had almost 100% voluntary participation.

The results show strong diversity across gender, race, ethnicity and disability indictors, including:

- 4% of people identify as Indigenous, including First Nations and Metis heritage
- 32% female employees / 65% male employees
- Non-binary and two-spirited representation
- 12 different ethnicities
- 8% identify as having a disability
- People who are part of the 2SLGBTQ+ community

Note: Kiwetinohk did not ask for age-related data in 2022.

Kiwetinohk staff members gathered in their orange shirts on the National Day for Truth and Reconciliation. Kiwetinohk promotes cultural awareness and education about Canada's colonial past, including residential schools and supports economic development in Indigenous communities through its work with groups such as the Indian Business Corporation. Jack Royal and Rob Rollingson of Indian Business Corporation stand next to Kiwetinohk CEO Pat Carlson starting fourth from left here.

For 2022, our goals include advancing our Inclusion, Equity and Diversity programs to deepen awareness about unconscious bias in the workplace, training people to recognize and challenge biased thinking that may exist.

We will also further promote hiring practices, programs and continue to establish Kiwetinohk as a top employer where talented people of all kinds feel included, engaged, and can contribute strongly to our vision and goals.

SASB Data Sheet

Standard(s)	Indicator(s)	Topic	Activity	Units	Disclosure / Explanation
OPERATIONS					
SASB	EM-EP-000.A	Operations	Production of:	boe/day	
			(1) oil and NGLs		5,521
			(2) natural gas		6,921
			Total		12,442
SASB	EM-EP-000.B	Operations	Number of offshore sites	number	0
SASB	EM-EP-000.C	Operations	Number of terrestrial sites	number	0
GREENHOUSE GAS EMISSIONS					
SASB	EM-EP-110a.1	Greenhouse Gas Emissions	Gross global scope 1 emissions	(assumed units: tonnes CO2e)	49,772
		Greenhouse Gas Emissions	Gross global scope 2 emissions	(assumed units: tonnes CO2e)	1,623.53
			Emission intensity (scope 1)		0.27
SASB	EM-EP-110a.1	Greenhouse Gas Emissions	Methane Emissions	%	14%
SASB	EM-EP-110a.1	Greenhouse Gas Emissions	Covered under emissions-limited reguations	%	77.50
SASB	EM-EP-110a.2	Greenhouse Gas Emissions	Flared Hydrocarbons	Metric tonnes CO2e	2,414.68
SASB	EM-EP-110a.2	Greenhouse Gas Emissions	Other combustion	Metric tonnes CO2e	40,124
SASB	EM-EP-110a.2	Greenhouse Gas Emissions	Process emissions	Metric tonnes CO2e	0
SASB	EM-EP-110a.2	Greenhouse Gas Emissions	Vented emissions	Metric tonnes CO2e	7,130
SASB	EM-EP-110a.2	Greenhouse Gas Emissions	Fugitive emissions	Metric tonnes CO2e	55.44
SASB		Greenhouse Gas Emissions	Flared gas	thousand m3	862.8
SASB		Greenhouse Gas Emissions	Vented gas	thousand m3	488.90
SASB		Greenhouse Gas Emissions	Solution gas conservation rate	%	

Standard(s)	Indicator(s)	Topic	Activity	Units	Disclosure / Explanation
AIR EMISSIONS					
SASB	EM-EP-120a.1	Air Emissions	Nox (excluding N2O)	Metric tonnes	277.56
SASB	EM-EP-120a.1	Air Emissions	Sox	Metric tonnes	3.20
SASB	EM-EP-120a.1	Air Emissions	Volitile organic compounds	Metric tonnes	25.13
SASB	EM-EP-120a.1	Air Emissions	Particulate matter	Metric tonnes	3.03
WATER					
SASB	EM-EP-140a.1	Water	Total fresh water withdrawn	Cubic meters	344,891
SASB	EM-EP-140a.1	Water	Total fresh water consumed	Cubic meters	344,891
SASB	EM-EP-140a.2	Water	Volume of produced water and flowback generated	Cubic meters	30,875
SASB	EM-EP-140a.2	Water	Water discharged	%	0
SASB	EM-EP-140a.2	Water	Water injected	%	100
SASB	EM-EP-140a.2	Water	Water recycled	%	0
SASB	EM-EP-140a.2	Water	Hydrocarbon content in discharged water	metric tonnes	0
SASB	EM-EP-140a.3	Water	Hydraullically fractured wells for which there is public disclosure of all fractuirng fluid chemicals used	%	100
SASB	EM-EP-140a.4	Water	Hydraulic fracturing sites where ground or suface water quality deteriorated compared to a baseline	#	0
BIODIVERSITY IMPACTS					
SASB	EM-EP-160a.2	Biodiversity impacts	Number and aggregate volume of hydrocarbon spills	#	0
SASB	EM-EP-160a.2	Biodiversity impacts	Volume of hydrocarbon spills in Arctic	#	0

SASB Data Sheet

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Standard(s)	Indicator(s)	Topic	Activity	Units	Disclosure / Explanation
SASB	EM-EP-160a.2	Biodiversity impacts	Volume of hydrocarbon spills impacting shorelines with ESI rankings 8-10	#	0
SASB	EM-EP-160a.2	Biodiversity impacts	Volume of hydrocarbon spills recovered	#	0
SASB	EM-EP-160a.3	Biodiversity impacts	Proved and probable reserves in or near sites with protected conservation status or endangered species habitat	%	66% - in or near Species at Risk habitat
HEALTH AND SAFETY					
SASB	EM-EP-320a.1	Health & Safety	Lost-time frequency: full-time employees	#	0
SASB	EM-EP-320a.1	Health & Safety	Lost-time frequency: contractors	#	1
SASB	EM-EP-320a.1	Health & Safety	Recordable frequency: full-time employees	#	0
SASB	EM-EP-320a.1	Health & Safety	Recordable frequency: contractors	#	0.2
SASB	EM-EP-320a.1	Health & Safety	Fatalities: Full-time employees and contractors	#	0
SASB	EM-EP-320a.1	Health & Safety	Near Miss Frequency Rate: Full-time employees	#	0
SASB	EM-EP-320a.1	Health & Safety	Near Miss Frequency Rate: Full-time contractors	#	0
SASB	EM-EP-320a.2	Health & Safety	Discussion of management systems used to integrate a culture of safety throughout the exploration and production lifecycle		Safe work procedures/ protocols, monthly ERP exercises, SOP/ GOP, training, daily/ monthly safety meeting, senior management field visits

Standard(s)	Indicator(s)	Topic	Activity	Units	Disclosure / Explanation
SOCIAL					
SASB	EM-EP-210.1	Security, Human Rights & Rights of Indigenous Peoples	Proved reserves in or near areas of conflict	%	0
SASB	EM-EP-210.1	Security, Human Rights & Rights of Indigenous Peoples	Probable reserves in or near areas of conflict	%	0
SASB	EM-EP-210.2	Security, Human Rights & Rights of Indigenous Peoples	Proved reserves in or near Indigenous land	%	100% - Kiwetinohk develops resources on Treaty 6, 7 and 8 land, which is also Metis homeland.
SASB	EM-EP-210.2	Security, Human Rights & Rights of Indigenous Peoples	Probable reserves in or near Indigenous land	%	100% - Kiwetinohk develops resources on Treaty 6, 7 and 8 land, which is also Metis homeland.
SASB	EM-EP-210b.2	Community Relations	Number and duration of non-technical delays	#	0
SASB	EM-EP-501a.1	Business Ethics & Transparency	Proved reserves in cuntries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	%	0
SASB	EM-EP-501a.1	Business Ethics & Transparency	Probable reserves in cuntries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	%	0
SASB	EM-EP-540a.1	Critical Incident Risk Management	Process Safety Event (PSE) rates for Loss of Primary Containment (LOPC) of greater consequence (Tier 1)	#	0

SASB Data Sheet

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Standard(s)	Indicator(s)	Topic	Activity	Units	Disclosure / Explanation
ECONOMIC					
SASB	EM-EP-420a.1	Reserves Valuation & Capital Expenditures	Sensitivity of hydrocarbon reserve levels to future price projection scenarios that account for a price on carbon emissions		See Strategy: Plan for the Energy Transition
SASB	EM-EP-420a.2	Reserves Valuation & Capital Expenditures	Estimated carbon dioxide emissions embedded in proved hydrocarbon reserves	Metric tonnes CO2e	1,342,555
SASB	EM-EP-420a.3	Reserves Valuation & Capital Expenditures	Amount invested in renewable energy, revenue generated by renewable energy sales	CAD	$867,000 $0
SASB	EM-EP-420a.4	Discussion of how price and demand for hydrocarbons and/or climate regulation influence the capital expenditure strategy for exploration, acquisition, and development of assets.	Management discussion		See Strategy: Plan for the Energy Transition

1. The Kiwetinohk 2022 ESG report includes performance data from Q4 2021 unless otherwise noted.
2. All operating assets in Q4 2021 are included (including corporate office building)
3. Gases included in Scope 1 and 2 calculations: CO_2, CH4, NOx, SOx, VOC, PM
4. Emissions from non-variable fuel have been included
5. Source of emission factors and global warming potentials used in calculations: All emission factors used for Scope 1/2 emissions, ODS, Nitrogen Oxides, Sulphur Dioxides, Other Significant Air Emissions, and Biogenic Emissions are provided by the Canadian Association of Petroleum Producers (CAPP), Canada Energy Regulator (CER), Environment Climate Change Canada (ECCC) and Alberta Environment and Protected Areas.

Abbreviations

$/bbl	dollars per barrel
$/boe	dollars per barrel equivalent
$MM	millions of dollars
AESO	Alberta Electric System Operator
AEPAA	Alberta Environment and Protected Areas
AIF	Annual Information Form
AUC	Alberta Utilities Commission
ARO	Asset retirement obligations
bbl/d	barrels per day
BIPOC	Black, Indigenous, People of Color
boe	barrel of oil equivalent, including crude oil, condensate, natural gas liquids, and natural gas (converted on the basis of one boe per six mcf of natural gas)
CCUS	Carbon Capture, Use and Storage
COD	Commercial Operations Date
FEED	Front End Engineers and Design
FID	Final Investment Decision
GHG	Greenhouse gas
Mbbl/d	millions of barrels per day
Mboe/d	millions of barrels of oil equivalent per day
Mcf/d	thousand cubic standard feet per day
MMboe	million barrels of oil equivalent
MMBtu	million British thermal units
MMcf/d	million cubic feet per day
MW	Megawatt
NGCC	Natural Gas Combined Cycle
WTI	West Texas Intermediate

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