



Matthew Davie
Vice President
Reservoir Engineering, Geoscience, & Asset Development
587-476-4330
matthew.k.davie@esso.ca

December 23, 2022

Office of the Regulator of Oil and Gas Operations
Government of the Northwest Territories
P.O. Box 1320
Yellowknife, NT
X1A 2L9

Attention: Mike Martin
Chief Conservation Officer

Mr. Mike Martin:

Re: Mackenzie Gas Project – Annual Report

In the Imperial Oil Resources Ventures Limited Application for an Extension to the Sunset Clause for the Mackenzie Gas Project (OA-2015-001) the NWT Office of the Regulator of Oil and Gas Operations included the following planning condition in their approval:

The Proponents shall file an Annual Report with the Regulator by December 31st of each year beginning in December 2017. The report will describe any steps the Proponents have taken to advance activities or decisions that are preconditions to the Proponents' "Final Decision to Construct" the MGS, including but not limited to:

- *Re-staffing*
- *Engineering*
- *Field programs*
- *Initiating applications for site-specific permits from other regulators*
- *The timing of a "Final Decision to Construct" and whether construction of MGS can reasonably be expected to commence prior to 31 December 2022*

Throughout the extension period, Imperial has maintained the consistent view that long-term, higher certainty strengthened market fundamentals are required before resuming work on the Mackenzie Gas Project. It is Imperial's current view that the long-term supply-demand outlook for North American gas remains uncertain due to global economic conditions and evolving Canadian energy transition policy and regulations. Aligned with Imperial's decision to not pursue an extension request for an extension to OA-2015-001, Imperial has taken the decision to not pursue development of the Mackenzie Gas Project, and associated construction activities prior to the expiry of OA-2015-001 on December 31, 2022.

Imperial remains open and committed to future engagements with stakeholders in the Northwest Territories to ensure that Imperial's natural resource holdings associated with the Mackenzie Gas Project can be made available for future potential development options.

Sincerely,

Matthew K. Davie
Vice President – Reservoir Engineering, Geoscience, & Asset Development
Imperial Oil Resources Limited