March 16, 2015

OIL SANDS INFORMATION BULLETIN 2015-03

Subject: Cost Analysis & Reporting Enhancements (CARE) – New CARE Reports Effective for the 2015 Period

The CARE reports, as set forth under section 38.1 of the Oil Sands Royalty Regulation, 2009 ("OSRR09"), glossary and reporting timetable have been revised. Alberta Energy requires operators to use the revised CARE reports for the 2015 Period onward. The Oil Sands Reporting Calendar will be updated shortly to reflect the new reporting cycle for the 2015 Period.

All versions of the CARE reports, CARE glossary and CARE timetable, as well as their respective effective periods, are available on Alberta Energy’s website in Excel format. From our main internet site, navigate to “Our Business”, then to “Oil Sands”, “Forms”.

Please note that for Periods prior to 2015, operators must use the version of the CARE reports effective at that time.

Reason for CARE Revisions

The objective of CARE is to improve the accountability and transparency of Alberta’s oil sands royalty system. CARE data has been collected since 2009.

In the summer of 2014, the current state of the CARE reports was assessed to address inefficiencies, and to update them to reflect the current business environment. The goal was to make the reports more useful for Alberta Energy and more user-friendly for industry. This undertaking included an internal assessment of what Alberta Energy requires from the CARE reports, as well as external consultation to address any concerns industry may have with the CARE reports.

The first consultation meeting with industry to discuss the revisions to the CARE reports was held on October 2, 2014. Consultations continued throughout 2014 and into January 2015. Industry’s feedback was considered and the revisions to the reports have been finalized.

Major Changes to the CARE Reports Effective for the 2015 Period

Please note that the CARE glossary has been updated to include new data fields and to clarify existing fields.

CARE Cost Report

- Previously due quarterly, it will be due annually commencing with the 2015 Period.
- Revised report is streamlined and only has one tab for OPEX reporting.
• Volumetric information is condensed to one tab and is now a part of the Cost report.
• A description box has been added to allow operators to highlight major operations, expansions or disruptions that affected cost.
• Added “Other” cost fields for users to define.
• Various fields have been updated for clarity or removed if redundant.

CARE Subsurface Report
• Still due annually (no change).
• Renamed – previously called CARE Project Report.
• No longer requires reporting on the initial Project. Only requires reporting on the approved Project to date, which includes amendments.

CARE Revenue Report
• Still due quarterly (no change).
• The worksheet has been simplified. Format refinement and drop down menus have been included.
• Product type has been included in the cover page. This is aligned with the stream name as the streams have only one product.
• Unit price and handling charge information for Non-Arm’s Length transactions have been removed.
• Transportation information has been expanded to capture proper mode of transportation as well as information related to pipeline and rail.

CARE WCS Sales
• Still due quarterly (no change).
• The worksheet has been standardized. Format refinements (not content) have been included.
• A cover page (similar to the CARE Revenue report) has been included.
• Monthly tabs have been included to facilitate the reporting.

Implementation Date and Deadlines

The revised CARE reports are effective for the 2015 Period onwards. The four revised reports with a summary of upcoming reporting deadlines are found in the table below.

<table>
<thead>
<tr>
<th>Report</th>
<th>Reporting Cycle</th>
<th>First submission for the 2015 Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>Quarterly</td>
<td>May 20, 2015</td>
</tr>
<tr>
<td>WCS Sales</td>
<td>Quarterly</td>
<td>May 20, 2015</td>
</tr>
<tr>
<td>Cost (In-situ or Mining)</td>
<td>Annually</td>
<td>April 30, 2016</td>
</tr>
<tr>
<td>Subsurface</td>
<td>Annually</td>
<td>June 30, 2016</td>
</tr>
</tbody>
</table>

For a complete timetable of CARE submission deadlines, please refer to the timetable in Appendix 1 of this Information Bulletin. The timetable can also found on the Alberta Energy website. Please note all CARE reports must be accompanied by a Statement of Approval.
pursuant to section 38.1(3)(b) of the OSRR09. Penalties may apply if submissions are not made by the deadline. Refer to IB 2013-21 for additional information on late-filing penalties.

For new Project approvals, the operator should submit the latest CARE reports that were most recently due, by the end of the month following the month in which the Project was approved. For quarterly CARE reports, only the most recent report is due as reports are cumulative in nature and will include information for all prior reports.

For Project amendments, in most cases the amendment may be reported in the next CARE report due. However, for Revenue reports, if the amendment pertains to a prior year and the fourth quarter Revenue report has already been filed, it should be amended. For Cost reports, if the annual report has not yet been filed, the amendment may be included in this report by the regular filing deadline. However, if the Cost report has already been filed for that year, an amendment to this report must be made. Amendments to CARE reports are due by the end of the month following the month the Project amendment was approved.

For detailed examples, please refer to the Industry Training “CARE: Administrative Issues” located on the Alberta Energy website under Oil Sands Forums, which will require login access.

Submissions

All reports must be submitted electronically in Excel format through the secure web application Electronic Transfer System (ETS) as “Correspondence”.

To receive access to ETS, an ETS account Set Up/Change Form must be submitted to Alberta Energy. The majority of our clients have access to ETS with various permissions. Please ensure your permissions include access to the “Correspondence” folder. This will allow you to submit your CARE reports through ETS. You may obtain the application form from the Alberta Energy ETS page.

ETS File Naming
Report naming conventions have been developed for all CARE reports. When saving the form documents in Excel format you must use the following conventions:

1. **CARE Subsurface Report**
   Project Number_Year_Subsurface_Version Number.xlsx
   
   Example: OSR999_2015_Subsurface_V1.xlsx

2. **CARE Cost Report**
   Project Number_Year_Costs(IS or M)_Version Number.xlsx
   
   Example: In-situ, use “IS”: OSR999_2015_Costs(IS)_V1.xlsx
   Mining, use “M”: OSR999_2015_Costs(M)_V1.xlsx

3. **CARE Revenue Report**
   Company Name_BA ID_Stream Abbreviation_Year_QTR#_REVENUE_Version Number.xlsx
   
   Example: My Company_A6K5_LLE_2015_QTR2_REVENUE_V1.xlsx
4. **CARE WCS Sales**

Company Name_BA ID_Stream Abbreviation_Year_QTR#_WCSS_Version Number.xlsx

*Example:* My Company _A6K5_MULTI_2015_QTR2_WCSS_V1.xlsx

5. **CARE Statement of Approval**

<Any file name>_CARESOA.pdf

*Example:* My Company _2015_QTR2_CARESOA.pdf

For reports that have the version number in the report naming convention, please use a version number of V1 for the initial submission and update the version number (e.g., V2, V3…etc.) for each subsequent amendment. There is no version tracking available in ETS Correspondence. The version number in the file name is intended only for the manual determination of which copy of a report is the most recent.

For WCS Sales, please use the stream abbreviation “MULTI” if there is more than one stream contributing to WCS.

**Training**

Alberta Energy will be conducting a training session on CARE reporting in Calgary. The session will include a presentation that goes through the new reports and explains how to fill them out accurately. The presentation will be followed by a question period.

**When:** April 1, 2015  
**Place:** AMEC Place  
3rd Floor Boardroom  
801 - 6th Ave SW  
Calgary  
**Time:** 1:30 pm to 4:00 pm

Seating capacity is limited. Please email Katrina.Ferrera@gov.ab.ca by Friday, March 27, 2015 to register for this training session.

Questions regarding this Information Bulletin may be directed to:

<table>
<thead>
<tr>
<th>For Cost Related Questions:</th>
<th>For Revenue Related Questions:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manfred Pade</td>
<td>Yasmin Rahemtulla</td>
</tr>
<tr>
<td>Director, Project Engineering and Approvals</td>
<td>Director, Energy Markets</td>
</tr>
<tr>
<td>Oil Sands Operations</td>
<td>Energy Information and Analysis</td>
</tr>
<tr>
<td>6th Floor</td>
<td>5th Floor</td>
</tr>
<tr>
<td>Petroleum Plaza – North Tower</td>
<td>Petroleum Plaza – North Tower</td>
</tr>
<tr>
<td>9945 – 108 Street</td>
<td>9945 – 108 Street</td>
</tr>
<tr>
<td>Edmonton, Alberta T5K 2G6</td>
<td>Edmonton, Alberta T5K 2G6</td>
</tr>
<tr>
<td>780 644-1567</td>
<td>780 427-0055</td>
</tr>
<tr>
<td><a href="mailto:Manfred.Pade@gov.ab.ca">Manfred.Pade@gov.ab.ca</a></td>
<td><a href="mailto:Yasmin.Rahemtulla@gov.ab.ca">Yasmin.Rahemtulla@gov.ab.ca</a></td>
</tr>
</tbody>
</table>
For the 2015 and subsequent Periods, all CARE reports are filed on a year to date basis according to the timetable below. For CARE Revenue reports, amendments can be tued up in the next quarter’s filing, whereas for CARE Cost and Subsurface reports, amendments would require a re-submission. All these reports (including re-submissions) must be accompanied by a Statement of Approval. The following table provides due dates for CARE reports. If the due date falls on a weekend or statutory holiday, the report will be due on the next business day.

<table>
<thead>
<tr>
<th>CARE Report</th>
<th>Frequency</th>
<th>Filing Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>CARE – Cost Reports for both In-Situ and Mining (Allowed Costs – Capital and Operating Costs, EOPS Reconciliation, and Volumetric)</td>
<td>Annually – Year to date</td>
<td>April 30th of the following year</td>
</tr>
<tr>
<td>CARE – Revenue Reports</td>
<td>Quarterly – Year to Date and Detailed by month</td>
<td>1st Qtr – May 20th 2nd Qtr – Aug 20th 3rd Qtr – Nov 20th 4th Qtr – Feb 20th of the following year</td>
</tr>
<tr>
<td>CARE – Subsurface Reports for both In-Situ and Mining (Previously known as CARE Project) (Reservoir and Reserves)</td>
<td>Annually – Year to Date</td>
<td>June 30th of the following year</td>
</tr>
<tr>
<td>Western Canadian Select Sales</td>
<td>Quarterly – Year to Date and Detailed by month</td>
<td>1st Qtr – May 20th 2nd Qtr – Aug 20th 3rd Qtr – Nov 20th 4th Qtr – Feb 20th of the following year</td>
</tr>
<tr>
<td>CARE – Statement of Approval</td>
<td>Quarterly or Annually (dependent on Report)</td>
<td>For CARE – REVENUE Reports: 1st Qtr – May 20th 2nd Qtr – Aug 20th 3rd Qtr – Nov 20th 4th Qtr – Feb 20th of the following year  For CARE – WESTERN CANADIAN SELECT Reports: 1st Qtr – May 20th 2nd Qtr – Aug 20th 3rd Qtr – Nov 20th 4th Qtr – Feb 20th of the following year  For CARE – COST Reports: April 30th of the following year  For CARE – SUBSURFACE Reports: June 30th of the following year</td>
</tr>
</tbody>
</table>
