



**THE**  
**YEAR** 2013  
ANNUAL REPORT

## OVERVIEW

### **Mission**

Noia's mission is to promote development of East Coast Canada's hydrocarbon resources and to facilitate its membership's participation in global oil & gas industries.

### **Profile**

Founded in 1977, Noia (Newfoundland & Labrador Oil & Gas Industries Association) is the largest offshore oil & gas industry association in Canada with over 600 members.

Noia members provide products and services for the petroleum sector. Noia associate members include petroleum companies, trade associations and government bodies and agencies at the municipal, provincial and federal levels.

As a member-directed association, Noia provides:

### **Access to Business Opportunities**

Noia captures and disseminates information relevant to membership's business opportunities. Noia gathers and provides analysis of information that is relevant to the market segments of the Noia membership, for the purpose of facilitating participation in the local oil & gas industry.

### **A voice for the supply and service sector**

Advocacy is a fundamental component of Noia's activities. Noia works to influence outcomes in public-policy, industry policy and resource allocation decisions within political, economic, and social systems and institutions that directly affect its members' participation in the oil & gas industry.

### **Industry Promotion**

Noia creates awareness and promotes the positive impacts of the industry to stakeholders, external groups and the public. Noia's marketing and communications activities raise the profile of the Newfoundland & Labrador oil & gas industry to a national and international audience.

### **Networking & Events**

Noia provides members with a wide-ranging program of events aimed at introducing its members to key stakeholders in the industry. These events include its flagship event, Noia's annual conference, networking lunches, seminars and supplier development sessions.



To deliver its membership programs and services effectively, Noia has established a strong network of volunteers and a highly-skilled staff team.

As a not-for-profit organization, Noia is governed by a volunteer Board of Directors which provides strategic direction to the Association's professional staff. The Board's Chair, Vice-Chair, Past-Chair and Treasurer, together with the Noia President & CEO, make up the Executive Committee.

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2013 BOARD OF DIRECTORS



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MESSAGE FROM THE CHAIR

CONFERENCE  
2013

[www.noia.com](http://www.noia.com)



NOIA

As I step down as Chair of Noia's Board of Directors this year, I can't help but reflect on the past eight years that I have been involved with the Association. 2013 has been yet another exciting year for the oil & gas industry in Newfoundland & Labrador. Major projects like Hebron and the White Rose Extension Project are progressing with increased subsea tieback activity increasing on our shores.

We are all excited with the two big news stories for our local industry with Statoil's announcement of discoveries in the Flemish Pass Basin and Nalcor's seismic activity in Labrador and the discovery of new basins. All very promising!

This year, I was happy to represent Noia members in Ottawa as we took a small advocacy delegation to Ottawa to meet with senior Federal government officials, including the Minister of Natural Resources, the Honourable Joe Oliver and the Minister of State, Atlantic Canada Opportunities Agency, the Honourable Rob Moore. During the course of our meetings we took the opportunity to update federal officials on our jurisdiction and to advocate for changes that will help increase exploration attraction in our region.

On the heels of our Ottawa visit, we were delighted to receive news of the changes to the land tenure system. We have long been advocating for the implementation of a scheduled land tenure system in Newfoundland & Labrador. This change will most definitely improve our ability to market our offshore globally and will help attract new explorers to our shores by providing advance notice of future licensing rounds. Scheduled licensing rounds will provide notice of offshore land that will be available in future sales and will allow sufficient time for oil & gas companies to acquire seismic data, evaluate their data and make investment decisions. Scheduled calls for bids will now be held in four-year cycles, two-year cycles and one-year cycles depending on activity levels in each of the eight regions in the Newfoundland & Labrador offshore.

I believe, 2013 will be remembered as a pivotal year for our industry. Great things are on the horizon and the rewards for us all and our province outweigh any challenges we may face. I look forward to watching our industry continue to grow and be assured Noia will be here for our members and industry, actively advocating for a better future for our province.

In closing, I would like to thank Bob Cadigan, President & CEO and the staff at Noia for their continued hard work in bringing Noia to where it is today as Canada's largest offshore oil & gas association, and for their commitment to you – our members.



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Trevor Giles

MESSAGE FROM THE PRESIDENT & CEO



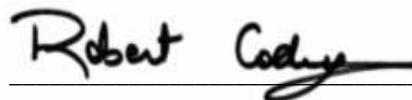
The *Globe & Mail* declared the Newfoundland & Labrador oil & gas industry as a bright spot on the nation's energy landscape in its December 18, 2013 edition, citing both the Hebron Project and the Statoil announcement as the reasons for the optimism for more exploration in our region. Newfoundland & Labrador regularly appears in international industry publications and the impact of our industry on our province has recently been featured in the *Wall Street Journal*. Of course this wasn't news to us here, as we are well aware of the strength of our offshore oil industry and the increase in attention resulting from a combination of the Nalcor led multi-client seismic program and the finds in the Flemish Pass Basin. These are game changing events for our industry and usher in a new era in exploration.

2013 also saw Husky Energy announce plans to move ahead with its wellhead platform option for the White Rose Extension Project. Husky, along with partners Suncor Energy, Nalcor Energy and the Government of Newfoundland & Labrador announced on October 10th the \$2.5-billion White Rose Extension Project will fully develop the West White Rose satellite field using a wellhead platform (WHP). Construction of the platform's concrete base will be done at a new graving dock to be built at Argentina. The WHP development option offers improved oil recovery, more oil production, longer field life, more in-province construction and an infrastructure legacy at Argentina.

Nalcor Energy's discovery of three newly defined basins in the Labrador Sea speaks to our region's potential and bodes well for future development. In addition to the new basins, a fourth previously established basin was discovered to be much larger than originally understood. The redefined Hawke basin and the new Henley, Chidley and Holton basins – named after nearby place names in Labrador — more than double the basin area of offshore Labrador.

Noia, as an association, also had an incredible year, with greater attendance at all of our events including our annual conference and the highest level of membership at over 600 strong. We have also increased our ability to better serve the interests of our members and have improved our advocacy efforts through a recent trip to the nation's capital. This year saw continued success in our advocacy efforts, particularly with the changes to land tenure system. We have also developed an exciting new initiative - the Industry Sustainability & Growth Strategy (ISGS). The ISGS is meant to inform and influence future public policy regarding the strategic and long-term development of the local oil & gas industry for future decades of investment attraction and production in Newfoundland and Labrador. This initiative will help us broaden stakeholder consultation and engagement and will help focus our advocacy for the long-term.

As we look ahead to a new year, I would like to take this opportunity to thank Noia's Board of Directors for their support and guidance, as well as our committees and volunteers for contributing their time and expertise to Noia activities and industry success.



Robert Cadigan



TERRA NOVA FPSO

### Conference Committee

- Mike Critch (Chair), NSB Energy
- Andy Noseworthy, ACOA
- Tim Murphy, Chevron Canada
- Paul Carter, Department of Natural Resources, Government of NL
- Margot Bruce-O'Connell, ExxonMobil Canada
- Margaret Allan, Husky Energy
- Andrew Bell, K&D Pratt Group
- Richard Wright, Nalcor Energy
- Doug Trask, Research & Development Corporation of NL
- David Christmas, Schlumberger Canada
- Caron Hawco, Statoil Canada
- Stephen Henley, Subsea 7
- Kim Keating, GJ Cahill & Company Limited
- Jason Muise, Technip Canada Limited

### Diversity Committee

- Moya Cahill (Chair), PanGeo Subsea
- Anne Whelan, Bren-Kir
- Carolyn Jewer, Schlumberger
- Ashley Turner, Kiewit-Kvaerner Contractors
- Kimberly Mullins, ExxonMobil
- Kathy Knox, Husky Energy
- Caron Hawco/Margot Noseworthy, Statoil
- Kim Keating, G.J. Cahill
- Paula Sheppard, NLOWE
- Carolyn Emerson, WinSETT

### Exploration Attraction Committee

- Raymond Collins, P.F. Collins International Trade Solutions (Chair)
- Richard Wright, Nalcor Energy
- Ted Pittman, The Shore Group
- Mark Cook, Ernst & Young

### Fall Seminar Committee

- Doug Youden (Chair), Upstream Solutions
- Rob Strong, Van Oord
- Paul Dwyer, Schlumberger

- Caron Hawco, Statoil
- Heather Beresford, Technip
- Phil Whalen, Levert Personnel Resources
- Jason Sheppard, OneSubsea

### Labour Committee

- Bruce Grant (Chair), Stewart McKelvey
- Jim Brown, GJ Cahill
- Joe O'Neill, Joe O'Neill Consulting
- Janet Green, Aker Solutions
- Sean Power, DFB Group
- Moya Cahill, PanGeo Subsea

### Membership Engagement Committee

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- Steve Dodd, GRI Simulations
- Denise Remillard, K&D Pratt Group
- Joan Brett, Carlson Wagonlit/Harvey's Travel
- Harry Pride, IKM Testing
- Geoff Cochrane, Deloitte
- Craig Ralph, AMEC Black & Macdonald
- Lee Parmiter, EnviroMed Detection Services

### Market Intelligence Committee

- Paul Dwyer (Chair), Schlumberger Canada Ltd
- Marty Gaulin, WorleyParsons Canada Services Ltd.
- Trevor Giles, Technip Canada Ltd.
- Geoff Cunningham, A. Harvey & Co.Ltd.
- Jeff Howard, Tailwinds
- Heather Beresford, Technip Canada Ltd
- Liam O'Shea, Atlantic Offshore Medical Services

### Outstanding Contribution Award Committee

- Tanny Collins, PF Collins International
- Geoff Cunningham, A. Harvey & Sons
- Kim Keating, G.J. Cahill
- Doug Trask, RDC
- Byron Sparks, Government of NL

### Exploration: Offshore Newfoundland & Labrador

Five exploration wells were completed in 2013:

- Harpoon O-85 by Statoil Canada in the Flemish Pass;
- Federation K-87 by Husky Energy in the Jeanne d'Arc Basin;
- Bay du Nord C-78 by Statoil Canada in the Flemish Pass;
- Bay du Nord C-78Z by Statoil Canada in the Flemish Pass;
- Margaree A-49 by Chevron Canada in the Orphan Basin.

Seismic survey programs collected almost 24,000 line kilometres of 2D data in 2013:

- GXT Technology collected 6,575 line kilometres of multi-client seismic data off Labrador using the MV Discoverer.
- MKI collected 14,354 line kilometres of multi-client 2D data on the Northeast NL Slope using the MV Sanco Spirit.
- MKI collected 2,939 line kilometres of multi-client 2D data in its Labrador Shelf survey program using the vessel Sanco Spirit.

Also in 2013, ExxonMobil collected 582 square kilometres of 3D/4D exclusive seismic data at the Hebron oilfield using the vessel WG Vespucci.

### Exploration: Onshore Newfoundland & Labrador

- Investcan Energy re-entered three wells: Gobineau No. 1, Red Brook No. 2 and Hurricane No. 2 in the Bay St. George Basin on Newfoundland's west coast.
- Investcan Energy filed regulatory documents in March with the province to drill two wells: Thoulet No. 1 and Thoulet No. 2 at Flat Bay on Newfoundland's west coast.

### Land Sale

On May 16, the C-NLOPB issued the 2013 Call for Bids on nine offshore parcels: one parcel in the Flemish Pass; four parcels in the Carson Basin; and four parcels off Newfoundland's west coast.

The 2013 land sale will not close until 120 days after the offshore petroleum board completes two ongoing Strategic Environmental Assessments (SEAs): the Western Newfoundland and Labrador SEA Update and the Eastern Newfoundland SEA.

On Dec. 19, the C-NLOPB unveiled its new scheduled land sales system. As part of the changes to the land-tenure system, the board divided the Newfoundland and Labrador offshore area into eight regions. Each region fits into one of three categories based on the level of offshore activity:

- Mature regions follow a one-year land sale cycle
  - Jeanne d'Arc Basin
- High activity regions follow a two-year land sale cycle
  - Eastern Newfoundland

- Low activity regions follow a four-year land sale cycle
  - Labrador North
  - Labrador South
  - North Eastern Newfoundland
  - South Eastern Newfoundland
  - Southern Newfoundland
  - Western Newfoundland.

The C-NLOPB also announced a call for nominations for areas of interest in two offshore regions, and at a later stage the board will call for the nomination of specific parcels in both regions:

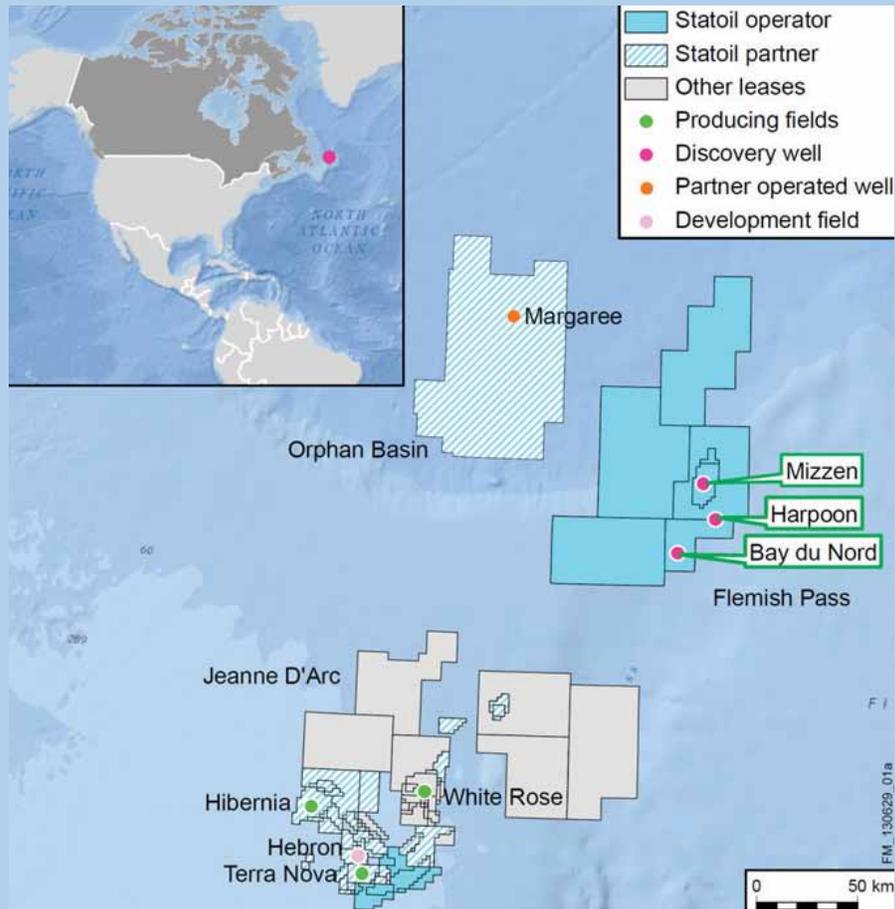
- Labrador South region
  - It ranges from Port Hope Simpson to just north of Nain.
  - Designated as a low-activity region, Labrador South will follow a four-year cycle.
  - The call for nominations for areas of interest closes March 15, 2014; the call for the nomination of parcels is scheduled to start September 2016.
- Eastern Newfoundland region
  - It includes the Orphan Basin and the Flemish Pass.
  - Designated as a high-activity area, the region will follow a two-year cycle.
  - The call for nominations for areas of interest closes March 15, 2014; the call for the nomination of parcels is scheduled to start September 2014.

### Expansion

- Husky Energy submitted a development application Oct. 21 for full development of West White Rose. Known as the White Rose Extension Project (WREP), it will be developed using a wellhead platform.
- Hibernia Management and Development Co. (HMDC) completed installation of the subsea equipment for Hibernia Southern Extension (HSE). Full production from HSE is scheduled for 2015.
- Husky Energy received regulatory approval in October to develop the North Amethyst Hibernia formation.
- Husky Energy received regulatory approval in June for the South White Rose subsea tieback development.

### Development

- On Oct. 10, Husky Energy and the Government of Newfoundland and Labrador announced a benefits agreement covering construction of a Concrete Gravity Structure for West White Rose. The platform's concrete base will be built at a graving dock under construction at Argentina.
- Work continues on the Hebron project. At Bull Arm, construction of the gravity base structure reached 27 metres in height in August and the next step is the 2014 tow-out of the GBS to a deep water site. First oil is scheduled for 2017.



## 2013 Industry Highlights

2013 was a significant year for the oil & gas industry in Newfoundland & Labrador with the biggest news of the year being Statoil Canada’s announcement of the resource estimate of its third discovery in the Flemish Pass at 300-600 million barrels of recoverable, light sweet crude.

The other big news was Nalcor’s announcement of three newly defined basins in the Labrador Sea, and a fourth previously established basin was discovered to be much larger than originally understood: the redefined Hawke basin and the new Henley, Chidley and Holton basins.

Husky Energy announced the \$2.5-billion development of the White Rose Extension Project (WREP) and the Hebron Project continued to progress with the GBS well underway.

Across 2013, Brent crude prices averaged \$108 per barrel, while West Texas Intermediate was at the \$97 level.



## Offshore Newfoundland & Labrador

### Hebron

Work continues on the \$14-billion Hebron project to develop 700 million barrels of oil by 2017.

In August, the concrete gravity base structure (GBS) reached 27 metres in height with the completion of slip-forming operations and tri-cell walls, which began last summer at the Bull Arm drydock. The next phase will be to flood the drydock and float the GBS to the nearby deepwater site where construction will continue. In preparation for this stage, a nine-line mooring system was installed during the third quarter.

Flooding of the drydock is scheduled to begin during the second quarter of 2014, including removal of the bund wall, which was completed in 2012, and dredging of a tow-out channel for the move to the deepwater site.

First steel was cut in July for the utilities and processing module (UPM) at the Hyundai Heavy Industries yard in South Korea. In October, work

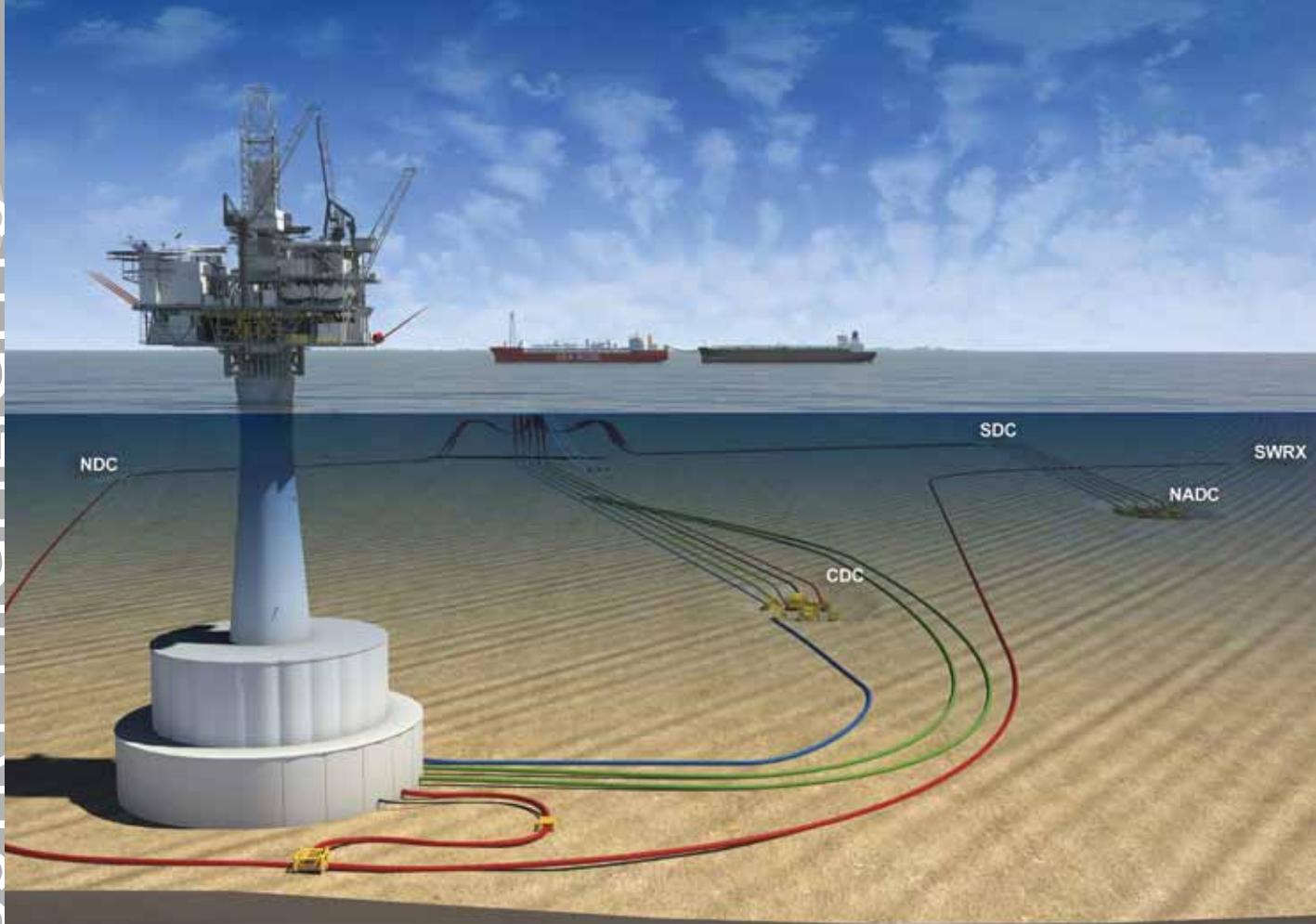
started on the derrick equipment set also being built by Hyundai.

Other Hebron highlights of 2013 include: in March, first steel for the living quarters was cut at Metal World; in May, the Kiewit Offshore Services facility in Marystown cut first steel for the drilling support module; and in June, construction of the platform's helideck was awarded to C&W Offshore in Mount Pearl.

### White Rose

On Oct. 10 Husky Energy announced the \$2.5-billion development of the White Rose Extension Project (WREP) will utilize a wellhead platform to be built at Argentia.

The platform's concrete base will be built at a new Argentia graving dock, complete with gates that have a 25-year design life. Husky, which signed a lease agreement with the Argentia Management Authority, expects work on the graving dock to begin as soon as it has environmental permits in



hand. On Oct. 16, Husky announced that Nova Scotia-based Dexter Construction Co. Ltd. was awarded the contract to build the graving dock.

On Oct. 21, Husky submitted its development application to the Canada-Newfoundland and Labrador Offshore Petroleum Board for WREP.

The wellhead platform will fully develop 115 million barrels of oil from the West White Rose satellite, which has been producing oil from a well-pair pilot program since September 2011.

For more than a year, Husky had considered two development options for the West White Rose: a wellhead platform or a subsea tieback.

“Using a wellhead platform for this project signals an innovative way of developing smaller satellite developments in Newfoundland and Labrador,” said provincial Natural Resources Minister, Derrick Dalley, in a release. “This option demonstrates prudent resource development by increasing recoverable oil and extending the field’s life.”

The platform will be capable of drilling wells, but will not have storage or processing facilities.

Instead, oil will be pumped aboard the SeaRose FPSO, where it will be processed, stored and offloaded to tankers that transport the crude to market.

In-province work on the wellhead platform includes project and procurement management; engineering and construction of the graving dock, gates, the concrete gravity structure and the accommodations modules; and the fabrication of the flare boom, heli-deck, and lifeboat stations.

First oil is scheduled in 2017.

In June, Husky received regulatory approval for the \$1.2-billion South White Rose subsea tieback development. The development is targeting 33 million barrels of oil. Of this, 24 million barrels comes from South White Rose and nine million barrels are contained in a portion of the main South Avalon Pool known as the Terrace.

Husky expected first gas at South White Rose during the fourth quarter of 2013. Once additional subsea equipment is installed next summer, first oil is anticipated by the end of 2014.



In late October, Husky received approval to develop the North Amethyst Hibernia formation. The Hibernia formation will be drilled from the existing North Amethyst drill centre and Husky has said production of an estimated 8 million barrels of light crude could start as soon as the wells are drilled.

In 2009, Husky announced it had discovered more oil deep in the Hibernia formation, which lies beneath the producing Ben Nevis/Avalon formation at White Rose. North Amethyst, which was developed via the first subsea tieback in the province's offshore, started production in May 2010.

On the exploration front, Husky encountered no commercial hydrocarbons at the Federation K-87 well during 22 days of drilling that started June 20, according to a Sept. 26 news release. In August, Husky also spudded a well at its Northwest White Rose prospect.

### Hibernia

Development of the \$1.7-billion Hibernia Southern Extension (HSE) continued with installation of the subsea equipment, flowlines and jumpers during the third quarter of this year. This work is expected to be completed during the fourth quarter, using

Technip Canada's Deep Pioneer multi-purpose support ship.

Oil first flowed from one well in the southern extension in June 2011. Full production of HSE's 223 million barrels of oil is now anticipated in 2015.

Drilling of the water-injector wells by the West Aquarius rig began early in 2014. In June, ExxonMobil Canada President, Andrew Barry said the Hibernia partners had approved up to five platform wells and up to six subsea water-injector wells for Ben Nevis-Avalon.

### Terra Nova

The Terra Nova oilfield shut down production on Sept. 25 for 11 weeks of maintenance that included replacing broken links in one mooring chain and carrying out preventative maintenance on the remaining eight mooring chains. Suncor started ramping up production Dec. 6.

Suncor Energy extended its previously planned four-week maintenance program following a routine inspection that detected the damaged links. Subsea 7 Canada utilized the dive-support vessel Seven Falcon to complete that work and to install subsea equipment, including one new flow base.

The Terra Nova floating production storage and offloading (FPSO) vessel disconnected from the field Oct. 6 and was moored for several weeks in Conception Bay. Other items on the maintenance to-do list included replacement of the vessel's port main power generator gearbox, pressure safety valve changes, pipe replacements, gas compression inspections, valve repairs and replacements, and work on the thruster assisted mooring system. By Nov. 10, the FPSO had returned to the Grand Banks and reconnected to the oilfield.

In November, the C-NLOPB issued two significant discovery licences (SDLs 1051 and 1052) to Suncor based on the natural gas discovery at its Ballicatters M-96Z exploration well drilled two years ago. The offshore petroleum board estimated natural gas resources at the Ballicatters discovery to be 1.143 billion cubic feet and natural gas liquids of 21 million barrels.

In October, Suncor filed a project description with the Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) outlining plans for an 10-year seismic survey program on the North Grand Banks, where the company currently has interests in two exploration licences, 10 significant discovery licences and three production licences. The proposed start date for the program is spring 2014 or the following year, pending regulatory approvals. Suncor is proposing to conduct 2D, 3D and 4D seismic surveys, along with wellsite surveys and vertical seismic profiling, according to the documents filed with the C-NLOPB. The survey coverage area spans more than 92,000 square kilometres, including portions of the Jeanne d'Arc Basin, the Flemish Pass and the Orphan Basin.

In April, the C-NLOPB reassessed its oil reserve estimates for the Terra Nova oilfield from 419 million barrels to 506 million barrels – bringing it closer to Suncor's reserve estimate of 516 million barrels.

#### **Flemish Pass**

Statoil called the Bay du Nord discovery the company's largest find outside Norway and the 12th largest discovery globally since 2010.

"This brings us one step closer to becoming a producing operator in the area," said Tim Dodson, executive vice president of Statoil Exploration, in a Sept. 26 news release.

"With only a few wells drilled in a large licensed area, totalling about 8,500 square kilometres, more work is required. This will involve new seismic as well as additional exploration and appraisal drilling to confirm these estimates before the partnership can decide on an optimal development solution in this frontier basin."

Combined with discoveries at Harpoon this past summer and the 2009 Mizzen discovery, Statoil and partner Husky Energy have opened a new basin in the deepwater frontier 500 kilometres northeast of St. John's. Bay du Nord brings the total resource estimate to date for the deepwater frontier to 400-800 million barrels of oil.

Statoil says the Flemish Pass Basin has the potential to become a "core producing area" post-2020.

"This isn't just a big discovery by Newfoundland standards. This is a fairly large discovery by international standards," said Bob Cadigan, President and CEO of Noia, in the Sept. 27 Telegram. "It'll put the eyes of the world on us, from a prospectivity standpoint."

Statoil first announced the Bay du Nord discovery in August, but didn't quantify the resource potential until a sidetrack well completed in September confirmed it as "high-impact." The company also said the crude is light oil of 34 API, which is similar to Hibernia crude. API refers to the American Petroleum Institute, which sets the standard for measuring the density of petroleum.

In June, the company announced a discovery at its Harpoon well. It is still under evaluation and no resource estimate has been issued, but the company has described the crude there as high-quality oil that is lighter than the crude encountered at Mizzen. Statoil has estimated the Mizzen resource potential at 100-200 million barrels of oil.



The discoveries are also good news for exploration in the deeper waters beyond the oil-producing Jeanne d'Arc Basin that is home to the Hibernia, Terra Nova, White Rose and Hebron oilfields. All three Flemish Pass discoveries are in 1,100 metres of water.

### Orphan Basin

Chevron Canada drilled the third exploration well in the Orphan Basin in 2013 and has had no official comment on the well results. The drill ship Stena Carron returned to the waters off Newfoundland and Labrador this past summer to continue drilling the Margaree A-49 well on July 25. The work was started by the West Aquarius rig, which spudded the exploration well on March 16 and wrapped up its portion of the work less than two weeks later – moving on to drill wells in the Flemish Pass for Chevron's Orphan Basin partner, Statoil.

### Land sale

The C-NLOPB issued its 2013 call for bids on nine parcels of land in May – one parcel is located in the Flemish Pass, four in the Carson Basin and four off the island's west coast.

The closing date for bids will be 120 days after the C-NLOPB completes ongoing strategic environmental assessments (SEAs) for two regions:

- The SEA update for Western Newfoundland and Labrador is in final stages;
- A report for the Eastern Newfoundland SEA, which includes the Flemish Pass and Carson Basin, is scheduled for completion in 2014.

Up for the bids in the Flemish Pass is a 266,139-hectare parcel that borders three current exploration licences: EL 1126 held by Statoil,

Chevron and Repsol; EL 1111 held by Husky and Repsol; and EL 1134 issued in 2013 to Husky, Suncor and Repsol.

Four parcels spanning more than 1.1 million hectares are available in the Carson Basin, which lies south of the Jeanne d'Arc Basin. No ELs are currently held in the basin, where water depths range up to 3,000 metres.

In Western NL, four parcels totalling more 1 million hectares are up for bids. Two parcels are north of the Port au Port Peninsula, while the other two parcels are west of the peninsula. Water depths in the area range from 50 metres to 400 metres.

### Land Tenure System

Members of Noia were pleased to hear the Dec. 19, 2013, announcement by the Canada-Newfoundland & Labrador Offshore Petroleum Board (C-NLOPB) implementing a scheduled land tenure system in the province's offshore oil & gas industry.

This new system will significantly improve our province's ability to market our offshore globally and will help attract new explorers to our shores by providing advance notice of future licensing rounds.

Scheduled licensing rounds will provide notice of offshore land that will be available in future sales and will allow sufficient time for oil & gas companies to acquire seismic data, evaluate their data and make investment decisions. Scheduled calls for bids will now be held in four-year cycles, two-year cycles and one-year cycles depending on activity levels in each of the eight regions in the Newfoundland & Labrador offshore.

## Western Newfoundland

In early November, Natural Resources Minister Derrick Dalley announced the province will not accept proposals to hydraulically fracture wells onshore or offshore for petroleum exploration until:

- The province reviews hydraulic fracturing regulations, rules and guidelines in other provinces;
- The province completes technical work needed to assess the geological impact on Western Newfoundland;
- The province consults the public to ensure people have an opportunity to comment before any decision is made.

In response, Black Spruce Exploration issued a statement saying: "We recognize that hydraulic fracturing technology is new to the province and we are encouraged that the government intends to examine the rules and regulations employed in other jurisdictions where this technology has been used."

In 2012, Black Spruce proposed onshore-to-offshore exploration drilling on EL 1120, EL 1097R and EL 1170 between 2013 and 2019. It also proposed hydraulically fracturing those wells. The company submitted a project description with the C-NLOPB last year, but did not register its drilling program with the provincial Department of Environment. As a result, the environmental

assessment by the C-NLOPB is on hold. In December, the C-NLOPB turned down Shoal Point Energy's request for a one-year extension on EL1097R, which had been previously extended by the offshore petroleum board. The licence has expired and the land reverted to the Crown.

In late October, Black Spruce Exploration updated its schedule for drilling conventional oil wells at Garden Hill near Cape St. George on the Port au Port Peninsula. The company expects to start drilling at Garden Hill during the first half of 2014, pending regulatory approvals and the arrival of its drill rig.

Black Spruce is targeting an area close to the original Garden Hill production well that has so far pumped more than 15,000 barrels of oil. Black Spruce signed a farm-in deal with U.K.-based Enegi Oil for an interest in the Garden Hill production permit (2002-01A).

In the past year, Black Spruce has inked deals with a variety of junior oil and gas exploration companies operating on the province's west coast, including Ptarmigan Energy, Shoal Point Energy, and Deer Lake Oil and Gas. As a result, the company holds interests in almost 1 million hectares of onshore and offshore land in the region.

Under its deal with Ptarmigan, the company also committed to conducting a 3D seismic survey by 2014 and drilling a well at the Lark Harbour prospect no later than mid-June.



## Eastern NL SEA and Western NL SEA Update

On May 8, the C-NLOPB announced the start of a strategic environmental assessment (SEA) for the Eastern Newfoundland and Labrador offshore area. It covers the Jeanne d'Arc Basin, Orphan Basin, Flemish Pass, the Carson and Salar basins, and extends beyond the 200-mile limit into international waters. Public consultation sessions were held in September.

On June 21, the C-NLOPB issued the draft report for the Western Newfoundland and Labrador SEA Update, a process that started in December 2011. Following a three-month public comment period that ended in September and a final report is expected in 2014.

SEAs examine the potential environmental implications of a proposed program or policy decision, and assist the C-NLOPB in future licensing decisions for offshore petroleum activity in each of the four SEA regions: western, eastern, southern and Labrador.





Wayne Chipman and Mike Critch

### OCA 2013: Noia honours Wayne Chipman as industry leader

On February 27, Noia recognised Wayne Chipman as the recipient of its 2013 Outstanding Contribution Award during a Gala Dinner at the Sheraton Newfoundland Hotel. Mr. Chipman has been an institution in the Newfoundland & Labrador oil & gas industry since his return from Alberta in 1980. Over his 35-year career, he demonstrated the perseverance, initiative and capability necessary to capture value for our oil & gas industry, and our entire province.

Acknowledged by many to have “written the book” on regulations in our offshore, Wayne made a significant and lasting impact on our industry. In announcing the recipient of the 2013 award, Sean Power, Treasurer of Noia and Chair of the OCA selection committee stated, “Mr. Wayne Chipman is a true pioneer who has successfully helped to create our province’s oil & gas corporation. His 35 years of professional accomplishments include substantial and influential achievements in the private, public and academic sectors.”

While growing up in Bay Roberts, Wayne realized he had an aptitude for engineering, and developed a love for the oil & gas industry during his university work terms. After completing a Bachelor of Mechanical Engineering at Memorial University of Newfoundland in the late 1970s, he left his home province to pursue a career in the industry as a Reservoir Engineer with Gulf Oil in Calgary.

With his heart still in Newfoundland, Wayne came home just a few years later to a position within the Newfoundland & Labrador Petroleum Directorate. Over the coming years, Wayne Chipman was involved in many remarkable accomplishments. He set up the first NL-based reservoir team to conduct independent assessment of offshore petroleum resources, and conducted the first non-industry reservoir simulation study of the Hibernia field. He was instrumental in the development of provincial regulations governing offshore petroleum production and conservation. This was accomplished through his combination of technical aptitude, keen sense of the social-economic drivers for oil field development, and his quiet confidence and careful diplomacy which allowed him to develop strong ties with other oil and gas regulators in Canada, Norway, the UK and the USA. Our current offshore regulatory regime – one that is considered world-class and forms the cornerstone of offshore legislative requirements in all of Canada – was born in the early 1980s through Wayne’s collaborative work with counterparts within the National Energy Board, the Canada Oil and Gas Lands Administration (COGLA), the Department of Indian Affairs and Northern Development, and the province of Nova Scotia.

In 1985, Wayne was among those hunkered down in the back rooms of the Hotel Newfoundland, providing technical support to the province’s negotiating team for the Atlantic Accord Agreement with the federal government and was a member of the much celebrated team when the Accord

was signed. Twenty five years later, in that exact same spot, he was seen initialling the closing documents as a leading member of Team Newfoundland & Labrador on the signing of the Hibernia Southern Extension project.

Wayne also took the time to mentor all young engineers who passed through the doors of his offices at Nalcor and the C-NLOPB, taking great pleasure in knowing that the multi-nationals and other companies who hired them away were getting some of the best geosciences graduates the province had to offer.



**Noia 2013 Conference**

Noia’s annual conference is the region’s largest, most important oil & gas industry event. Taking place at the St. John’s Convention Centre, each June and with over 1100 delegates and internationally renowned speakers, it is a must-attend event for anyone wishing to do petroleum-related business in East Coast Canada.

The 2013 Conference featured project updates and outlooks from the region’s operators and keynote addresses from Amanda Lang, co-host

of CBC TV’s Lang and O’Leary Exchange, Amy Myers Jaffe, a leading expert on the geopolitics of oil, energy, security, and risk and an influential thought leader on global energy policy and sustainability and Erik Finnstrom, Senior Vice-President of Exploration North America, for Statoil.

The 2013 Noia Conference also informed delegates on the latest trends in the industry and provided insights into some of the challenging issues facing the industry, including sessions:

- Global Oil and Gas Market Outlook with

Francois Durve, Chief Economist, Schlumberger Onshore Opportunities - Moving Western Canadian Oil and Gas to Eastern Markets with

- Gerry Goobie, Principal, Gas Processing Management Inc.
- Hydraulic fracturing & the evolution of unconventional oil & gas resource development with Kevin Heffernan, President, Canadian Society for Unconventional Resources
- Advancing Global Deepwater Capabilities: Lessons being applied following the Deepwater Horizon accident & response with Felipe Bayon Pardo, Senior Vice-President BP America & Head of Global Deepwater Response

- NL's Regulatory Environment: A New Era with Scott Tessier, Chair, C-NLOPB
- Newfoundland & Labrador in a Global Exploration Context with Richard Tiley, Managing Consultant, Wood Mackenzie Upstream Ltd.

The conference also featured a panel discussion on social licence featuring Thomas Murphy, Co-Director of Penn State Marcellus Center for Outreach and Research; Espen Myhra, Deputy Director General, Royal Norwegian Ministry of Petroleum and Energy; Alex Ferguson, Vice-President, Policy and Environment, Canadian Association of Petroleum Producers (CAPP) and Dr. Bruce Beaubouef, Managing Editor, Offshore magazine.



Malcolm Maclean, Husky Energy

### **Noia's Fall Seminar focused on deepwater development**

Husky Energy's recently announced benefits plan for the White Rose Extension Project will bring new industrial capacity and technology to the offshore. Coupled with exploration successes in the Flemish Pass and the discovery of three new basins on the Labrador Shelf, Newfoundland & Labrador's prospectivity is on the rise on the global stage and is poised for further growth in the region.

Noia's 2013 Fall Seminar, titled Deepwater: Technology that Runs Deep, featured expert speakers on the topics of deepwater solutions and opportunities for the Newfoundland & Labrador offshore.

At the keynote luncheon, Noia members heard from Malcolm Maclean, Vice-President, Atlantic Region, Husky Energy, who outlined Husky's plans for the White Rose Extension Project.



L - R: Robert Cadigan, Rebecca Raymond, Doug Youden, Trevor Giles and Paul Dwyer

### Noia Commemorative Scholarship recipient

Rebecca Raymond, a Marine Environmental Technology student at the Marine Institute was named Noia's 2013 Commemorative Scholarship recipient. The scholarship, awarded at Noia's annual Fall Seminar, commemorates the first major milestone of Newfoundland & Labrador's petroleum industry - production of first oil from the Hibernia field on November 17, 1997. Established with the generous support of the provincial oil & gas industry, this \$1,000 scholarship is awarded annually to a graduating high school student in Newfoundland & Labrador who is entering post-secondary studies with the intention to pursue a petroleum-related career. The scholarship is awarded to the student who best meets academic, extra-curricular and needs criteria.

Rebecca is from the Goulds and graduated from St. Kevin's High School last June with Honours status. She was involved in a many diverse activities during her high school years, including choir, soccer and softball, Tutoring for Tuition, SADD (Students Against Drunk Driving), social justice club, and Maverick Motivators, a group dedicated completely to giving back to the community.

Rebecca has had a strong interest in marine and environmental conservation since she was a little girl. "From the very moment you start high school, everyone is asking you what you want to be, or what you want to do for the rest of your life," she said. "For many people this is a tough decision, however, not for myself. I knew I wanted to dedicate my life to this field of study."

Marine Environmental Technology is a three year diploma program offered at the Ridge Road campus of the Marine Institute. Graduates of the program develop environmentally sound projects and work to prevent and create responses to marine pollution or degradation. They work in diverse jobs and sectors, from safety inspection to climate control abatement, as the environmental industry provides support for all other sectors.

"Rebecca is truly a fresh young mind and a fitting recipient of this industry honour, said, Trevor Giles, Chair of Noia's Board of Directors and judge of the Noia-Hibernia Commemorative Scholarship Committee.

## Industry Events

### Noia members marketed local expertise at OTC

The largest ever NL delegation, including many Noia members, attended the 2013 Offshore Technology Conference (OTC) in Houston, Texas. The 2013 event marked the 33rd year in a row that Noia has participated in this highly regarded oil & gas conference. OTC took place from May 6-9.

"The size of this year's delegation speaks to the growth of our industry and the benefit OTC provides to Noia members. OTC is an excellent opportunity to highlight the current and future activity of Newfoundland & Labrador's oil & gas industry and to showcase our local expertise," said Trevor Giles, Chair of Noia's Board of Directors. "In partnership with the Department of Natural Resources, Noia works to ensure that our members are supported in their business development efforts in the U.S."

Founded in 1969, the Offshore Technology Conference is the world's foremost event for the development of offshore resources in the fields of drilling, exploration, production, and environmental protection. OTC is held annually at the Reliant Center in Houston. Each year, it attracts more than 80,000 attendees from 110+ countries and 2,500 exhibiting companies.



### Offshore Europe

In 2013 Noia members were in attendance at Offshore Europe along with 50,000 other delegates from more than 90 different countries. The event was held September 8-11 in Aberdeen, Scotland.



### Society of Petroleum Engineers Presentations

Noia, in partnership with the Society of Petroleum Engineers (SPE), hosts a series of technical presentations each year. Two presentations were held in 2013:

On March 4, 2013, Dr. C. Mark Pearson, President of Liberty Resources LLC presented *Hydraulic Fracturing of Horizontal Wells – Realizing the Paradigm Shift That Have Been 30 Years in Development*.

On November 4, 2013, Dr. Xiuli Wang, Vice-President and Chief Technology Officer of XGas presented *Monetizing Natural Gas by Optimizing Transport*.



### International Symposium on Oil and Gas Resources in Western Newfoundland

Past-Chair, Mike Critch presented at the 2013 International Symposium on Oil and Gas Resources in Western Newfoundland on behalf of Noia's Board of Directors. The 8th annual event was held September 11 - 12, 2013 in Corner Brook.



### Placentia Bay Industrial Showcase

A growing list of industrial activities in the vicinity of Placentia Bay attracted the attention of Noia members and others from the business community. Projects highlighted at the event included North Atlantic's Come By Chance oil refinery, the Hebron GBS Project at Bull Arm, the Vale nickel plant at Long Harbour, as well as potential construction activities by Husky Energy. Noia was in attendance at the trade show Sept. 25-27 at Long Harbour and Placentia with a booth staffed by Noia representatives who were on hand to discuss recent developments in the oil & gas industry.

# INDEPENDENT AUDITORS' REPORT

To the Members of  
**Newfoundland & Labrador Oil & Gas Industries Association**

We have audited the accompanying financial statements of **Newfoundland & Labrador Oil & Gas Industries Association**, which comprise the balance sheet as at December 31, 2013, and the statements of revenue and expenses and changes in unrestricted net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditors' responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Newfoundland & Labrador Oil & Gas Industries Association** as at December 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

St. John's, Canada,  
January 20, 2014.

*Ernst & Young LLP*

Chartered Accountants

## BALANCE SHEET

As at December 31,

	2013	2012
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	1,112,691	941,079
Accounts receivable [note 3]	132,933	160,124
Prepaid expenses	17,631	10,744
<b>Total current assets</b>	<b>1,263,255</b>	1,111,947
Scholarship fund investments, internally restricted [note 6]	12,475	13,946
Capital assets, net [note 4]	120,679	93,965
<b>Total assets</b>	<b>1,396,409</b>	1,219,858
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current</b>		
Accounts payable and accrued liabilities [note 7]	182,817	111,798
Deferred revenue [note 5]	275,491	257,548
<b>Total current liabilities</b>	<b>458,308</b>	369,346
Deferred capital contributions [note 5(a)]	94,675	61,385
<b>Total liabilities</b>	<b>552,983</b>	430,731
<i>Commitments [note 8]</i>		
<b>Net assets</b>		
Unrestricted net assets	830,951	775,181
Net assets restricted for scholarship [note 6]	12,475	13,946
<b>Total net assets</b>	<b>843,426</b>	789,127
	<b>1,396,409</b>	1,219,858

See accompanying notes

On behalf of the Board:



Director



Director

# STATEMENT OF REVENUE AND EXPENSES AND CHANGES IN UNRESTRICTED NET ASSETS

Year ended December 31,

	2013 \$	2012 \$
<b>REVENUE</b>		
Annual conference	929,766	880,674
Membership fees	520,466	474,051
Programs		
Seminars and events	317,752	317,008
NOIA news	85,427	77,668
Other publications	100,220	81,965
Special projects		
Supply Chain Project	76,602	83,747
Labour Market Development Program	47,577	—
Others	—	4,982
Miscellaneous	978	1,097
Interest income	14,340	14,206
	<u>2,093,128</u>	<u>1,935,398</u>
<b>EXPENSES</b>		
Administration	1,152,080	1,099,692
Annual conference	400,303	433,291
Special projects	160,195	132,778
Programs	313,294	295,345
Amortization	11,486	17,656
	<u>2,037,358</u>	<u>1,978,762</u>
<b>Excess of revenue over expenses (expenses over revenue) for the year</b>	<b>55,770</b>	<b>(43,364)</b>
Unrestricted net assets, beginning of year	775,181	818,545
<b>Unrestricted net assets, end of year</b>	<b><u>830,951</u></b>	<b><u>775,181</u></b>

See accompanying notes

## STATEMENT OF CASH FLOWS

Year ended December 31,

	2013	2012
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses (expenses over revenue) for the year	55,770	(43,364)
Add item not affecting cash		
Amortization	11,486	17,656
Net change in non-cash working capital balances related to operations <i>[note 10]</i>	109,266	144,202
<b>Cash provided by operating activities</b>	<b>176,522</b>	<b>118,494</b>
<b>INVESTING ACTIVITIES</b>		
Additions to capital assets	(38,200)	(62,525)
Increase in deferred capital contributions	33,290	61,385
<b>Cash used in investing activities</b>	<b>(4,910)</b>	<b>(1,140)</b>
<b>Net change in cash and cash equivalents during the year</b>	<b>171,612</b>	<b>117,354</b>
Cash and cash equivalents, beginning of year	941,079	823,725
<b>Cash and cash equivalents, end of year</b>	<b>1,112,691</b>	<b>941,079</b>

See accompanying notes

# NOTES TO FINANCIAL STATEMENTS

December 31, 2013

## 1. DESCRIPTION OF BUSINESS

Newfoundland & Labrador Oil & Gas Industries Association [the "Association" or "Noia"] is incorporated under the *Newfoundland Corporations Act* as an organization without share capital. Noia members share a common interest in the offshore/onshore oil and gas sector.

Noia's mission is to promote development of East Coast Canada's hydrocarbon resources and to facilitate its membership's participation in the oil and gas industries.

Noia is a non-profit organization under the *Income Tax Act* (Canada) and is not subject to income tax.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Part III of the Canadian Institute of Chartered Accountants ["CICA"] Handbook – Accounting Standards for Not-for-Profit Organizations, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies set out below:

### Revenue recognition

Noia follows the deferral method of accounting for contributions, which primarily include grants and certain government assistance amounts. Annual conference revenue is recognized as the services are provided. Membership fees are billed on an annual basis and are recognized as revenue over the twelve-month membership period. Restricted contributions which have been designated for special projects such as capital expenditures are deferred when initially recorded in the accounts and recognized as revenue in the year in which the related expenses are recognized. All other revenue, including unrestricted contributions, is recognized when services are provided and collection is reasonably assured.

### Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and high interest savings accounts.

# NOTES TO FINANCIAL STATEMENTS

December 31, 2013

## Financial instruments

Investments are recorded at fair value. Transactions are recorded on a trade date basis and transaction costs are expensed as incurred.

Other financial instruments, including accounts receivable and accounts payable, are initially recorded at their fair value and are subsequently measured at cost, net of any provisions for impairment.

## Capital assets

Tangible and intangible capital assets are recorded at cost. Amortization is provided on the declining balance basis at rates which will reduce original cost to estimated residual value over the useful lives of the assets.

## Leases

Leases entered into are classified as operating wherein rental payments are expensed as incurred.

## Contributed materials and services

Contributed materials and services are not recognized in the financial statements.

### 3. ACCOUNTS RECEIVABLE

	2013	2012
	\$	\$
Members and trade, net	123,766	152,729
Atlantic Canada Opportunities Agency	9,167	7,395
	<u>132,933</u>	<u>160,124</u>

# NOTES TO FINANCIAL STATEMENTS

December 31, 2013

## 4. CAPITAL ASSETS

Capital assets consist of the following:

	December 31, 2013			December 31, 2012	
	Rate	Cost	Accumulated amortization	Net book value	Net book value
		\$	\$	\$	\$
<b>Tangible</b>					
Computers	30%	82,457	69,131	13,326	15,566
Furniture and equipment	20%	36,187	28,138	8,049	7,752
		<b>118,644</b>	<b>97,269</b>	<b>21,375</b>	23,318
<b>Intangible</b>					
Computer development and website	50%	53,688	49,058	4,630	9,262
Capability database	50%	94,674	—	94,674	61,385
		<b>148,362</b>	<b>49,058</b>	<b>99,304</b>	70,647
<b>Total capital assets</b>		<b>267,006</b>	<b>146,327</b>	<b>120,679</b>	93,965

Included in the intangible asset balance for 2013 is \$94,674 [2012 – \$61,385] relating to the development of a database that is currently in progress and not available for use.

## 5. CONTRIBUTIONS

- [a] During 2012, the Association received \$150,000 in a grant relating to the development of a capability database. To date, the Association has incurred \$94,674 [2012 – \$61,385] in costs relating to the database. This amount has been recorded as a deferred capital contribution and a corresponding intangible asset. Once available for use, the intangible asset and deferred capital contributions will be amortized to expenses and revenue, respectively, in the statement of revenue and expenses. The remaining amount received in respect of the grant, \$55,326 [2012 – \$88,615], has been recorded in deferred revenue.

# NOTES TO FINANCIAL STATEMENTS

December 31, 2013

[b] During 2013, the Association received \$88,321 in contributions relating to the work of the Petroleum Industry Human Resources Committee (PIHRC), for which Noia is the coordinating agency. PIHRC is an industry-government working committee, co-chaired by Noia and the Canadian Association of Petroleum Producers (CAPP), which promotes careers in the Newfoundland and Labrador oil and gas industry within the province's K-12 educational system. PIHRC is currently in the first year of a 3 years funding agreement with the Department of Advanced Education & Skills. In 2013, Noia incurred \$47,577 [2012 – nil] in costs relating to this agreement. This amount has been recorded as an expense and corresponding revenue has been recorded. The remaining amount received in respect of this agreement, \$52,690 [2012 – \$11,946], has been recorded in deferred revenue.

## 6. SCHOLARSHIP FUND

In 1997, Noia announced the establishment of the "Noia Hibernia Commemorative Scholarship Fund" [the "Scholarship Fund"]. The Association internally restricted net assets to fund the Scholarship Fund; as at December 31, 2013, the Scholarship Fund amounted to \$12,475 [December 31, 2012 – \$13,946]. The Scholarship Fund offers an annual scholarship of \$1,000 to a graduating Newfoundland and Labrador high school student entering post-secondary studies who intends to pursue a petroleum-related career. The scholarship is awarded to the student who best meets academic, extra-curricular and needs criteria. In 2013, one \$1,000 scholarship was awarded [2012 – two \$1,000 scholarships]. The fund is invested in non-callable Canadian denominated debentures, bearing an interest rate of 6.15% and maturing in 2028 with interest earned being re-invested. In 2013, the fair value of the investment decreased by \$471 [2012 – increase of \$567].

## 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

	2013	2012
	\$	\$
Trade accounts payable	<b>106,664</b>	67,289
Accrued liabilities	<b>76,153</b>	44,509
	<b>182,817</b>	111,798

# NOTES TO FINANCIAL STATEMENTS

December 31, 2013

## 8. COMMITMENTS

Commitments for the lease of office premises and equipment, will result in the following future expenditures:

	\$
2014	90,562
2015	90,119
2016	95,249
2017	49,335
	<u>325,265</u>

## 9. FINANCIAL INSTRUMENTS

The Association has exposure to credit risk, liquidity risk and interest rate risk which are outlined below:

### Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Association's credit risk is primarily attributable to accounts receivable.

### Liquidity risk

Liquidity risk is the risk that the Association will not be able to meet its financial obligations as they become due. As at December 31, 2013, the Association had cash and cash equivalents in the amount of \$1,112,691 [December 31, 2012 – \$941,079]. To the extent that the Association does not believe it has sufficient liquidity to meet current obligations, consideration will be given to obtaining additional funds through third-party funding or membership rate increases, assuming these could be obtained. All of the Association's financial liabilities are short-term in nature and are subject to normal trade terms.

### Interest rate risk

The Association's cash and cash equivalents balances and scholarship investments are primarily invested in high-interest savings accounts issued by Canadian Chartered banks. The Association has no debt, and believes its interest rate risk is not significant.

# NOTES TO FINANCIAL STATEMENTS

December 31, 2013

## 10. NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS

	2013	2012
	\$	\$
Decrease in accounts receivable	27,191	22,793
Increase in prepaid expenses	(6,887)	(2,483)
Increase (decrease) in accounts payable and accrued liabilities	71,019	(13,027)
Increase in deferred revenue	17,943	136,919
	<u>109,266</u>	<u>144,202</u>

## 11. COMPARATIVE FINANCIAL INFORMATION

The comparative financial statements have been reclassified to conform to the presentation adopted for the current year.

# Outgoing Board Members

2013 brought the end of term for several board members:

- Past Chair – Mike Critch, NSB Energy
- Treasurer – Sean Power, DFB Group
- Director – Moya Cahill, PanGeo Subsea
- Director – Bruce Grant, Stewart McKelvey
- Director – Paul Dwyer, Schlumberger, Canada Ltd.



## Noia Sponsors 2013

On behalf of all members, Noia acknowledges the support of the companies who generously supported us by sponsoring events throughout the year.



### 2013 AGM

#### Premium Sponsors

- Dovre Canada Limited (formerly Fabcon Canada Limited)
- Bluewave Energy

#### Co-Sponsors

- Kvaerner Canada Limited
- Utec Survey Canada Ltd.

- Hillview Terrace Suites – NPR Commercial/Residential
- Comfort Inn Airport
- Weatherford International
- GRI Simulations Inc.
- Bowringer Engineering Limited
- Sunny Corner Enterprise Inc.
- Manpower
- Cahill Group of Companies



### 2013 OCA

#### Premium Sponsors

- Wood Group PSN
- Destination St. John's

#### Co-sponsors

- St. John's International Airport Authority
- Cameron
- Encanex
- Martin Whalen Hennebury Stamp
- Entertainment Sponsors
- Statoil Canada Ltd.

## Noia Sponsors 2013

### 2013 Golf Tournament

#### Golf Cart Sponsor

Technip Canada Limited

#### Golf Hole Host Sponsors

Legrows Travel

Pennecon Energy

#### Hole in One \$10,000 Cash Prize Sponsor

Secunda Canada LP

#### Golf Hole Sponsors

Lloyd's Register North America Inc.

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Fleetway Inc.

Siemens Canada Limited

Cox & Palmer

PF Collins International Trade Solutions

Fugro GeoSurveys

Provincial Aerospace

Pennecon Energy

TAM International Oil Services Ltd.

WorleyParsons Canada Services Ltd.

East Can Transport Services Ltd.

#### Golf Social Sponsors

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Puglisevich Group of Companies

Talon Energy Services Inc.

Oceanex Inc.

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#### Promotional Sponsors

Swagger Branded Everything Inc.

Martek Morgan Finch Inc.

### Fall Seminar

#### Gold Sponsors

Frontier Subsea Inc.

OneSubsea

#### Silver Sponsors

GRI Simulations Inc.

INTECSEA Canada

Natural Resources/Atlantic Business Magazine

IKM Testing Inc.

Bowringer Engineering Limited

Oceaneering Canada Limited

#### Bronze Sponsors

Kvaerner Canada Limited

Crosbie Group & Member Companies

Eureka Pumps Americas, Inc.

WorleyParsons Canada Services Ltd.

UTEC Survey Canada Ltd.

Baker Hughes Canada Company

Arcis, a TGS Company

Canadian Helicopters Limited



### 2013 Networking Socials

#### January - Meet the Candidates

Murray Premises Hotel

#### April – Spring Networking Social

IKM Testing (Canada) Limited

#### May – Pre-Summer Networking Social

Stewart McKelvey

#### October – Fall Networking Social

EY

#### December – Holiday Networking Social

FMC Technologies Company



# Noia Sponsors 2013

## 2013 Conference Sponsors

### Platinum Sponsors

MI SWACO, a Division of Schlumberger Canada Ltd.  
GL Noble Denton

### Gold Sponsors

Pro-Dive Marine Services  
FMC Technologies Ltd.  
Cameron  
Maersk Supply Service Canada Ltd.  
Aker Solutions  
Cahill Group of Companies

### Silver Sponsors

Comfort Inn Airport  
NSB Energy Inc.  
Oceaneering Canada Ltd.  
St. John's Port Authority  
Technip Canada Limited  
Subsea 7 Canada Inc.  
Dovre Canada Limited  
(formerly Fabcon Canada Limited)  
Madera Engineering

### Bronze Sponsors

A. Harvey & Company Ltd.  
C&W Offshore Ltd.  
Air Energi  
Upstream Solutions Incorporated  
Wood Group PSN  
Cushman & Wakefield ATLANTIC  
Newalta  
GRI Simulations Inc.  
Crosbie Group & Member Companies  
Stantec  
Puglisevich Group of Companies  
KCA DEUTAG Drilling Canada Inc.

### Keynote Luncheon Sponsors

Nalcor Energy Corporation  
SNC-Lavalin Inc  
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### Refreshment Break Sponsors

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ExxonMobil Canada

PF Collins International Trade Solutions  
Atlantic Towing Ltd.  
Arcis, a TGS Company

### Delegate Bag Giveaway Sponsors

IKM Testing (Canada) Limited  
Atlantic Towing Ltd.  
Weatherford International  
Levert Personnel Resources Inc.

### Pre-Conference Social Sponsors

Trans Island Relocation Services Inc.  
UTEK Survey Canada Ltd.  
Atlantic Towing Ltd.  
Orion Group Atlantic Ltd.  
Coreworx Inc.  
Bluewave Energy  
C-MAR Services (Canada) Ltd.  
Kvaerner Canada Limited  
INTECSEA Canada  
Axess Baffin Inc.

### Gala Reception Sponsors

AMEC Black & MacDonald Limited  
ABB Inc.  
Wood Group PSN  
Nord Marine Services Limited  
Stewart McKelvey  
Atlantic Towing Ltd.  
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