



Kearl EPO Update #2 – February 22, 2023

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

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

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

One issue is related to our seepage interception system for our tailings area. Imperial notified the provincial regulator of this issue in May 2022 after ongoing monitoring programs identified pooled surface water in the area. This surface water includes groundwater mixed with precipitation that has been in contact with coarse sand tailings used in tailings area construction and process water from the tailings pond. Based on our monitoring to date, there are no reported impacts to wildlife and no measurable impact to local waterways.

Since that time, we have been working to determine the cause and have implemented mitigations, including installing additional monitoring and pumping wells. Some of the actions that we plan to implement are additional monitoring and control measures, including water catchment features, and additional monitoring and pumping wells.

The second incident is related to an overflow from a process water drainage pond. This pond contains water collected from the seepage interception system and other surface water drainage and collection in the area. The cause of the release is still being determined. There is no indication of impact to wildlife or vegetation.

Updates

Regulatory submissions

Imperial has submitted plans requested by the regulator on Feb.10. Submissions included the Fish and Wildlife Mitigation Plan, Communication Plan and the Source Control and Containment Plan. Feedback from the AER was incorporated, re-submitted and approved.

Additional plans are being prepared as required for the Feb 28 submission deadline and discussions about these plans are ongoing with the AER. These documents include the Sampling and Monitoring Plan and the Remedial Action Plan.

Cleanup from overflow

The storage pond that overflowed contains water collected from the seepage interception system and other surface water drainage and collection in the area. This incident did not involve the main tailings storage area. All released fluids are frozen and pose no risk to wildlife. On lease impacted snow and ice from the drainage overflow event has been removed.

Off-lease clean-up work has started and equipment for tree clearing and hydrovac units are on site.

Wildlife monitoring continues around the Kearn site and no impacted wildlife have been identified to date. The area north of the storage pond impacted by the overflow event and the area north of the North Overburden Disposal Area had wildlife sweep work conducted in fall and winter 2022/23. No wildlife den features were identified in these areas.

Source containment work

Imperial is working on plans to implement additional monitoring and control measures, including water catchment features, and additional monitoring and pumping wells.

Work on drain construction is underway. Tree clearing has been completed for the on-lease drain structure north of North Overburden Disposal Area. Procurement of various materials for drain construction is underway.

Drilling program progress is on track for completion as planned:

Deep monitoring wells: 48 of 72 have been drilled
Shallow monitoring wells: 0 of 35 have been drilled
Pumping wells: 12 of 18 have been drilled

The planned number of wells may change due to geological conditions encountered in the field and available access for drilling equipment.