

2024  
**ANNUAL REPORT**  
2025

# ACKNOWLEDGEMENT OF TRADITIONAL LANDS AND INDIGENOUS PEOPLES

**We acknowledge that the lands on which both Canada-Newfoundland and Labrador Offshore Petroleum Board facilities are located are in the traditional territories of diverse Indigenous groups, and we acknowledge with respect the histories and cultures of the Beothuk, Mi'kmaq, Innu and Inuit.**

For information about Indigenous groups of Newfoundland and Labrador, please visit the Office of Indigenous Affairs and Reconciliation's website.<sup>1</sup>

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<sup>1</sup> <https://www.gov.nl.ca/exec/iar/about-the-office/links/>

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Hibernia Management and  
Development Company, ExxonMobil  
Canada Properties and Suncor Energy

# BOARD MEMBERS



**Roger Grimes, C.M.**  
Board Chair



**Kim Dunphy**  
Board Member  
Audit and Evaluation  
Committee Member



**Wes Foote, P. Eng. (Ret)**  
Board Member  
Governance Committee Member



**Brian Maynard, CA, CPA**  
Board Member  
Audit and Evaluation  
Committee Chair



**Sharon Murphy**  
Board Member  
Governance Committee Member



**Ted O'Keefe, P.Eng., MBA**  
Board Member  
Governance Committee Chair  
Audit and Evaluation  
Committee Member



**Karen Veitch Winsor**  
Board Member

# MANAGEMENT TEAM

**Scott Tessier**  
Chief Executive Officer

**Jill Mackey, B.Sc. (Hons), B.Ed.,  
P.Eng., CRSP**  
Chief Safety Officer

**Paul Alexander, P.Eng., PMP**  
Chief Safety Officer (retired December  
2024)

**Jeff O'Keefe, P.Eng., P.Geo.**  
Chief Conservation Officer

**Michael Baker, CPHR, SHRM-SCP**  
Director of Corporate Services

**Kelly Batten Hender, Ph.D., P.Geo.**  
Director of Resource Management

**Marshall Conway, P.Eng., MBA**  
Director of Offshore Operations

**Lynette Gibbons, BA, LL.B, MBA**  
General Counsel and Corporate  
Secretary

**Susan Gover, B.Comm. (Hons), LL.B.**  
Chief Legal Officer (retired January  
2025)

**Stephanie Johnson, B.Sc., (Hons),  
P.Geo.**  
Senior Director of Offshore Resources  
and Data

**Rob McGrath**  
Director of Industrial Benefits and  
Innovation

**Lesley Rideout**  
Director of Government Relations and  
Communications

**Craig Rowe, M.Sc., P.Geo.**  
Director of Regulatory Operations

**Elizabeth Young**  
Director of Environmental Protection



# A MESSAGE FROM THE CEO

Our 2024–25 Annual Report presents a concise account of our regulatory oversight in the Canada–Newfoundland and Labrador Offshore Area. Our newly streamlined reporting format is well-suited to a year marked by significant change and innovation.

The Governments of Canada and Newfoundland and Labrador have introduced new performance-based regulations, fostering more efficient and innovative regulatory practices. We are also preparing for the implementation of legislative amendments that will expand our mandate to include offshore renewable energy. Upon their coming into force, we will transition to the Canada–Newfoundland and Labrador Offshore Energy Regulator. Concurrently, the global focus on energy security and the transition to lower-carbon energy sources continues to intensify. Advances in digitalization and artificial intelligence are further transforming the industries we regulate and the manner in which we deliver our mandate.

Each of these developments is consequential. Taken together, they represent a period of profound change—challenging, yet filled with opportunity. Our Board and staff have responded admirably, advancing our commitment to regulatory excellence.

In October 2025, we look forward to highlighting our progress and showcasing our province as we host the International Regulators Forum Offshore Safety Conference, along with several meetings with international regulatory counterparts. We remain committed to advancing regulatory innovation through continued collaboration with our partners and stakeholders.

**Scott Tessier**  
Chief Executive Officer







# ABOUT US

The Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) is the independent regulatory agency created in 1986 by the federal and Newfoundland and Labrador governments under the **Atlantic Accord Implementation Acts (Accord Acts)**. The C-NLOPB provides regulatory oversight to oil and gas exploration and development in the Canada-Newfoundland and Labrador Offshore Area (Offshore Area). Our mandate

includes regulatory oversight of safety, environmental protection, resource management and industrial benefits. While the C-NLOPB operates at arm's-length from the two governments, some Board decisions (referred to under the **Accord Acts** as Fundamental Decisions) require government approval, as does its annual operating budget.

This Annual Report is for the fiscal year that began on April 1, 2024 and ended on March 31, 2025.

## THE C-NLOPB DOES NOT:

-  Guarantee the safety of employees or the environment; worker safety and protection of the environment are the obligation of Operators.
-  Guarantee the participation of Canadian and Newfoundland and Labrador employees or businesses.
-  Manage reservoirs or production; that is the role of the Operator within the context of an approved Development Plan.
-  Have any role, beyond the provision of required data and information to government, in the establishment or administration of the fiscal regime (royalties/taxes) for any offshore activity.

## MANDATE

Interpret, assess, and oversee compliance with the provisions of the **Accord Acts** and relevant regulations for applicable activities in the Canada-Newfoundland and Labrador Offshore Area.

## VISION

Protecting offshore employees, the environment and the public interest through excellence in regulatory oversight in the delivery of our mandate.

## CORE VALUES

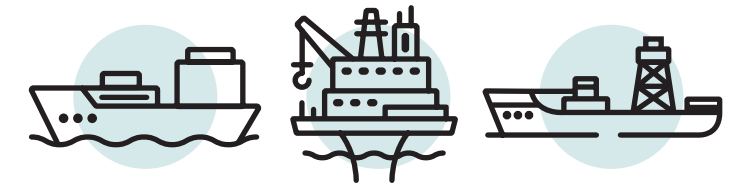
**Accountability:** We are transparent, responsible and accountable for our actions.

**Competence:** We have the knowledge and training to fulfill our mandate.

**Inclusivity:** We strive for a diverse, inclusive and respectful workplace.

**Integrity:** We uphold ethical standards in all that we do, free from bias or prejudice.

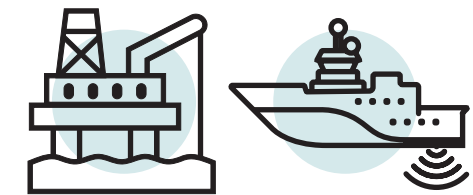
## FACILITIES



6 Vessels



2 GBS'

2 FPSOs



2 Drill Rigs

4 Seismic Vessels

-  Total oil produced as of March 31, 2025 in offshore Newfoundland and Labrador – 377 million m<sup>3</sup> (2,374 million barrels)
-  1,975 individuals working in offshore based positions, supporting Hebron, Hibernia, Terra Nova, White Rose and the West White Rose project

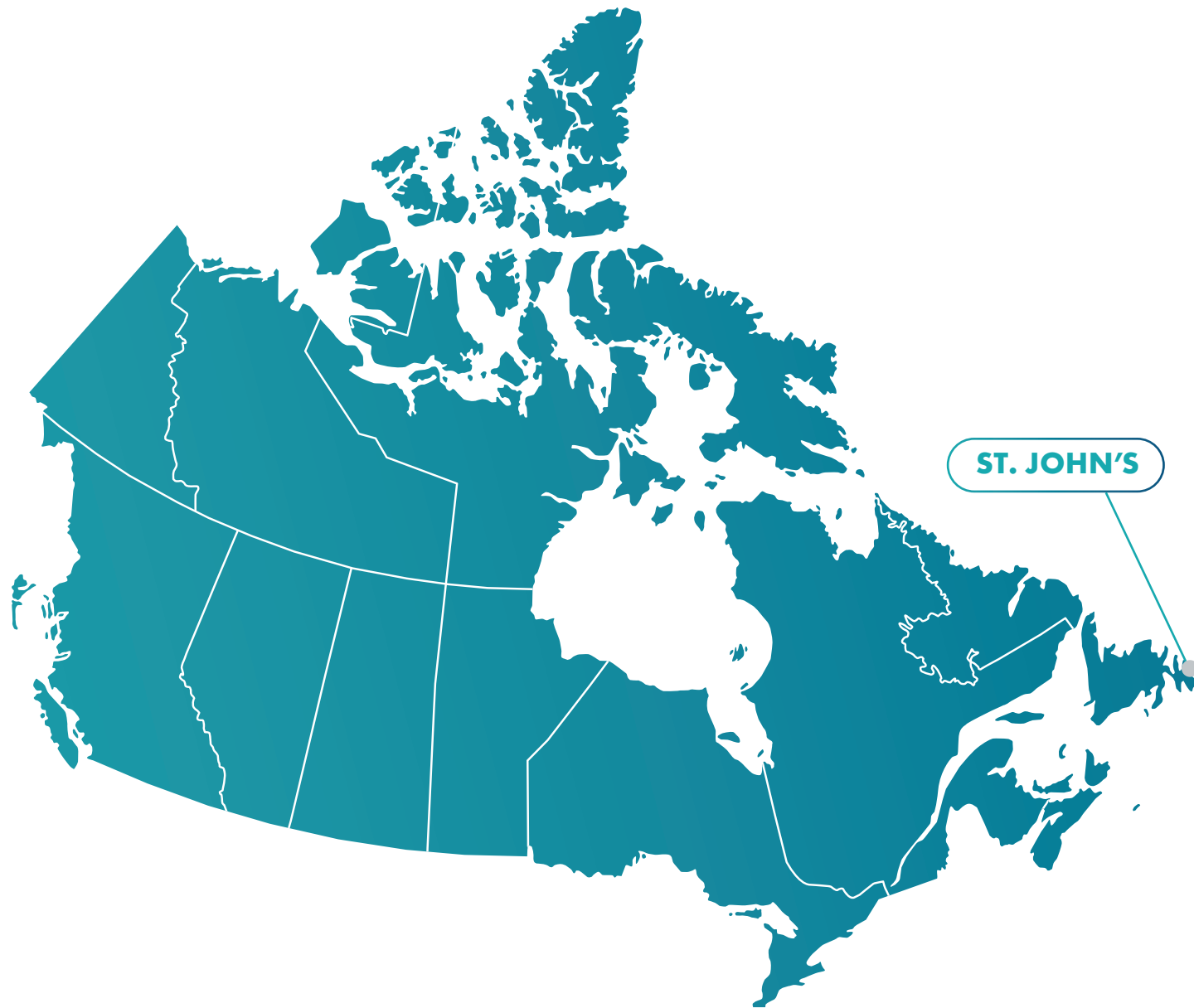
As of March 31, 2025, the C-NLOPB had 105 permanent staff and its budget for the 2024-25 fiscal year was \$28,055,600. Pursuant to the Offshore Petroleum Cost Recovery Regulations and Guidelines, the C-NLOPB recovered 100 percent of its actual costs of \$27,239,989 from industry for the 2024-25 fiscal year.



**DID YOU KNOW?**

In addition to its main location at the Tower Corporate Campus in St. John’s, the C-NLOPB also manages a Core Storage and Research Centre (CSRC).

The CSRC curates core, cuttings, fluid samples, petrographic slides, biostratigraphic slides and other geological material derived from wells drilled in the Offshore Area. The CSRC provides public access to materials for studies and viewing once the confidentiality periods have expired.



**CANADA-NEWFOUNDLAND AND LABRADOR OFFSHORE ENERGY REGULATOR**

In 2022 the Governments of Canada and Newfoundland and Labrador announced their intention to expand the mandate of the C-NLOPB to include the regulation of offshore renewable energy. In 2023, proposed amendments to the **Accord Acts** were introduced in Parliament and on October 3, 2024, Bill C-49 received Federal Royal Assent. Bill 90, the provincial mirrored amendments, received Royal Assent in the House of Assembly on March 18, 2025. The C-NLOPB will change its name to the Canada-Newfoundland and Labrador Offshore Energy Regulator (C-NLOER) when the federal and provincial legislative amendments come into force.

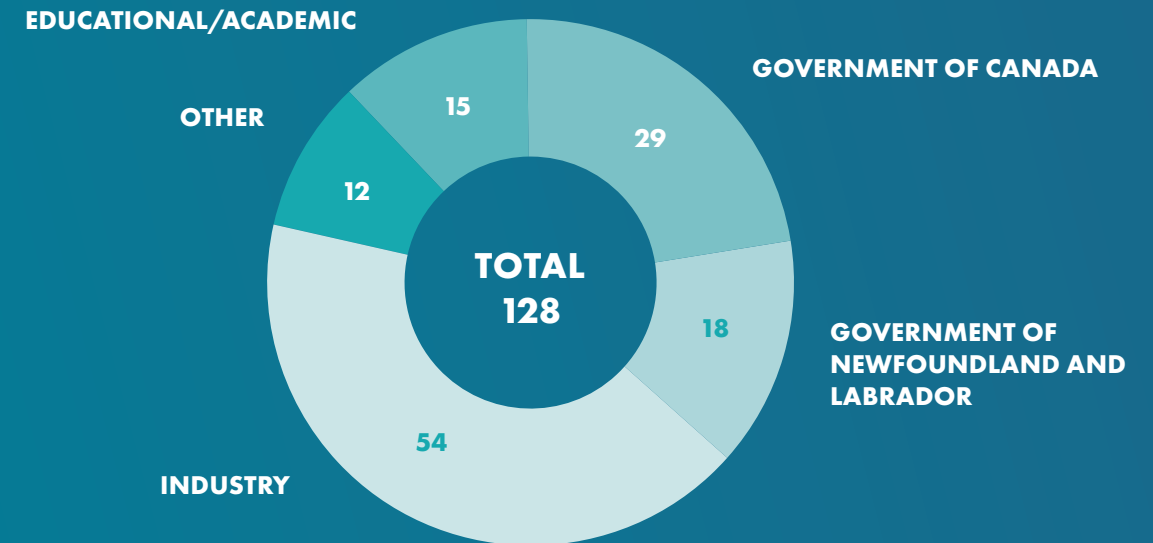


**DID YOU KNOW?**

The C-NLOPB website hosts an online Data and Information Hub that houses a large volume of technical information available for viewing or download<sup>2</sup>. For information not found on the Hub, requests and inquiries can be directed to [information@cnlopb.ca](mailto:information@cnlopb.ca).

**REQUESTS FOR INFORMATION RECEIVED IN 2024-25**

During 2024-25, the C-NLOPB received 128 formal requests for information from external parties. These requests were primarily related to non-privileged offshore petroleum technical data provided to the C-NLOPB by operators. These did not require applications under the **Access to Information Act** (ATIA). Details related to requests under the ATIA can be found in ATIA Annual Reports located on our website



<sup>2</sup> <https://home-cnlopb.hub.arcgis.com/>

# REGULATORY OVERSIGHT OF SAFETY

The C-NLOPB administers the **Accord Acts** and supporting legislation regarding the safety of employees, including operators' management systems compliance. The goal of this oversight is to reduce risks to employees engaged in offshore petroleum activities to levels that are as low as reasonably practicable. Operators are required to make all reasonable efforts to identify hazards associated with their operations and to implement appropriate measures to mitigate the risks of their activities.

The C-NLOPB conducts systematic and comprehensive safety assessments and reviews safety plans and commitments submitted in support of proposed activities. In most cases, compliance verification activities are conducted prior to and after issuing an authorization.

Following issuance of an authorization or approval, the C-NLOPB also monitors activities including the review of operational reports, incident reports, complaints, workplace committee meeting minutes and training exemptions or equivalencies.

## SAFETY PERFORMANCE OVERVIEW

### In 2024-25, the C-NLOPB:

- ✓ Reviewed 194 safety-related incident reports from operators.
- ✓ Conducted 20 safety assessments.

During this reporting period, 4,364,599 hours were worked in the Canada-Newfoundland and Labrador Offshore Area. There were 15 incidents that resulted in a reportable injury or illness, which translates to a reportable injury frequency rate of 3.44 per million hours worked.



## OCCUPATIONAL HEALTH AND SAFETY COMPLAINTS

Any person who has a complaint related to offshore petroleum operations may contact C-NLOPB Safety Officers by phone at (709) 778-1400, in writing to [information@cnlopb.ca](mailto:information@cnlopb.ca), or in person at our office.

The C-NLOPB received two health and safety complaints in 2024-25, details of which are confidential under the **Accord Acts**.



# REGULATORY OVERSIGHT OF ENVIRONMENTAL PROTECTION

The C-NLOPB oversees operator offshore oil and gas activities to verify they proceed in an environmentally acceptable manner. The C-NLOPB assesses potential environmental effects through an Environmental Assessment, a Strategic Environmental Assessment or by the Regional Assessment of Offshore Oil and Gas Exploratory Drilling East of Newfoundland and Labrador.<sup>3</sup>

Throughout the life of a project, the C-NLOPB also oversees operator compliance through Environmental Effects Monitoring (EEM).<sup>4</sup> An operator must report any pollution incident applicable to authorized work or activities to the C-NLOPB. Pollution incidents are available on the C-NLOPB’s website.<sup>5</sup>



### IN 2024-25:

- ✓ One Environmental Assessment was initiated for an offshore seismic program.
- ✓ The C-NLOPB followed up on 19 pollution incidents, five of which were petroleum spills as referenced in the table below.



### DID YOU KNOW?

The C-NLOPB reviews proposals for offshore activities — from seismic surveys to production projects — to identify their potential effects on the natural environment and other users of that environment, such as fisheries.

### DID YOU KNOW?

The Environmental Studies Research Fund (ESRF)<sup>6</sup> is a national research program that sponsors environmental and social studies pertaining to how petroleum exploration, development and production activities on frontier lands should be conducted. Funding is provided through levies on frontier lands paid by interest holders. The ESRF is directed by a 12-member Management Board supported by the Offshore Petroleum Management Division of Natural Resources Canada. Members include the Government of Canada, the C-NLOPB, the Canada Nova Scotia Offshore Energy Regulator and industry.

## SUMMARY OF PETROLEUM SPILL INFORMATION FOR 2024-25

COMPONENT	LITRES	PERCENTAGE OF ANNUAL TOTAL	NUMBER OF INCIDENTS
<b>Synthetic Drilling Fluid</b>	515.0	99.69	2
<b>Hydraulic and Lubricating Oil</b>	1.59	0.31	3

<sup>3</sup> <https://iaac-aeic.gc.ca/050/evaluations/proj/80156?culture=en-CA> <sup>5</sup> <https://www.cnlopb.ca/information/statistics/#environment>  
<sup>4</sup> <https://www.cnlopb.ca/environment/projects/>

<sup>6</sup> <https://www.esrfunds.org>

# REGULATORY OVERSIGHT OF GREENHOUSE GAS EMISSIONS

As per the Administration of the **Management of Greenhouse Gas Act** Memorandum of Understanding between the C-NLOPB and the Government of Newfoundland and Labrador, the C-NLOPB reviews annual Greenhouse Gas reports submitted by operators for the

previous calendar year. Once these reports are reviewed for completeness, accuracy and regulatory compliance, the C-NLOPB provides the information to the provincial Department of Environment and Climate Change.<sup>7</sup>

## GREENHOUSE GAS EMISSIONS FROM PRODUCING FACILITIES IN 2023

FACILITY	GHG EMISSIONS (t CO <sub>2</sub> e)	2023 PRODUCTION (bbl)	EMISSIONS INTENSITY (kg CO <sub>2</sub> e / bbl)
Hebron Platform	355,307	42,934,316	8.28
Hibernia Platform	508,509	24,81,817	20.49
SeaRose Floating Production, Storage and Offloading vessel (FPSO)	272,771	4,851,615	56.22
Terra Nova FPSO	149,070	478,441	311.57

<sup>7</sup> <https://www.gov.nl.ca/ecc/occ/greenhouse-gas-data/>

# COMPLIANCE VERIFICATION & ENFORCEMENT

In addition to regulatory oversight by the C-NLOPB, operators or applicants are required to engage third-party Certifying Authorities (CAs) who issue and maintain Certificates of Fitness for installations. Furthermore, Certification Plans and Scopes of Work

must be submitted to the C-NLOPB describing the verification activities that CAs conduct. During 2024-25, there were seven Certification Plans reviewed, seven Scopes of Work assessed, and five Certification Oversight Activities conducted.



## DURING 2024-25:

- ✓ 11 development wells and three exploration wells were drilled.

## C-NLOPB ENFORCEMENT ACTIVITIES IN 2024-25

- 4 — NOTICES OF NON-COMPLIANCE: CLOSED
- 1 — PROSECUTION: ONGOING
- 1 — PROSECUTION: CLOSED WITH FINES

## C-NLOPB COMPLIANCE VERIFICATION ACTIVITIES IN 2024-25

- 17 — ENVIRONMENTAL
- 1 — MEASUREMENT
- 1 — PRODUCTION OPERATIONS
- 15 — SAFETY
- 3 — WELL OPERATIONS

## SPECIAL OVERSIGHT

Special oversight measures refer to enhanced regulatory oversight by the C-NLOPB for any authorized activity, as deemed necessary due to significant issues or complexity. Special Oversight is typically implemented during the planning and drilling of wells with high pressure, high temperature, or wells with increased risk for a well control incident.

During 2024-25, Special Oversight Measures were applied by the C-NLOPB to three exploration/delineation wells with heightened regulatory oversight focused on pressure surveillance practices, plugging and abandonment procedures and well control measures.

Special Oversight Measures were also applied to three development wells related to Hebron and Hibernia for Managed Pressure Drilling (MPD) operations. MPD is an advanced drilling technique widely adopted in challenging drilling environments, or to improve drilling performance and represents a novel approach for the Canada-Newfoundland and Labrador Offshore Area. Special Oversight measures included heightened reporting requirements and dedicated special oversight meetings at key operational milestones.

In addition, Special Oversight Measures were applied to **Terra Nova** FPSO production operations, focused on operational integrity, reliability and maintenance.

## MEASUREMENT WITNESSING AND COMPLIANCE VERIFICATION

The C-NLOPB witnesses the annual certification and calibration of fiscal metres on all production facilities. Fiscal metres are used to measure the volumes of oil offloaded to transport tankers, and these must be certified and calibrated to remain within an accuracy of +/- 0.25%. The accuracy of these metres is critically important for royalty calculations. The C-NLOPB receives monthly reports, which are analyzed upon receipt for completeness, accuracy and regulatory compliance. Once the reports are deemed satisfactory, they are provided to the federal and provincial governments for calculating royalties and production data is published to the C-NLOPB's website.<sup>8</sup>

During the reporting period, recertification and calibration witnessing took place on the **Terra Nova** FPSO, and the **Hebron** and **Hibernia** Platforms. Recertification took place on the **SeaRose** FPSO and a Compliance Verification Activity focused on the **Terra Nova** FPSO measurement system, was completed.

<sup>8</sup> <https://www.cnlopb.ca/resource/information/>

# APPROVALS & AUTHORIZATIONS

The C-NLOPB authorizes petroleum-related activities in accordance with the **Accord Acts** and regulations. Operators must obtain the necessary authorizations and approvals by demonstrating how they will meet the requirements as defined in the **Accord Acts** and

regulations. Authorizations and approvals are granted only when the C-NLOPB is satisfied that the operator can carry out the work safely, responsibly and in full compliance with regulatory obligations.

## PROJECTS OF NOTE IN 2024-25 INCLUDE:

- ✓ Cenovus **SeaRose** FPSO dry-dock and return to production operations
- ✓ Cenovus West White Rose Project preparatory programs in support of the 2025 concrete gravity structure and topsides installation and commissioning
- ✓ ExxonMobil Persephone C-54 exploration well
- ✓ Equinor Sitka C-02 and Cappahayden C-85 exploration wells
- ✓ Hebron and Hibernia fields 4D seismic programs
- ✓ HMDC **Hibernia** Platform implementation of Managed Pressure Drilling
- ✓ Suncor **Terra Nova** FPSO return to production and Production Operations Authorization

Non-privileged data collected through geoscience, environmental, drilling and production activities can be accessed through the C-NLOPB Data and Information Hub.<sup>9</sup>

<sup>9</sup> <https://home-cnlopb.hub.arcgis.com/>

In addition to authorizations and approvals previously noted, the C-NLOPB completed the following regulatory review and approval activities in 2024-25.

## REGULATORY REVIEW AND APPROVAL ACTIVITIES

ACTIVITY	NUMBER
Approval of Regulatory Equivalencies	91
Approval to Alter the Condition of a Well	24
Approval to Drill a Well	13
Benefits Plan Approval (new or amended)	6
Chief Safety Officer Approval	2
Environmental Assessment (new, amended or updated)	2
Field Data Acquisition Program Approval	3
Flow System Application Approval	2
Formation Flow Test Program Approval	2
Gas Flaring Approval	7
Geological Program (without fieldwork)	2
Geophysical Program Authorization (without fieldwork)	3
Geophysical Operations Authorization (with fieldwork)	2
Operations Authorization (new or amended)	20
Operations Authorization Asset Life Extension Assessment	2
Operational Waiver/Deviation from an Approved Well Data Acquisition Program	1
Pooling Designation	1
Well Termination Notifications	14



### DID YOU KNOW?

Persephone C-54 was drilled in the deepest waters of any well in Newfoundland and Labrador reaching a depth of 2,983 metres (2.983 km).

# REGULATORY OVERSIGHT OF OFFSHORE RESOURCES

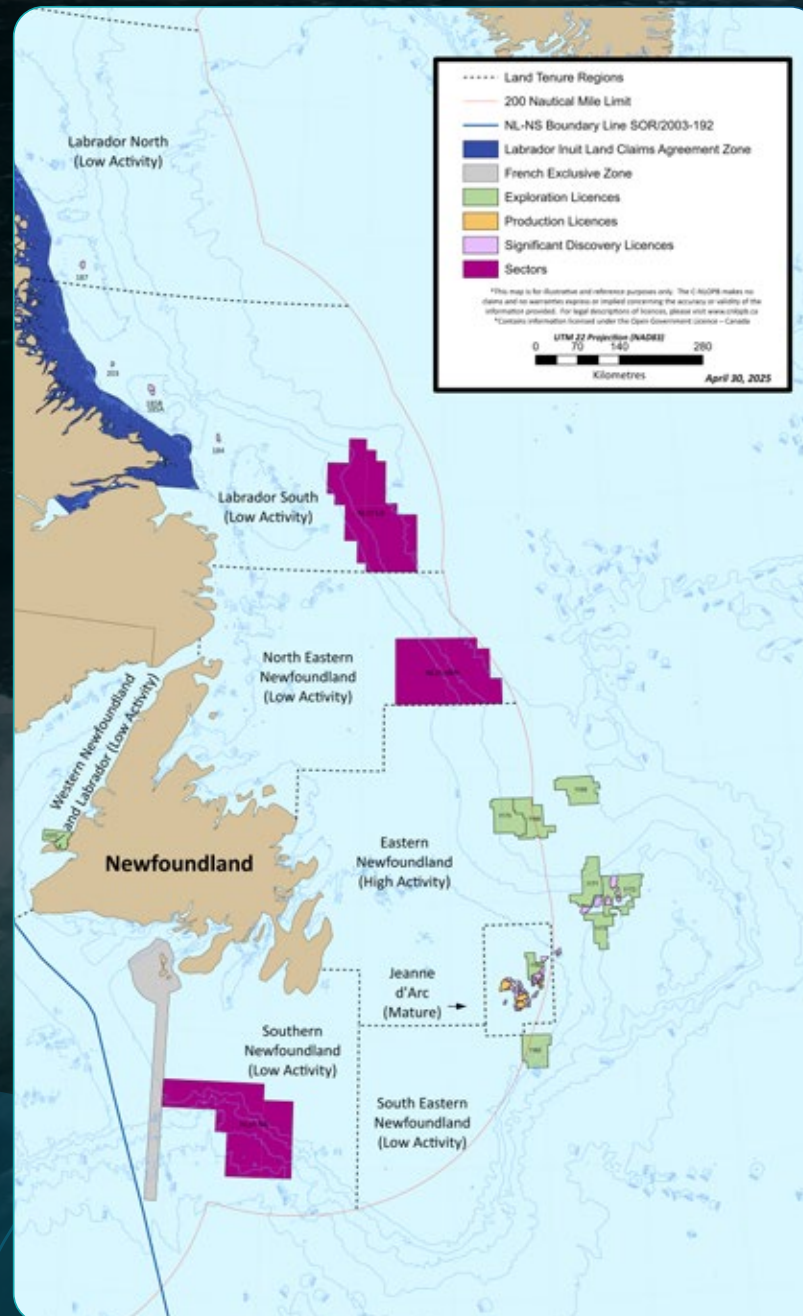
## SCHEDULED LAND TENURE SYSTEM

The C-NLOPB's Scheduled Land Tenure System has been designed to clearly identify timeframes for Calls For Bids in the Offshore Area, with the intent of providing predictability, increasing transparency and improving stakeholder input.

The land tenure cycle begins with a Call for Nominations of Areas of Interest within a region. The C-NLOPB will consider all nominations, stakeholder feedback and internal assessment to design Sectors within an Area of Interest. A Call for Nominations will be made over the identified Sector locations and all nominations, stakeholder feedback and further internal assessment will be used to design parcels for a call for bids. Exploration Licences (ELs) are awarded to those who offer the highest work commitment bid on each parcel, during a call for bids.

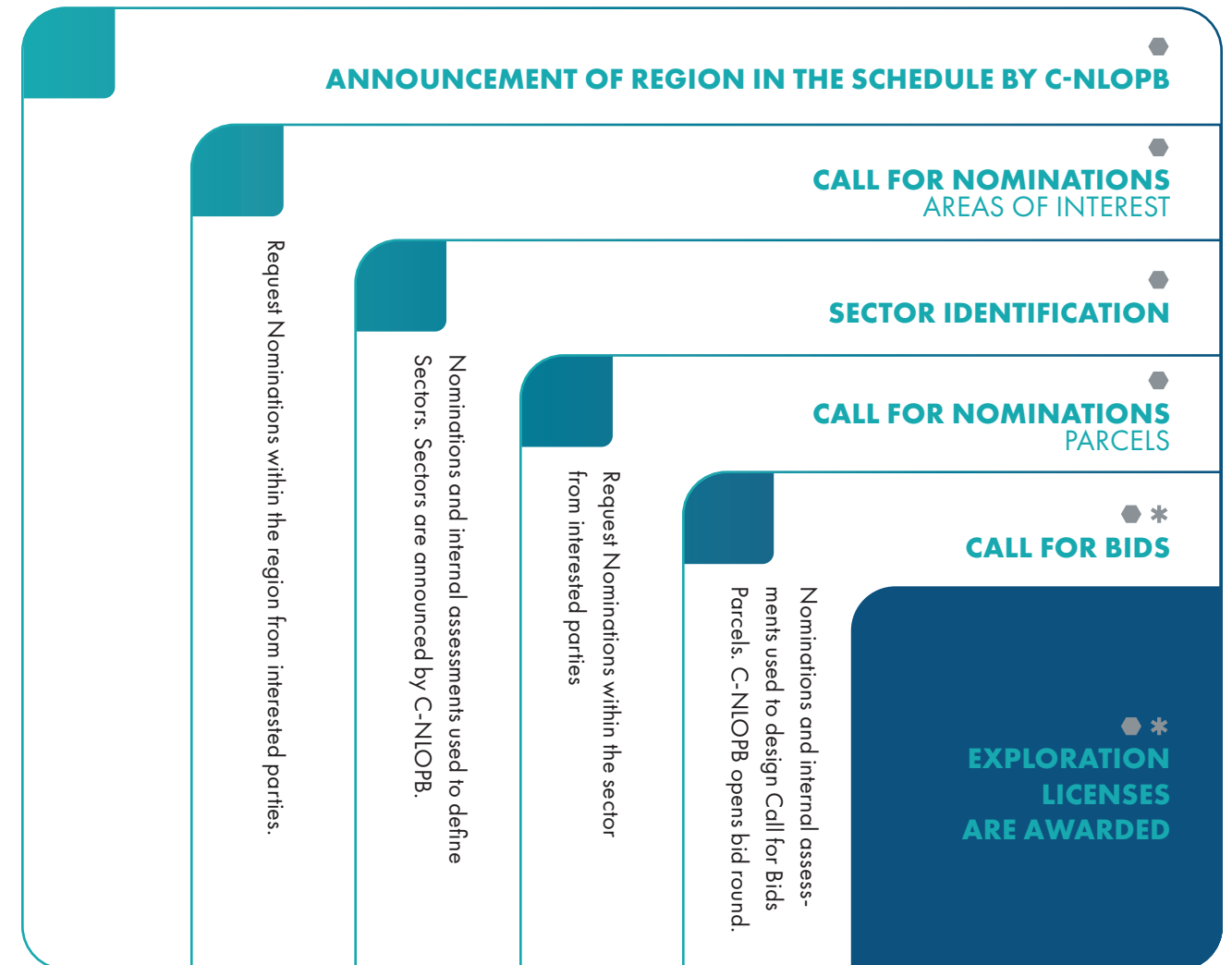
The C-NLOPB's decision to issue a call for bids, as well as its decision to award an EL to a successful bidder requires Board approval and is a Fundamental Decision, issued by both federal and provincial ministers.

The C-NLOPB issues EL's, Significant Discovery Licences and Production Licences.



## Scheduled Land Tenure System Process<sup>10</sup>

REQUIRES C-NLOPB BOARD APPROVAL \* FUNDAMENTAL DECISION



Pursuant to the Scheduled Land Tenure System, the C-NLOPB issued the following Call for Nominations during the 2024-25 fiscal year:

- **AREAS OF INTEREST:** Labrador North, Labrador South, Northeast Newfoundland, Southeast Newfoundland
- **PARCELS:** Labrador South, Jeannie d'Arc

Pursuant to the Scheduled Land Tenure System, the following Call for Bids was offered during the 2024-25 fiscal year:

- EASTERN NEWFOUNDLAND**
- PARCELS OFFERED: 41
  - PARCELS AWARDED: 0

<sup>10</sup> <https://home-cnlopb.hub.arcgis.com/pages/land-tenure>

## FUNDS COLLECTED AND RECORDED

The C-NLOPB is responsible for the collection of certain fees, forfeitures and rentals. In 2024-25, \$92,383,421.16 was collected, recorded and forwarded to Natural Resources Canada on behalf of the Receiver General for Canada.

### FUNDS COLLECTED AND RECORDED ON BEHALF OF THE RECEIVER GENERAL FOR FISCAL YEAR 2024-25

FEES, FORFEITURES AND RENTALS	AMOUNT COLLECTED
<b>Forfeitures (Security Deposits)</b>	\$91,118,839.47
<b>Operating Licences</b>	\$50.00
<b>Rentals</b>	\$1,264,531.69
<b>Total</b>	<b>\$92,383,421.16</b>



### DID YOU KNOW?

Since its inception, the C-NLOPB has collected \$757,953,451.98 on behalf of the Crown for land tenure transactions. Further information on fees, forfeitures and rentals can be found on the C-NLOPB website.<sup>11</sup>



## PRODUCTION ACTIVITIES

The C-NLOPB provides oversight of operator production with the goals of maximum recovery, adherence to good oilfield practice and accurate production accounting. The following table shows production for each field in the Offshore Area during 2024-25.

### FIELD PRODUCTION STATISTICS FOR 2024-25

FIELD	PRODUCTION			GAS DISPOSITION				WATER INJECTED	DAILY OIL AVERAGE
	OIL MMbbl	GAS Bscf	WATER MMbbl	FLARED Bscf	FUEL Bscf	INJECTED Bscf	LIFT Bscf	MMbbl	bbl
<b>HEBRON</b>	43.00	23.54	30.85	0.55	6.46	16.53	28.68	90.61	117,690
<b>HIBERNIA</b>	26.04	95.12	52.53	1.66	5.45	87.99	17.90	72.91	71,207
<b>NORTH AMETHYST</b>	0.005	0.00	0.00	0.02	0.00	0.00	0.00	0.00	13
<b>TERRA NOVA</b>	9.70	54.16	11.59	3.50	3.31	47.34	6.19	14.63	26,452
<b>WHITE ROSE</b>	0.06	0.00	0.01	0.20	0.02	0.00	0.00	0.00	170

### FIELD PRODUCTION STATISTICS CUMULATIVE TO MARCH 31, 2025

FIELD	PRODUCTION			GAS DISPOSITION				WATER INJECTED
	OIL MMbbl	GAS Bscf	WATER MMbbl	FLARED Bscf	FUEL Bscf	INJECTED Bscf	LIFT Bscf	MMbbl
<b>HEBRON</b>	313.00	132.09	96.99	11.32	40.21	80.55	141.91	424.68
<b>HIBERNIA</b>	1,295.86	2,391.73	864.20	108.47	144.54	2,138.63	90.06	2,058.99
<b>NORTH AMETHYST</b>	60.58	63.68	120.95	4.76	9.50	47.87	83.30	149.96
<b>TERRA NOVA</b>	437.13	905.88	390.70	71.95	79.03	738.92	149.44	825.32
<b>WHITE ROSE</b>	267.77	439.41	174.22	42.43	54.64	332.05	166.90	565.74

**Total cumulative oil production to March 31, 2025 = 2,374.34 MMbbl**

<sup>11</sup> <https://www.cnlopbc.ca/exploration/tables/>

# REGULATORY OVERSIGHT OF INDUSTRIAL BENEFITS

An objective of the **Accord Acts** is to ensure that the Offshore Area is managed in a manner which will promote economic growth and development in order to optimize benefits accruing to Newfoundland and Labrador in particular and to Canada as a whole.

The **Accord Acts** require that before any work or activity is authorized in the Offshore Area, a Canada-Newfoundland and Labrador Benefits Plan must be approved by the C-NLOPB.

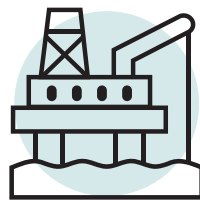
## Expenditures & Employment



In 2024, operators reported expenditures of **\$4 billion** related to work in the Offshore Area. Since 1966, cumulative expenditures total approximately **\$81 billion**.



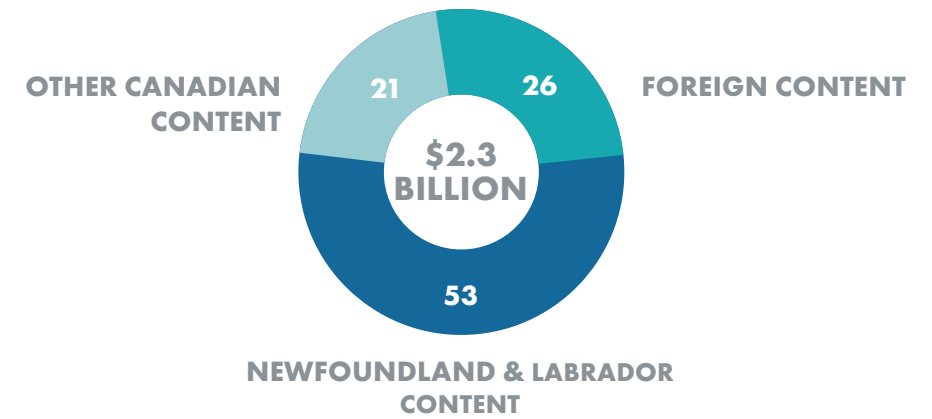
In 2024, there were 4,444 Newfoundland and Labrador and other Canadian residents working in direct support of petroleum-related activity in the Offshore Area.



During the 2024 calendar year, approximately **\$556 million** was spent on exploration programs, generating approximately 1,697 person-months of employment.

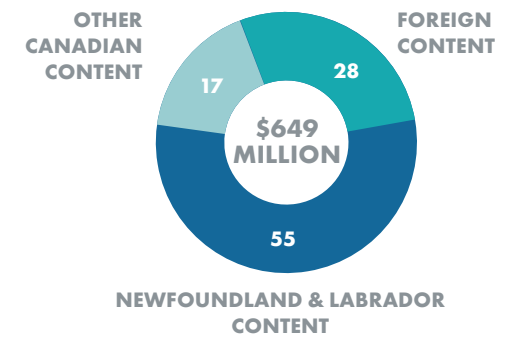
## ONGOING PRODUCTION

Ongoing production activities accounted for expenditures of **\$2.3 billion** in 2024, of which approximately 53% occurred in Newfoundland and Labrador and a further 21% in the rest of Canada.



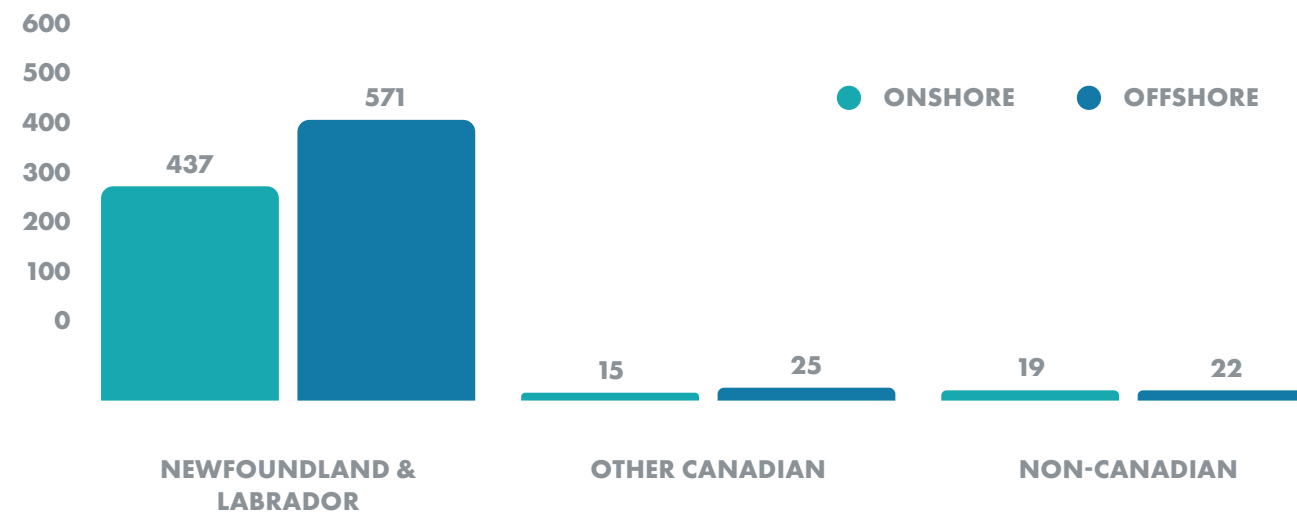
## HEBRON

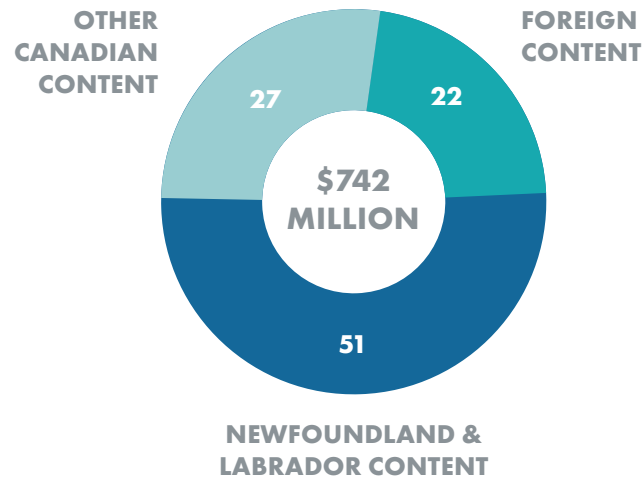
ExxonMobil Canada Properties reported expenditures of approximately **\$649 million** in the 2024 calendar year, with 55% Newfoundland and Labrador content and 17% other Canadian content.



## HEBRON EMPLOYMENT

As of December 31, 2024, total direct employment in the province in support of the Hebron project was **1,089 persons**, of which 93% were Newfoundland and Labrador residents at the time of hire and 4% were other Canadian residents.



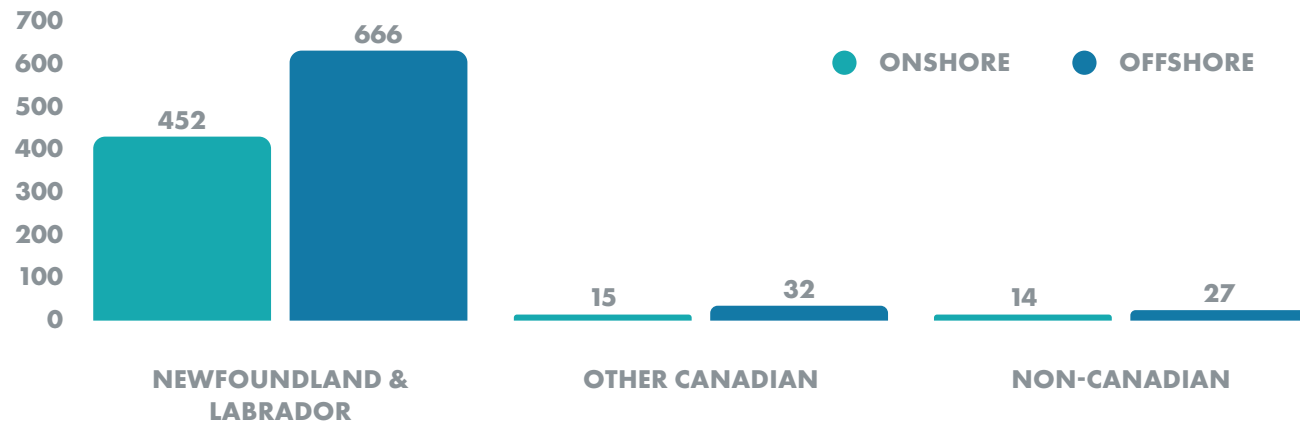


### HIBERNIA

Hibernia Management and Development Company reported expenditures of approximately **\$742 million** in the 2024 calendar year, with 51% Newfoundland and Labrador content and 27% other Canadian content.

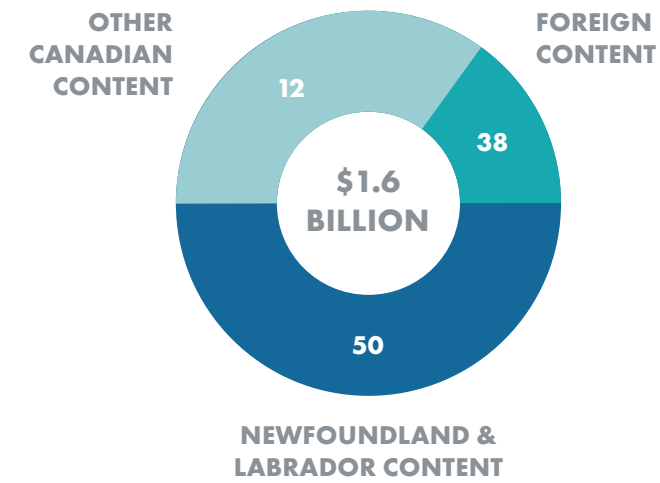
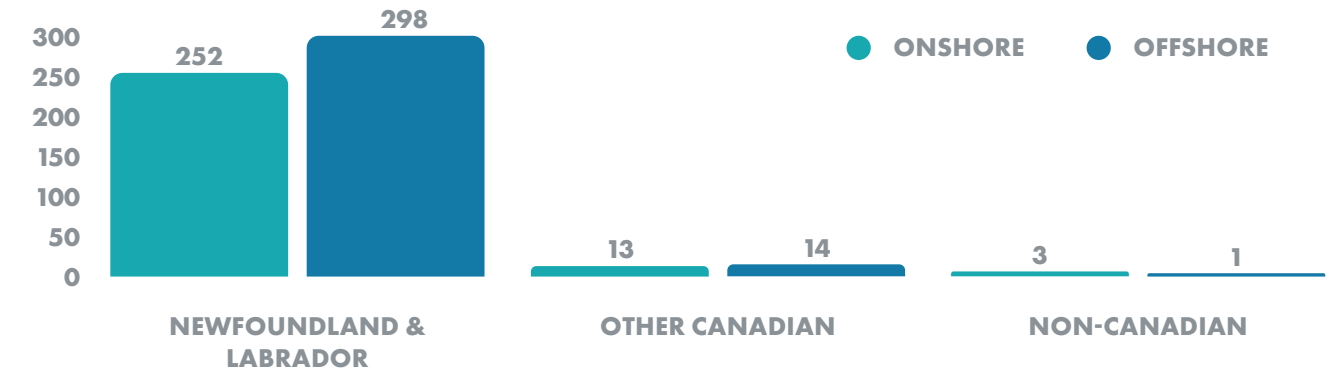
### HIBERNIA EMPLOYMENT

As of December 31, 2024, total direct employment in the province in support of the Hibernia project was **1,206 persons**, of which 93% were Newfoundland and Labrador residents at the time of hire and 4% were other Canadian residents.



### TERRA NOVA EMPLOYMENT

As of December 31, 2024, total direct employment in the province in support of the Terra Nova project was **581 persons**, of which 95% were Newfoundland and Labrador residents at the time of hire and 5% were other Canadian residents.

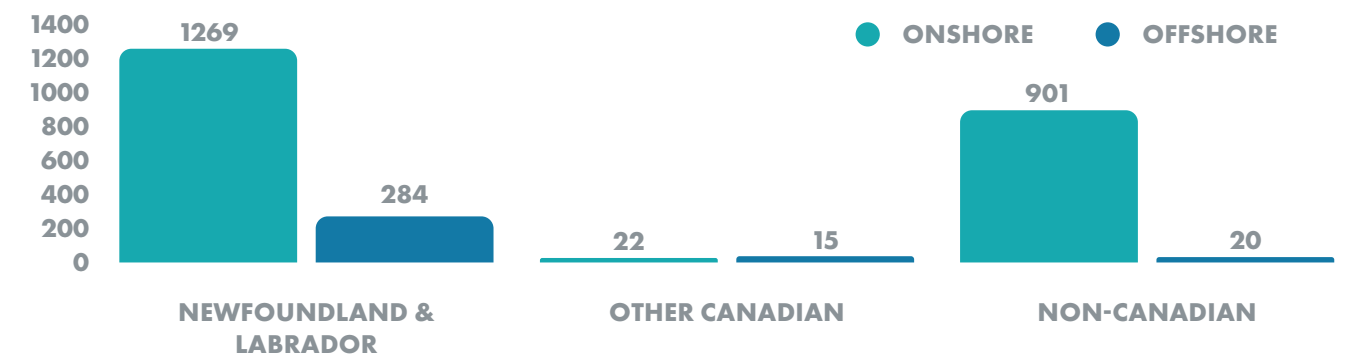


### WHITE ROSE

Cenovus Energy reported expenditures of approximately **\$1.6 billion** in the 2024 calendar year, with 50% Newfoundland and Labrador content and 12% other Canadian content.

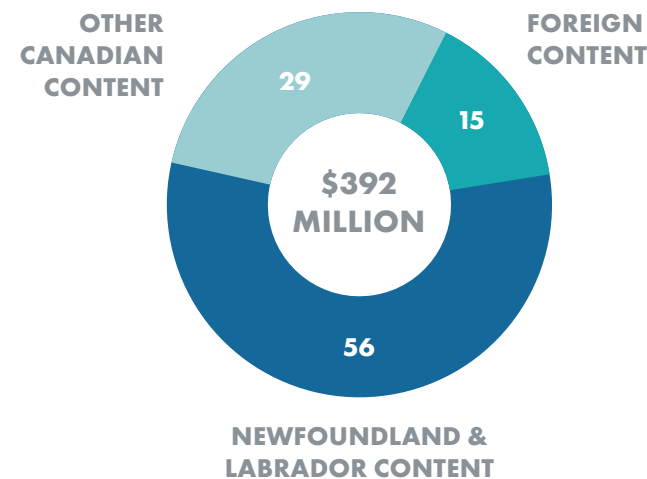
### WHITE ROSE EMPLOYMENT

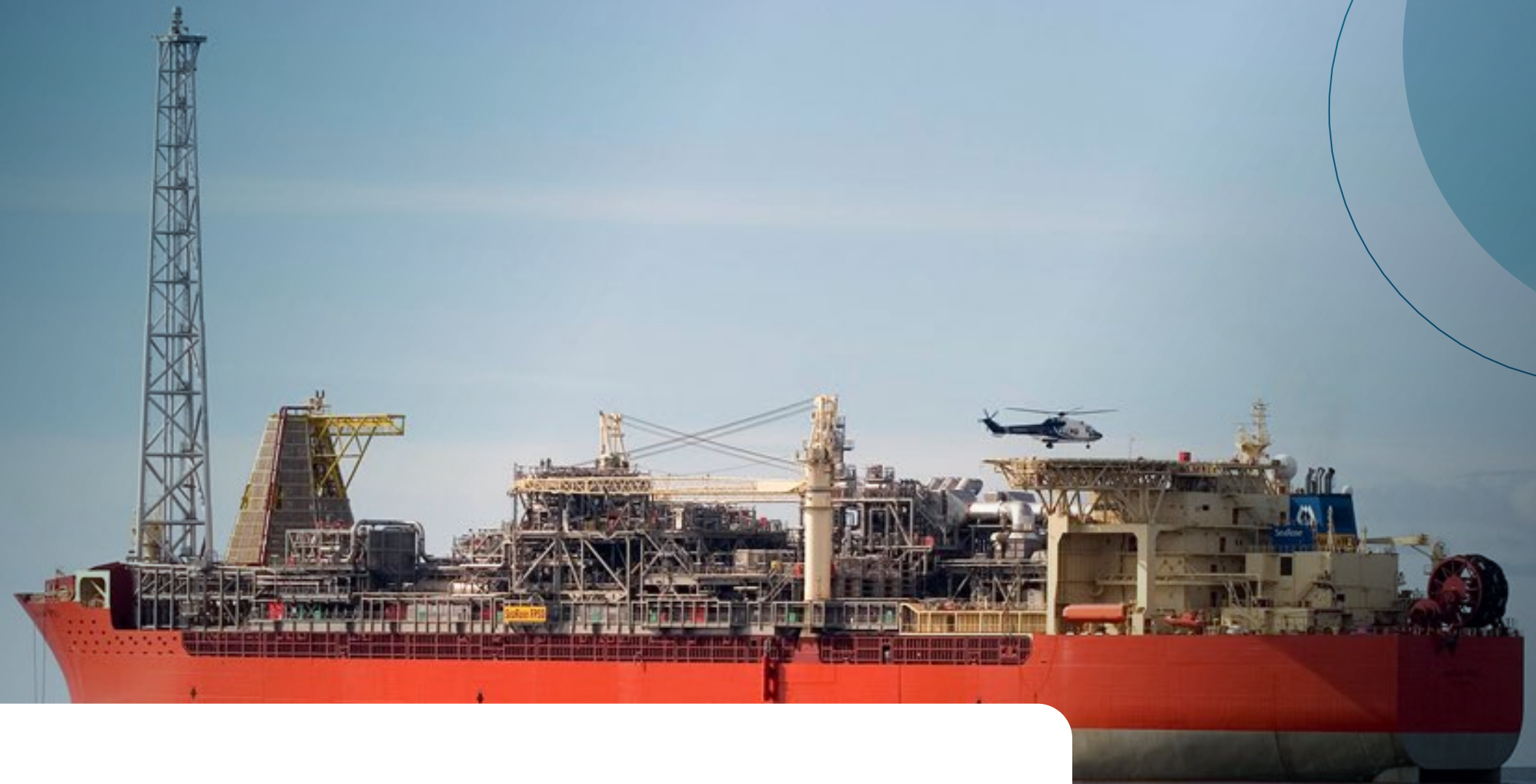
As of December 31, 2024, total direct employment in the province in support of the White Rose, North Amethyst, and West White Rose projects was **2,511 persons**, of which 62% were Newfoundland and Labrador residents at the time of hire and 1% were other Canadian residents.



### TERRA NOVA

Suncor Energy reported expenditures of approximately **\$392 million** in the 2024 calendar year, with 56% Newfoundland and Labrador content and 29% other Canadian content.





The C-NLOPB continued to monitor operator obligations to carry out Research and Development (R&D)/Education and Training (E&T) in the province. Before making R&D and/or E&T expenditures, operators may submit proposed projects to the C-NLOPB for pre-determination of eligibility towards their obligations. There were **38** R&D/E&T work expenditure applications submitted by operators for pre-approval during 2024-25.<sup>12</sup>



### DID YOU KNOW?

Approximately **\$52 million** was spent on eligible R&D and E&T in 2024, bringing total expenditures to approximately **\$761 million** since the C-NLOPB's Guidance for Research and Development and Education and Training Expenditures came into effect in 2004. Updates to these expenditures are posted annually on the C-NLOPB website.



These applications account for approximately **\$59 million** in potential in-province R&D/E&T funding.

### DIVERSITY INITIATIVES

In 2024-25, staff reviewed diversity initiatives for various offshore activities as part of the approved benefits plan provisions.

For further information, the C-NLOPB Quarterly Industrial Benefits Report can be found on the C-NLOPB website and provides project employment statistics, expenditures, procurement and local content information.<sup>13</sup>

<sup>12</sup> Refer to Appendix 2 of the Benefits Plan Guidelines available at <https://www.cnlopb.ca/wp-content/uploads/guidelines/benplan.pdf>

<sup>13</sup> <https://www.cnlopb.ca/benefits/operator/>

# COLLABORATION

The C-NLOPB regularly engages with regulatory counterparts and others to share lessons learned and discuss global trends, innovation and best practices.

## C-NLOPB SAFETY FORUM

The annual C-NLOPB Safety Forum provides an opportunity for offshore industry stakeholders to exchange information so that safety issues can be identified and addressed and to highlight any areas of concern. In Fall 2024, the C-NLOPB held a Human Factors themed Safety Forum and Workplace Committee Session.

## ATLANTIC CANADA OFFSHORE PETROLEUM INDUSTRY TRAINING AND QUALIFICATIONS COMMITTEE

During 2024-25, a working group comprised of C-NLOPB staff and industry personnel initiated a review of the well control training requirements of the Atlantic Canada Offshore Petroleum Standard Practice for the Training and Qualification of Offshore Personnel. This work is ongoing.

## WELL OPERATIONS COMMITTEE

The Well Operations Committee is a venue through which the C-NLOPB, Canada-Nova Scotia Offshore Energy Regulator and operators can pursue open and constructive engagement with respect to matters related to well operations. Well operations lessons learned, global incident trends and well control training are examples of some of the most recent topics discussed.

## OFFSHORE ENERGY DIGITALIZATION FORUM

The Offshore Energy Digitalization Forum is a collaborative group consisting of the C-NLOPB, industry associations, operators, government, research institutions and industry representatives committed to enabling the optimal use of digital technologies and solutions to ensure safe, efficient and low carbon oil and gas operations in the Canada-Newfoundland and Labrador Offshore Area. This group assists with the planning of the annual Digital Offshore Conference, held in St. John's, Newfoundland and Labrador.

## INTERNATIONAL REGULATORS' FORUM

As the International Regulators' Forum (IRF)<sup>14</sup> Performance Measurement Project Lead in 2024-25, the C-NLOPB along with the Canada-Nova Scotia Offshore Energy Regulator and Canada Energy Regulator, helped Canada champion the international discussion of industry performance by collecting data from member countries to measure, compare and analyze offshore safety performance.

The C-NLOPB and all other members continue to share a commitment to work together to promote improvements in health and safety to protect offshore employees and the environment.

## INTERNATIONAL OFFSHORE PETROLEUM ENVIRONMENTAL REGULATORS

The C-NLOPB is a founding member of the International Offshore Petroleum Environmental Regulators (IOPER), a collaborative group of international regulators whose focus is to drive improvements to environmental performance in the global offshore petroleum exploration and production industry.

During 2024-25, the C-NLOPB continued to participate in the IOPER Oil Spill, Marine Sound, Consultations of Indigenous Peoples, Decommissioning and Environmental Management of Carbon Capture and Storage Working Groups. Further information on IOPER is available through the IOPER website.<sup>15</sup>

## INTERNATIONAL REGULATORS FORUM OFFSHORE RENEWABLE ENERGY SUB-COMMITTEE

The International Regulators Forum Offshore Renewable Energy Sub-committee<sup>16</sup> (IRFORES) consists of offshore renewable energy infrastructure health and safety regulators. The forum provides an opportunity to share lead practices and innovation in the regulation of the rapidly evolving offshore renewable energy sector. In alignment with the principles of the IRF, IRFORES members are committed to advancing offshore health and safety standards.

## INTERNATIONAL UPSTREAM FORUM

The 14th International Upstream Forum (IUF) was hosted in St. John's, Newfoundland and Labrador in 2024. The IUF brings together member countries to discuss best practices, policies and lessons learned in the upstream offshore oil and gas industry. Topics discussed were energy transition, emissions reduction, data management, assessment of competency, digitalization and artificial intelligence.

## GLOBAL OFFSHORE WIND REGULATORS FORUM

The Global Offshore Wind Regulators Forum (GOWRF) is a multilateral forum established in 2019 for the purpose of sharing information between governments responsible for the regulation of offshore wind energy. The primary objectives of the GOWRF are to enable an exchange of information, including lessons learned and best practices, to promote sustainable and responsible offshore wind development and operations and to create a network of offshore wind energy regulators for mutual support and advice.

## NORTH SEA OFFSHORE AUTHORITIES FORUM

During the fiscal year the C-NLOPB continued to participate in the North Sea Offshore Authorities Forum<sup>17</sup> (NSOAF) in both the Wells Working group and the Health and Safety Group. The primary focus of these efforts was to network with regulatory counterparts to support awareness and share best regulatory practices in the areas of well operations, process safety and asset integrity.

C-NLOPB staff are currently working with the NSOAF Health and Safety Group to develop and participate in the next multinational audit on hazardous substances occurring in 2025-26.

<sup>14</sup> <https://irfshoresafety.com/>

<sup>15</sup> <https://www.ioper.org/>

<sup>16</sup> <https://irfshoresafety.com/irfores>

<sup>17</sup> <https://www.havtil.no/en/about-us/international-collaboration/nsoaf/>



# FRONTIER AND OFFSHORE REGULATORY RENEWAL INITIATIVE

The **Canada-Newfoundland and Labrador Offshore Area Petroleum Operations Framework Regulations (Framework Regulations)** modernized previous regulatory requirements, moving from a prescriptive approach to a hybrid approach using performance-based requirements where appropriate. New **Framework Regulations** replaced the **Offshore Petroleum Installation Regulations, Offshore Area Petroleum Geophysical Operations Regulations,** and the **Drilling and Production Regulations.**

The C-NLOPB published five draft guidelines for review and discussion with industry and other stakeholders.

## LIST OF DRAFT GUIDELINES

Contingency Plan Guidelines

Environmental Protection Plan Guidelines

Guideline for Petroleum-Related Authorizations and Approvals

Guideline for the Framework Regulations

Safety Plan Guidelines

In preparation for the **Framework Regulations** coming into force, operators assessed all existing Regulatory Queries and provided assessments against the new **Framework Regulations.** Updates to other regulatory instruments (e.g., guidelines, interpretation notes, codes of practice and forms) were also published.

Updates to remaining regulatory instruments are progressing, including updates to the **Offshore Waste Treatment Guideline** (renamed **Offshore Discharge Guideline**) and the **Incident Reporting and Investigation Guideline.**



# FINANCIAL STATEMENTS – INDEPENDENT AUDITOR'S REPORT

To the Board Members of Canada – Newfoundland and Labrador Offshore Petroleum Board

## OPINION

We have audited the accompanying financial statements of Canada – Newfoundland and Labrador Offshore Petroleum Board (the Board), which comprise:

- the statement of financial position as at March 31, 2025
- the statement of operations for the year then ended
- the statement of changes in accumulated surplus for the year then ended
- the statement of net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Canada – Newfoundland and Labrador Offshore Petroleum Board as at March 31, 2025, and its results of operations, its changes in accumulated surplus and net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## BASIS FOR OPINION

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our auditor’s report.

We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

## RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards 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.

In preparing the financial statements, management is responsible for assessing the Board’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board’s financial reporting process.

## AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Board’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*KPMG LLP*

Chartered Professional Accountants  
St. John’s, Canada  
May 30, 2025



**STATEMENT OF FINANCIAL POSITION**

MARCH 31, 2025 WITH COMPARATIVE INFORMATION FOR 2024

	2025	2024
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	\$19,836,084	\$22,585,612
Receivables (note 2)	641,766	614,320
	20,477,850	23,199,932
<b>LIABILITIES</b>		
Payables and accruals (note 3)	10,907,806	14,057,948
Accrued employee future benefit obligation (note 4)	13,537,500	13,401,400
	24,445,306	27,459,348
Net debt	(3,967,456)	(4,259,416)
<b>NON-FINANCIAL ASSETS</b>		
Prepays	1,711,589	2,003,549
Tangible capital assets (Schedule 1)	6,206,040	3,529,212
	7,917,629	5,532,761
Commitments (note 6)		
Subsequent events (note 9)		
Accumulated surplus	<b>\$3,950,173</b>	<b>\$1,273,345</b>

See accompanying notes to the financial statements.

On behalf of the Board

Chair

Board Member

**STATEMENT OF OPERATIONS**

YEAR ENDED MARCH 31, 2025 WITH COMPARATIVE INFORMATION FOR 2024

	2025 ACTUAL	2025 BUDGET	2024 ACTUAL
<b>REVENUE</b>			
<b>OPERATING GRANTS:</b>			
Government of Canada	\$13,619,995	\$14,027,800	\$11,861,859
Government of Newfoundland and Labrador	13,619,995	14,027,800	11,861,859
	27,239,990	28,055,600	23,723,718
<b>ADD</b>			
Costs recovered from industry	27,239,990	28,055,600	23,723,718
Interest and other	820,934	734,000	1,013,133
	28,060,924	28,789,600	24,736,851
<b>LESS</b>			
Cost recoveries refunded to governments	27,239,990	28,055,600	23,723,718
<b>NET REVENUE</b>	<b>28,060,924</b>	<b>28,789,600</b>	<b>24,736,851</b>
<b>EXPENSES (SCHEDULE 2)</b>			
Board and executive office	1,721,236	1,553,143	1,900,313
Communications and public engagement	381,567	428,930	399,087
Corporate services	8,258,571	8,611,837	8,017,249
Environmental affairs	1,462,069	1,562,532	1,518,331
Exploration and information resources	2,875,299	2,904,252	2,652,786
Industrial benefits	712,906	703,722	475,577
Legal	1,029,889	1,077,360	920,088
Operations	2,379,868	2,469,026	2,319,128
Regulatory coordination, planning and innovation	594,074	519,525	681,863
Resource management	2,952,853	2,955,330	2,759,442
Safety	3,015,764	3,371,647	2,962,162
	25,384,096	26,157,304	24,606,026
<b>ANNUAL SURPLUS</b>	<b>\$2,676,828</b>	<b>\$2,632,296</b>	<b>\$130,825</b>



### STATEMENT OF CHANGES IN ACCUMULATED SURPLUS

YEAR ENDED MARCH 31, 2025 WITH COMPARATIVE INFORMATION FOR 2024

	2025 ACTUAL	2025 BUDGET	2024 ACTUAL
Accumulated surplus, beginning of year	\$1,273,345	\$578,778	\$1,142,520
Annual surplus	2,676,828	2,632,296	130,825
Accumulated surplus, end of year	<b>\$3,950,173</b>	<b>\$3,211,074</b>	<b>\$1,273,345</b>

### STATEMENT OF NET DEBT

YEAR ENDED MARCH 31, 2025 WITH COMPARATIVE INFORMATION FOR 2024

	2025	2024
Annual surplus	\$2,676,828	\$130,825
Acquisition of tangible capital assets	(3,194,010)	(981,062)
Amortization of tangible capital assets	517,182	850,237
Decrease (increase) in prepaids	291,960	(1,279,549)
Decrease (increase) in net debt	291,960	(1,279,549)
Net debt, beginning of year	(4,259,416)	(2,979,867)
Net debt, end of year	<b>\$(3,967,456)</b>	<b>\$(4,259,416)</b>

### STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2025 WITH COMPARATIVE INFORMATION FOR 2024

	2025	2024
<b>CASH PROVIDED BY:</b>		
Operating activities:		
Annual surplus	\$2,676,828	\$130,825
Amortization of tangible capital assets	517,182	850,237
	3,194,010	981,062
Change in non-cash items:		
Accrued employee future benefit obligation	136,100	8,200
Receivables	(27,446)	(196,683)
Prepaids	291,960	(1,279,549)
Payables and accruals	(3,150,142)	2,713,058
Operating transactions	444,482	2,226,088
Capital activity:		
Cash used to acquire tangible capital assets	(3,194,010)	(981,062)
(Decrease) increase in cash and cash equivalents	(2,749,528)	1,245,026
Cash and cash equivalents, beginning of year	22,585,612	21,340,586
Cash and cash equivalents, end of year	<b>\$19,836,084</b>	<b>\$22,585,612</b>



# NOTES TO THE FINANCIAL STATEMENTS

The Canada-Newfoundland & Labrador Offshore Petroleum Board (the Board) was formed in 1985 to administer the relevant provisions of the Canada-Newfoundland Atlantic Accord Implementation Acts as enacted by the Parliament of Canada and the Legislature of Newfoundland and Labrador. The Board regulates petroleum-related activities in the Canada-

Newfoundland and Labrador Offshore Area. While the Board is an independent regulator that operates at arms-length from the governments, some Board decisions (referred to under the Accord Acts as “Fundamental Decisions”) require government approval, as does its annual operating budget.

## 1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants and reflect the following significant accounting policies.

### (A) USE OF ESTIMATES:

In preparing the Board’s financial statements in conformity with Canadian public sector accounting standards, management are required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the period. Items requiring the use of significant estimates include the useful life of tangible capital assets, estimated accrued employee future benefits, rates of amortization, and impairment of assets.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available.

Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

### (B) REVENUE RECOGNITION:

Operating grants are recognized when approved, less amounts repayable for expenses not incurred.

Costs recovered from industry are recognized in the period when the related service is performed and when collection is reasonably assured.

Interest and other revenues are recognized as earned and when collection is reasonably assured.

### (C) CASH AND CASH EQUIVALENTS:

Cash and cash equivalents includes cash on hand, balances with banks, and guaranteed investment certificates.

### (D) NON-FINANCIAL ASSETS:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives generally extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the change in net debt for the year.

### (E) TANGIBLE CAPITAL ASSETS:

Tangible capital assets are recorded at cost. Depreciation is provided annually at rates calculated to write off the assets over their estimated useful life as follows, except in the year of acquisition when one half of the rate is used.

Buildings	4%	Declining balance
Leasehold improvements	5 years	Straight-line
Furniture and fixtures	4 years	Straight-line
Data management system	3 years	Straight-line
Computer software	1 year	Straight-line
Computer equipment	3 years	Straight-line

### (F) IMPAIRMENT OF TANGIBLE CAPITAL ASSETS:

When a tangible capital asset no longer contributes to the Board’s ability to provide service, and the value of future economic benefits associated with the tangible capital asset is less than the net book value, the carrying value of the tangible capital asset is reduced to reflect the decline in the asset’s value.

### (G) CAPITAL GRANTS:

Federal and provincial grants received for annual capital expenditures are recognized as revenue in the year in which they are received.

### (H) EMPLOYEE FUTURE BENEFITS:

The Board provides group life and health benefits for eligible employees. The Board currently contributes 100% of the premiums for medical and dental benefits, and 50% for life insurance for retired employees. During the 2019-2020 year this plan was amended such that it was closed to new employees hired after March 31, 2020. The plan was amended such that employees retiring after December 31, 2025 (previously March 31, 2025) will be subject to 50% retiree medical and dental benefits premium cost sharing.

These retirement benefits are recorded on an accrual basis based on an actuary’s estimate. Actuarial gains and losses are amortized on a straight-line basis over the average remaining service period of the active members expected to receive benefits under the plan (15 years).

### (I) RETIRING ALLOWANCE:

The Board also provides a retirement allowance benefit for eligible employees. This benefit accrues over the estimated service life of the employees and is expensed according to actuarial estimates and assumptions. During the 2019-2020 year, the Board made a decision to modify the Retiring allowance policy. The policy will not apply to new hires after March 31, 2020.

### (J) FINANCIAL INSTRUMENTS:

The Board considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Board accounts for the following as financial instruments:

- cash and cash equivalents;
- receivables; and
- payables and accruals.

A financial asset or liability is recognized when the Board becomes party to contractual provisions of the instrument.

The Board initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Board subsequently measures its financial assets and financial liabilities at cost or amortized cost.

Financial assets measured at cost include cash and cash equivalents, and receivables. Financial liabilities measured at cost include payables and accruals.

The Board removes financial liabilities, or a portion of, when the obligation is discharged, cancelled, or expires.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net annual surplus.

## 2. RECEIVABLES

	2025	2024
Trade	\$5,101	\$33,303
Harmonized sales tax receivable	192,442	230,252
Interest receivable	340,876	280,866
Other	103,347	69,899
	<b>\$641,766</b>	<b>\$614,320</b>

## 3. PAYABLES AND ACCRUALS

	2025	2024
Trade	\$4,120,460	\$6,002,168
Government of Canada	3,393,673	4,027,890
Government of Newfoundland and Labrador	3,393,673	4,027,890
	<b>\$10,907,806</b>	<b>\$14,057,948</b>

## 4. ACCRUED EMPLOYEE FUTURE BENEFIT OBLIGATION:

### GROUP LIFE AND GROUP HEALTH PLANS:

The Board provides for coverage under the group life and group health plans upon retirement from active service for its employees.

The most recent actuarial valuation for the accrued employee future benefit obligation was performed effective March 31, 2025.

The accrued benefit liability and benefits expense are outlined below:

	2025	2024
Reconciliation of funded status	\$6,853,600	\$7,832,200
Unamortized net actuarial gains	5,144,900	4,120,500
<b>Accrued benefit liability</b>	<b>\$11,998,500</b>	<b>\$11,952,700</b>
<b>NET BENEFIT EXPENSE:</b>		
Current service cost	\$226,500	\$231,400
Amortization of actuarial gain	(292,400)	(323,600)
Interest cost	286,200	280,300
	<b>\$220,300</b>	<b>\$188,100</b>

### RETIRING ALLOWANCE:

The board provides a retiring allowance to employees hired before March 31, 2020 upon death or retirement. The allowance is equal to one week's pay for each year of employment with the Board, to a maximum of 20 week's pay. Employees must have a minimum of five year's employment with the Board to qualify under this policy.

<b>Accrued benefit liability</b>	<b>\$1,539,000</b>	<b>\$1,448,700</b>
----------------------------------	--------------------	--------------------

The accrued benefit liability is net of unamortized actuarial gains of \$110,400 (2024 - \$79,300).

### NET BENEFIT EXPENSE:

Current service cost	\$96,200	\$95,100
Amortization of actuarial gain	(5,900)	(8,500)
Interest cost	51,800	52,800
	<b>\$142,100</b>	<b>\$139,400</b>

Significant actuarial assumptions used in calculating the accrued benefit liability for the employee future benefit and the retiring allowance are as follows:

Discount rate	3.90%	3.60%
Rate of increase in compensation levels	2.00%	2.00%
Dental inflation rate	4.00% <sup>18</sup>	4.00%
Medical inflation rate	4.00% <sup>19</sup>	4.00%

<sup>18</sup> 8.5% per year in 2023, reducing to an ultimate rate of 4.00% per year in and after 2025.  
<sup>19</sup> 5.7% per year in 2023, reducing to an ultimate rate of 4.00% per year in and after 2040.



## 5. DEFINED BENEFIT PUBLIC SERVICE PENSION PLAN:

The Board participates in the Government of Newfoundland and Labrador's defined benefit Public Service Pension Plan (the "Plan"). The assets of the Plan are held separately from those of the Board in an independently administered fund. Plan participation is mandatory for all full-time employees with greater than 3 calendar months of continuous employment.

Effective on January 1, 2015, pension plan changes came into effect that required increase to contribution rates, and changes to pension eligibility. Plan members must now have a minimum of 10 years of pensionable service (with a 5 year transition under the old rules) to obtain a pension benefit. Normal retirement age under the Plan is 65 however early retirement options are available.

Members of the Plan are required to make contributions toward the funding of their pension benefits as follows:

- (i) 10.75% of earnings up to the Year's Basic Exemption, the portion of earnings upon which no CPP contributions are required;
- (ii) 8.95% of earnings in excess of the Year's Basic Exemption up to and including the Year's Maximum Pensionable Earnings ("YMPE"); and
- (iii) 11.85% of earnings in excess of the YMPE.

Pensions paid under the Plan are indexed annually. Indexing is applied at the rate of 60% of the increase in the Consumer Price Index ("CPI"), with the increase in the CPI capped at 2%. Employees who retire after January 1, 2015 shall have their pensions indexed only on the service credited before January 1, 2015. Indexing applies to benefits of pensioners who have attained age 65 prior to October 1 of each year.

For future service, pensions will be calculated by using the best 6 years of average pensionable earnings. For past service, pensions will be calculated by using the higher of: the frozen best 5 years of average pensionable earnings (calculated up to the effective date (January 1, 2015), or the best 6 years average for all past and future service.

Employer contributions paid and expensed by the Board during the year totaled \$1,433,077 (2024 - \$1,369,501). Additional information about the plan surplus or deficit is not available.

## 6. COMMITMENTS:

The Board is committed under terms of a premises lease to make the following minimum annual lease payments:

March 31, 2026	\$1,786,496
March 31, 2027	1,805,249
March 31, 2028	1,824,940
March 31, 2029	1,845,615
March 31, 2030	1,867,324

## 7. FINANCIAL INSTRUMENTS RISKS AND CONCENTRATIONS:

The Board is exposed to various risks through its financial instruments. The following analysis provides a measure of the Board's risk exposure and concentrations at March 31, 2025.

### (A) LIQUIDITY RISK:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Board is exposed to this risk mainly in respect of its payables and accruals in the amount of \$10,907,806 (2024 - \$14,057,948), which have a maturity of not later than one year. The Board reduces its exposure to liquidity risk by monitoring its cash flows and ensuring that it has sufficient cash available to meet its obligations and liabilities. In the opinion of management the liquidity risk exposure to the Board is low.

### (B) CREDIT RISK:

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Board's credit risk is attributable to receivables in the amount of \$641,766 (2024 - \$614,320). Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote.

The Board does not believe there is exposure to interest rate risk or foreign currency risk.

## 8. RELATED PARTY TRANSACTIONS:

The Board is jointly controlled due to ability to appoint board members by the federal Government of Canada and the provincial Government of Newfoundland and Labrador. During the year, the Board had the following transactions with these governments:

Operating grant from the Government of Canada	\$13,619,995
Operating grant from the Government of Newfoundland and Labrador	13,619,995
Cost recoveries refunded to Government of Canada	13,619,995
Cost recoveries refunded to Government of Newfoundland and Labrador	13,619,995

## 9. SUBSEQUENT EVENTS:

Effective March 18, 2025, the Accord Acts were amended to expand the Canada-Newfoundland and Labrador Offshore Petroleum Board's (C-NLOPB) mandate to include offshore renewable energy.

As of March 31, 2025, a coming into force date had not been decided by both Governments. Once this happens, the C-NLOPB will become the Canada-Newfoundland and Labrador Offshore Energy Regulator (C-NLOER).

## 10. COMPARATIVE INFORMATION:

Certain comparative information has been reclassified to conform to the financial statement presentation adopted in the current year.

## SCHEDULE 1 - TANGIBLE CAPITAL ASSETS

YEAR ENDED MARCH 31, 2025

	LAND AND PARKING LOT	BUILDINGS	LEASEHOLD IMPROVEMENTS	FURNITURE AND FIXTURES	DATA MANAGEMENT SYSTEM	COMPUTER SOFTWARE	COMPUTER EQUIPMENT	ASSETS UNDER DEVELOPMENT	2025 TOTAL	2024 TOTAL
Cost, beginning of year	\$ 258,297	\$ 3,583,501	\$ 325,341	\$ 733,268	\$ 1,108,298	\$ 2,294,219	\$ 6,230,827	\$ 487,957	\$15,021,708	\$14,212,765
Additions during the year	–	–	109,300	47,742	–	23,435	48,303	2,965,230	3,194,010	981,062
Disposals during the year	–	–	–	–	–	–	–	–	–	(172,119)
<b>Cost, end of year</b>	<b>\$ 258,297</b>	<b>\$ 3,583,501</b>	<b>\$ 434,641</b>	<b>\$ 781,010</b>	<b>\$ 1,108,298</b>	<b>\$ 2,317,654</b>	<b>\$ 6,279,130</b>	<b>\$ 3,453,187</b>	<b>\$18,215,718</b>	<b>\$15,021,708</b>
Accumulated amortization, beginning of year	\$ –	\$ 1,878,404	\$ 200,789	\$ 555,077	\$ 1,108,298	\$ 2,288,940	\$ 5,460,988	\$ –	\$11,492,496	\$10,814,378
Amortization	–	68,204	75,999	80,139	–	14,357	278,483	–	517,182	850,237
Reversals of accumulated amortization relating to disposals	–	–	–	–	–	–	–	–	–	(172,119)
Accumulated amortization, end of year	\$ –	\$ 1,946,608	\$ 276,788	\$ 635,216	\$ 1,108,298	\$ 2,303,297	\$ 5,739,471	\$ –	\$12,009,678	\$11,492,496
<b>Net book value of tangible capital assets</b>	<b>\$ 258,297</b>	<b>\$ 1,636,893</b>	<b>\$ 157,853</b>	<b>\$ 145,794</b>	<b>\$ –</b>	<b>\$ 14,357</b>	<b>\$ 539,659</b>	<b>\$ 3,453,187</b>	<b>\$ 6,206,040</b>	<b>\$ 3,529,212</b>

**SCHEDULE 2 - EXPENSES**

YEAR ENDED MARCH 31, 2025

	2025	2024
<b>BOARD AND EXECUTIVE OFFICE:</b>		
Consulting fees	\$839	\$62,761
Miscellaneous	7,197	6,789
Training and conferences	129,114	95,630
Travel	76,502	115,732
Wages and benefits	1,507,584	1,619,401
	<b>1,721,236</b>	<b>1,900,313</b>
<b>COMMUNICATIONS AND PUBLIC ENGAGEMENT:</b>		
Board publications	15,670	14,456
Consulting fees	15,411	59,305
Materials	1,471	20,581
Miscellaneous	2,542	1,601
Training and conferences	11,043	17,271
Travel	1,239	2,505
Wages and benefits	334,191	283,368
	<b>381,567</b>	<b>399,087</b>
<b>CORPORATE SERVICES:</b>		
Amortization of tangible capital assets	517,182	850,237
Computer support and maintenance	2,686,131	2,147,557
Consulting fees	119,695	165,059
General office maintenance	472,137	469,874
Rent and premises	1,910,487	1,955,436
Training and conferences	33,453	20,562
Travel	6,658	3,997
Wages and benefits	2,512,828	2,404,527
	<b>8,258,571</b>	<b>8,017,249</b>
<b>ENVIRONMENTAL AFFAIRS:</b>		
Consulting fees	–	(500)
Miscellaneous	2,811	2,531
Training and conferences	66,038	79,525
Travel	9,023	12,968
Wages and benefits	1,384,197	1,423,807
	<b>1,462,069</b>	<b>1,518,331</b>

**SCHEDULE 2 - EXPENSES (CONTINUED)**

YEAR ENDED MARCH 31, 2025

	2025	2024
<b>EXPLORATION AND INFORMATION RESOURCES:</b>		
Consulting fees	92,151	76,019
Miscellaneous	7,197	6,892
Training and conferences	117,141	84,115
Travel	1,644	–
Wages and benefits	2,657,166	2,485,760
	<b>2,875,299</b>	<b>2,652,786</b>
<b>INDUSTRIAL BENEFITS:</b>		
Consulting fees	21,285	16,125
Miscellaneous	1,491	954
Training and conferences	28,750	11,351
Travel	57	6,808
Wages and benefits	661,323	440,339
	<b>712,906</b>	<b>475,577</b>
<b>LEGAL:</b>		
Consulting fees	53,102	137,883
Miscellaneous	2,077	1,566
Training and conferences	13,480	24,256
Travel	1,366	188
Wages and benefits	959,864	756,195
	<b>1,029,889</b>	<b>920,088</b>
<b>OPERATIONS:</b>		
Consulting fees	–	8,616
Miscellaneous	4,193	3,952
Training and conferences	130,730	104,785
Travel	24,720	19,318
Wages and benefits	2,220,225	2,182,457
	<b>2,379,868</b>	<b>2,319,128</b>



**SCHEDULE 2 - EXPENSES (CONTINUED)**

YEAR ENDED MARCH 31, 2025

	2025	2024
<b>REGULATORY COORDINATION, PLANNING AND INNOVATION:</b>		
Miscellaneous	1,346	1,001
Training and conferences	7,887	3,751
Travel	28	-
Wages and benefits	584,813	677,111
	<b>594,074</b>	<b>681,863</b>
<b>RESOURCE MANAGEMENT:</b>		
Miscellaneous	5,665	5,999
Training and conferences	91,007	96,365
Travel	2,652	134
Wages and benefits	2,853,529	2,656,944
	<b>2,952,853</b>	<b>2,759,442</b>
<b>SAFETY:</b>		
Consulting fees	96,831	112,934
Miscellaneous	6,466	6,172
Training and conferences	164,883	113,752
Travel	32,592	70,200
Wages and benefits	2,714,992	2,659,104
	<b>3,015,764</b>	<b>2,962,162</b>
	<b>\$25,384,096</b>	<b>\$24,606,026</b>





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