



ENVIRONMENTAL, SOCIAL AND GOVERNANCE 2021 REPORT

TRANSFORMING THE LANDSCAPE



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ABOUT THIS REPORT

Welcome to West Lake Energy Corporation's inaugural environmental, social, safety and governance ('ESG') sustainability report. In 2020 West Lake underwent a total leadership overhaul, resulting in a substantial culture shift for the Corporation. An intrinsic element of this transformation has been a focus on ESG impacts as a company, prompting the analysis of our practices and the development of an ESG strategy. West Lake is still in the process of evolution, and this report acts as part of our commitment to transparency and accountability to stakeholders.

This report uses the expressions 'sustainability' and 'ESG' interchangeably to improve readability, though we do recognize that there are differences between the terms. The phrases 'we', 'our', 'us', the 'Corporation', 'West Lake', etc. all refer to West Lake Energy Corp. and its subsidiaries.

This report was compiled using the Sustainability Accounting Standards Board's ('SASB') *Oil & Gas - Processing & Exploration Accounting Standard*, *Global Reporting Initiative's ('GRI') GRI 11: Oil & Gas Sector 2021*, and the Task Force for Climate Related Financial Disclosure ('TCFD') recommendations as a foundation for data collection and strategy development. SASB and GRI reporting data may be found in the '*Performance Summary (2020 - 2021)*', however as a privately owned company some information has not been disclosed and as such does not meet the full compliance requirements for SASB, GRI, or TCFD reporting standards. The data published in this report was calculated via industry standards and methodologies, in cases where industry standards were not used the appropriate methodology is stated within the data.

Unless otherwise stated measurements are in metric units, financial amounts are in Canadian dollars, production amounts are in 'barrels of oil equivalent' or 'boe' and all data presented is for the reporting years of 2020 and 2021. To preserve the accuracy of this report the included data and statements have been reviewed by senior management and relevant employees, all of whom believe the information to be an accurate representation of West Lake and its subsidiaries.

This report contains forward-looking information pertaining to the internal expectations and projections of West Lake. For further information refer to the '*Advisories*' section.

MESSAGE TO STAKEHOLDERS

“Part of our vision is to become a leader in environmental and community investment and stewardship.”

Our Environment, Social & Governance journey began under two years ago, when the current management team joined the Corporation and laid out a vision for a new strategic direction to create value and refocus on what matters, including integrating better stewardship in all aspects of West Lake. To enact this transformation, we spent the majority of 2020 and 2021 reviewing and analyzing our practices and the development of an ESG strategy to best address any areas for improvement and continuing to develop areas of strength. At the same time, we started implementing various ESG initiatives, some of which will be completed in 2022.

West Lake is in the process of this evolution, and this inaugural report is part of our commitment to transparency and building on a foundation of accountability to stakeholders. At the same time, we have an opportunity to highlight our strong commitment and accomplishments in the areas of environment, safety, people, governance and community impact, and goals for the future. While our transformation encompasses all areas, we have implemented specific ESG initiatives to reduce greenhouse gas emissions, reclaim and restore land, advance safety programs, respect and support communities, improve governance processes, and invest in our people.

Expanding beyond the traditional oil and gas company business model, West Lake is also undergoing a significant transition to incorporate new and creative sustainability-focused energy ventures. One of our largest and most ambitious environmental projects has been our asset retirement obligation work with the Frog Lake First Nation to restore their lands to its original state by the end of 2022, requiring a respectful and collaborative approach and understanding of their needs for the future. The rebuilding of this relationship represents a huge step forward for our vision of being a leader in environmental and community investment, and laid the foundation for a formal development partnership in 2022 that has led to the co-creation of Buffalo Mission Energy Corporation ('Buffalo Mission'). **Canada's first First Nations owned and operated ESG focused petroleum company, Buffalo Mission represents a step forward with many unique ESG features,** including community investment and a pre-funded asset retirement fund to ensure future generations are not held responsible for the cost of future inactive wells.

While the work began in 2021, we recently announced a Carbon Capture Sequestration Hub proposal located near Pincher Creek,

Alberta, setting the foundation for a transformational green energy hub. The project will provide an immediate solution to the need for carbon capture, utilization, and storage for Southern Alberta and the northwest United States. We're very excited about this project and see this venture as a key step towards achieving net zero emissions, limiting our carbon footprint and supporting local communities through the creation of new economic ventures.

Recognizing our responsibility to support and empower others, we also examined our interaction with the people around us and those involved in our operations: our employees, the communities we operate in, First Nations groups and other stakeholders. Several projects began in 2021 through our restructuring such as improving health and safety training, providing financial, employment and educational support to First Nations companies and individuals, donating to local community causes, implementing new two-way dialogue and communication practices, and redesigning our employee rewards structure.

As for governance practices, we are developing a culture focused on core values and stakeholder relationships that are built on trust and transparency. We believe that building a company with strong values, processes and procedures will create improved alignment and cohesion across the organization and improved agility to respond to changing circumstances. In 2021, we began the process of modernizing our practices, processes and policies for the future. As we continue to develop our governance framework, we will leverage best practices to enhance board and management accountability to our stakeholders.

While at the early stages of our ESG journey, we have been building towards integrating sustainability throughout our operations for several years. This report lays the foundation for our ESG strategy, highlighting our commitment while providing a framework to track and enhance performance. We see ESG as an opportunity to focus on sustainability targets and initiatives, engage our people, incorporate best practices, create value for our stakeholders, and make a positive contribution to the communities where we operate. We recognize the importance of these elements to our people and stakeholders and strive to continuously improve in everything we do.

I look forward to further reporting on our ESG journey as we continue to improve and expand our practices as part of our longer-term strategy.



Bruce McDonald
Chief Executive Officer



COMPANY OVERVIEW

West Lake Energy Corp.

Intermediate Oil and Gas Producer

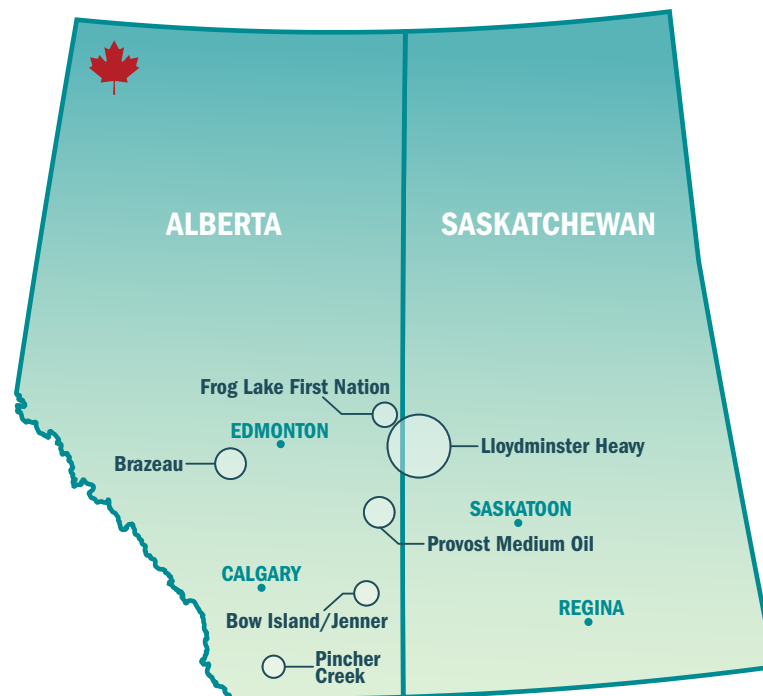
9,823
boe/d

1,776
active wells

65
employees

\$202
million
in economic value
generated (2021)

WestLake
ENERGY



OUR VISION & MISSION

West Lake's vision is to be a leader in environmental protection and stewardship, recognized for operating in a manner that is safe, responsible, and respectful to all stakeholders, and contributes to a sustainable future for Western Canadian energy.

We are a progressive energy company, focused on leveraging our expertise to optimize our operations and advance clean energy solutions. Through our community of internal and external stakeholders, we will:

- › deliver long-term value for our shareholders
- › drive innovative solutions in everything we do
- › cultivate an inspiring and supportive work environment
- › safeguard the land, our people, and the communities within which we work.

ESG AT WEST LAKE

CULTIVATING VALUE THROUGH ESG




We view sustainability as a journey – not a destination – and one that requires a culture that is attuned towards its importance.

After a complete leadership team change and refocus of the company in 2020 and into 2021, we began by evaluating our sustainability work and our impact on our stakeholders. This provided the opportunity to identify ways to best incorporate ESG into our business practices and create value for stakeholders.

Starting with the process of establishing corporate baselines and implementing goals, this involved an in-depth review of all aspects of the Corporation to identify existing ESG policies and procedures and areas for improvement. We then focused on advancing existing strategies and implementing new ones to foster a responsible energy future, ensuring that West Lake remains relevant and is able to continue to contribute to Canadian sustainability. We believe in ESG not only as an annual assessment of our business but as a cultural movement both within the organization and on a societal scale.

To aid our transformation, we began implementing the first steps of our ESG strategy that forms the foundation for our practices and standards – which we will continue to improve for years to come. This inaugural report highlights some of the ways and initiatives we are taking to ensure future generations continue to enjoy our beautiful country along with having their energy needs met.






OUR COMMITMENTS	HOW THIS CREATES VALUE	MATERIAL TOPICS
 ENVIRONMENT GHG reduction with focus on vented emissions Asset responsibility (ARO reduction) Reliability in our operational areas	<ul style="list-style-type: none"> > Maintains and bolsters stakeholder relationships > Reduces operational costs and liabilities > Transitioning to greener energy standards > Maintains a competitive and sustainable edge within the industry 	<ul style="list-style-type: none"> > GHG Emissions reduction > Abandonment and reclamation > Carbon credits > Energy usage > Spills > Water stewardship > Operational integrity > Safety across all phases of operations
 SOCIAL Improving safety Employee engagement Improving communication Being a good neighbour and steward	<ul style="list-style-type: none"> > Safeguards well-being and health > Builds and maintains a collaborative company community and culture > Enables sustainable growth and movement > Provides license to operate 	<ul style="list-style-type: none"> > Employee health and safety > Employee development and engagement > Diversity and inclusion > Stakeholder engagement > Economic impact > Community investment > First Nations collaboration
 GOVERNANCE Ensuring effective board leadership Transparency and accountability Proper oversight and attention to key ESG matters	<ul style="list-style-type: none"> > Sets strategic direction > Provides improved decision making > Ensures ethical and transparent actions > Encourages continuous improvement as a company 	<ul style="list-style-type: none"> > Corporate governance > Board information > Ethics > Policies, procedures and process development > Governance and oversight of environmental and social matters > Risk management

2021 HIGHLIGHTS

► The last two years brought a lot of change to the Corporation, the industry, and Canada. We are proud of our accomplishments to improve our performance and ESG metrics over this time, and are excited to continue our journey and build on our strategy to be an industry leader in sustainability.



	FOCUS	HIGHLIGHT
 ENVIRONMENT	Greenhouse gas emissions (pg. 8–10)	<ul style="list-style-type: none"> 22% decrease in total GHG emissions (since 2018)
	Asset retirement obligations (pg. 8, 11)	<ul style="list-style-type: none"> 763 wells abandoned 228 wells reclaimed (since 2019)
	Water use (pg. 13)	<ul style="list-style-type: none"> ~100% of produced water recycled or injected (2020 & 2021)
	Energy consumption / Clean energy technology and processes (pg. 14)	<ul style="list-style-type: none"> Carbon credits earned (2021) Increased use of solar energy for well operation
	Operational integrity (pg. 12)	<ul style="list-style-type: none"> Increased inspections and training programs
	Improved TRIF, despite increased activities in 2021 (pg. 15)	<ul style="list-style-type: none"> 0.8 incidents per 200,000 hrs (53% decrease over 2020)
	Training program improvements and updates (pg. 15)	<ul style="list-style-type: none"> Proactive assessments Focus on safety beyond “high-risk” activities
 SOCIAL	Leadership changes and improved communication (pg. 16–17)	<ul style="list-style-type: none"> Initiated two-way dialogue Improved employee engagement initiatives
	Shift in safety culture (pg. 18)	<ul style="list-style-type: none"> Introduction of “safety moments” Mental well-being
	Diversity and Respect (pg. 17, 19)	<ul style="list-style-type: none"> 35% female staff (2021) Substantial representation and employment of First Nations communities Reviewed Respectful Workplace policy
	Review of rewards program (pg. 17, 19)	<ul style="list-style-type: none"> Collaboration and engagement with employees to define new <i>Total Rewards</i> program
	Community engagement and support (pg. 17, 20)	<ul style="list-style-type: none"> \$201.9 million economic benefit (2021) Local community donations and initiatives
	First Nations Collaboration (pg. 17, 20–21)	<ul style="list-style-type: none"> Improved communications and engagement with Frog Lake First Nations \$7.6 million spent on First Nations businesses Annual donation and training programs
 GOVERNANCE	Governance overview (pg. 22)	<ul style="list-style-type: none"> Reviewed governance practices and restructured organization
	Board and ESG oversight (pg. 22–24)	<ul style="list-style-type: none"> Created new ESG team Built ESG benchmarks and future goals
	Policies, procedures and process development (pg. 24)	<ul style="list-style-type: none"> Reviewed policies, processes and procedures and began improvements
	Risk management (pg. 24)	<ul style="list-style-type: none"> Held regular meetings and discussions to identify and manage potential risks



SAFEGUARDING THE ENVIRONMENT




We view protecting the environment as a journey – not a destination – and one that requires a culture that is attuned towards its importance.

We view safeguarding the environment of utmost importance in our work and as part of our culture – our people take pride in ‘doing what’s right’. Our operations have safety management systems in place that identify, assess and respond to potential risks such as hazard assessment and control, inspection and preventative maintenance, emergency preparedness and response plans, and extreme weather safety. Our current ESG practices include using recycled water in fracking operations, decreasing carbon dioxide (CO₂) emissions, developing voluntary carbon offsets, minimizing land use and exploring energy transition opportunities.

All of our assets are in Western Canada and are monitored by some of the most stringent environmental standards in the world including emissions caps, water use regulations, and reclamation obligations. As the global concern surrounding climate related issues grows, we anticipate these regulations to become stricter and are committed to not only meet these standards but be recognized for going above and beyond, where we can, to help in the transition to a low carbon world.

As we continue to strengthen our relationship with our stakeholders, we are committed to meeting their needs while preserving the beauty of the Western Canadian landscape for future generations.




HIGHLIGHTS

Our inaugural report focuses on our environmental impact over 2020 and 2021, but establishes our baseline year as 2018 to avoid production anomalies due to the COVID-19 pandemic. We are proud to have made measurable improvements to our environmental practices that have translated into better environmental performance.

► GREENHOUSE GAS EMISSION ('GHG') REDUCTIONS (SINCE 2018)

 **22%** decrease in total GHG emissions

 **9%** decrease in total emission intensity

 **52%** decrease in vented emissions

 **21%** decrease in Scope 2 emissions (electricity consumption)

► ASSET RETIREMENT OBLIGATION ('ARO') IMPROVEMENTS (SINCE 2019)

 **763** wells abandoned

 **228** wells reclaimed



TARGETS

While in the early stages of our environmental journey, we have identified several areas for improvement over the next few years, focusing on measurable, challenging but attainable goals.

FUTURE GOALS*

5% Annual reduction in total GHG emissions (tCO₂e)

5% Annual reduction in Scope 1 and 2 emissions intensity (kg CO₂e/boe)

40% Reduction in vented emissions by 2025

50% Reduction in flared emissions by 2025

25% Reduction in Scope 1 and 2 emissions intensity by 2025

508 Wells abandoned by 2025

541 Sites reclaimed by 2025

100% Total pneumatic controllers converted from high to low bleed by end of 2022

*Compared to current 2021 reporting



REDUCING GHG EMISSIONS

We recognize the importance of being a good neighbour and are committed to become a role model for environmental practices within the industry.

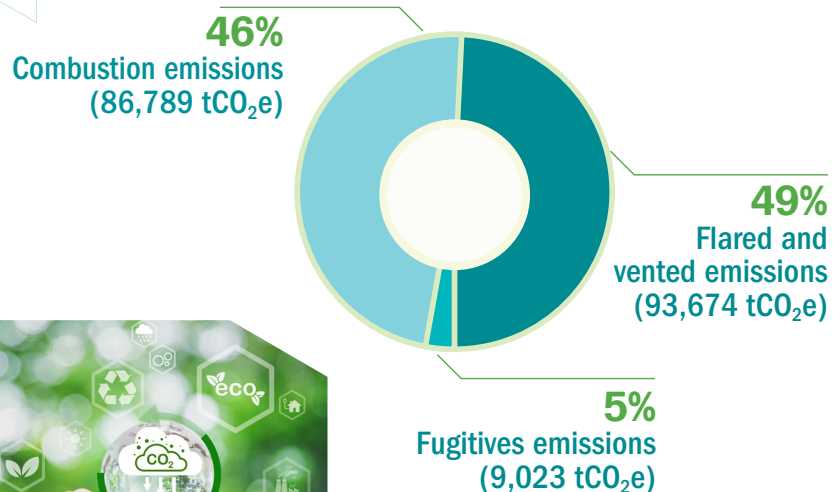
To effectively implement our sustainability strategy, we first determined our environmental baselines, which resulted in identifying greenhouse gas emissions reduction as one of our most crucial focus areas.

In 2021, we set our first official goal for emissions reduction: to reduce vented and flared gas volumes by 5%. We're proud to report that we surpassed our vented gas target, reducing volumes by 16%. Unfortunately, we did not meet the flared target due to the impact of increased production with the recovery of global oil demand and the purchase of Boulder Energy Ltd. ('Boulder') in late 2021, which raised our overall GHG emissions. However, we reached our goal on an intensity perspective and strengthened not only our own environmental practices but also those of our partners and contractors.



In 2021, vented and flared emissions were a significant contributor of our overall emissions, comprising nearly 35% of our corporate Scope 1 and 2 emissions. They present the largest opportunity for company-wide emissions reduction through gas conservation projects in both Alberta and Saskatchewan. Going forward, our primary GHG focus will be to reduce these emissions as we transition to a lower carbon economy.

2021 West Lake Scope 1 Emission Breakdown



Vented Emissions

Vented methane emissions are a key focus for producers as a single molecule of methane is deemed over 25x more potent than CO₂ for trapping heat in the atmosphere. In 2021, we started replacing all our high bleed pneumatic controllers with low bleed controllers, and converting our facilities from instrument gas to instrument air systems, which eliminate methane emissions and provide safety benefits. Instrument air systems were installed at 13 of our existing facilities in 2021, and are on track to have all controllers replaced by the end of 2022, further reducing our vented emissions in 2022 and beyond.

We also partnered with the Environment and Climate Change Canada ('ECCC') to tie-in and pipeline vented gas to a nearby injection site in Lashburn, Saskatchewan. This multi-kilometre pipeline completely replaced purchased propane at the site, conserving over 9,100 tonnes of CO₂e – the equivalent of removing 1,800 cars off the road annually. We are excited to continue with these and other initiatives to further lower our vented emissions.

Flared Emissions

We take steps to minimize our flared emissions, meeting or exceeding industry regulations. During 2021, we completed two large flare gas conservation projects: the 01-09 facility in Gillespie, Alberta, where the flared gas was compressed and fully conserved for sale by constructing a 5,300 metre pipeline; and the 06-12 facility in Rosenheim, Alberta, where a pipeline was constructed to tie-in flared gas volumes into a nearby and newly purchased facility. Both projects resulted in a decrease of over 7,000 tonnes of CO₂e emissions annually.

LOOKING FORWARD TO 2022

With our focus on improving air quality, we set a 2022 corporate target to decrease overall corporate emission intensity by 3% from 71.95 kg CO₂e/ boe to 69.79 kg CO₂e/ boe. Taking into consideration further production increases and the need to combat the environmental challenges faced with the integration of Boulder, we believe that this goal is achievable and are on track to exceed our target by over three-fold.



CASE STUDY: TARGETING NET ZERO EMISSIONS BY 2050

West Lake is focused on conserving natural gas. In 2021, we received over \$1.3 million in grants to aid in our gas conservation efforts for 11 distinct projects from Federal and Provincial Governments. Combined with our own capital, this funding provided the resources to take actionable steps to help meet Canadian and global emission reduction goals.

One of the most collaborative projects involved Provincial support via Carbon Connect International, Federal support via ECCC's Emission Reduction Fund, the county of Vermillion and West Lake to tie-in gas from four oil production leases at Swimming, Alberta. This helped conserve large amounts of vented gas and redirect it into the main supply pipeline for conservation and sale. Projects of this nature are crucial to further reducing and limiting our carbon emissions.

CASE STUDY: IMPROVING AIR QUALITY FOR OUR NEIGHBOURS

As we evaluated our environmental practices, we noted a gap in our reporting and data collection system related to air quality monitoring outside our fugitive emission management program and annual methane reporting. To amend this, we initiated and completed our first National Pollutant Release Inventory air quality analysis in 2021, collecting data on sulfur dioxide, nitrogen oxides, volatile organic compounds, and the particulate matter in the air around our operations. With more accurate data collection and reporting in 2022, we are using this data to develop more advanced emission reduction initiatives to mitigate air emissions and be the best neighbour we can be.



net
zero

GUIDING RECLAMATION & ASSET RETIREMENT OBLIGATIONS

FULL LIFE CYCLE FOCUS: Going beyond abandonment to focus on reclamation

West Lake prides itself with our focus on full life cycle asset development. Going above and beyond regulatory requirements is not just a goal, but the standard for all our reclamation activities. Full remediation aligns with our commitment to keep this landscape beautiful for future generations and being a leader in responsible Canadian energy development.

Restricted programs, availability of funds and geographically spread legacy assets across Western Canada challenged our reclamation efforts in the past. This was further complicated

by environmental impacts from legacy sites that did not have the benefit of being developed with modern technology, knowledge or drilling techniques.

With new leadership in 2020, a renewed reclamation focus better aligned our work with our values and sustainability goals, while growth resulted in more capital to address outstanding ARO. We built an incredibly talented and passionate team focused on end-of-life asset abandonment, reclamation, and remediation to restore assets to their original state.

► 2021 ARO HIGHLIGHTS

5% decrease in ARO

193 wells reclaimed

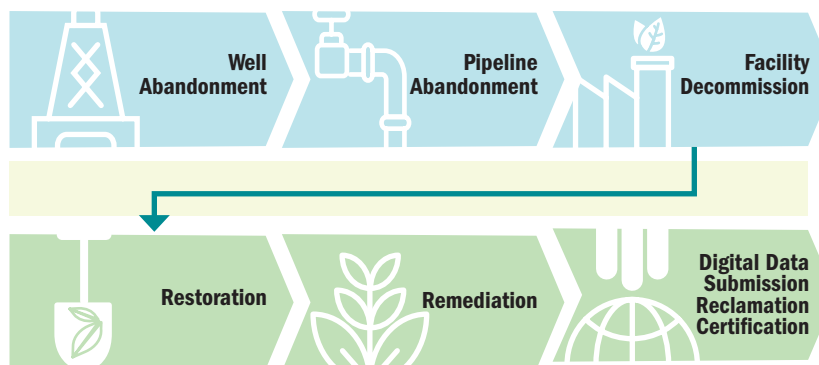
33% reduction in total abandoned well count

\$15.7 million spent on ARO
(10% of capital expenditures)

Assembled experienced ARO team

We are proud of the team's efforts to become an industry role model in full life cycle asset development. Our largest project to date has been the clean-up of the legacy assets in northeast British Columbia ('BC'). Despite the hurdles of older drilling systems and cross-province regulatory differences, our team is well ahead of schedule – having abandoned every site but one at the end of 2021. Our overall goal is to receive all restoration certificates by 2024.

Since 2017, West Lake has invested over \$300 million in the province for development projects and abandonment and reclamation activities. An additional \$40 million is committed for future abandonment and closure work in core areas in 2022 and 2023. In 2022, we will complete the remediation process for the remaining BC sites while shifting our focus to Alberta, following up on the large abandonment programs completed in recent years. Our goal is to return the land to its original environmental state and condition in the most efficient manner possible.



CASE STUDY:

PARTNERSHIP WITH FROG LAKE FIRST NATION

As the new management team began reviewing our assets in 2020, it became apparent that we had a responsibility beyond any environmental impact with the Frog Lake First Nation ('FLFN'): to repair the vital relationship with the FLFN community that had been in place for over 10 years. We began our reconciliation through an approach that began with respect, consultation and collaboration, seeking to understand their concerns and needs for the future.

In 2021, the FLFN was awarded the largest grant in Canada for ARO clean-up efforts and allocated it to West Lake for projects on their lands. Along with our ARO capital allocation and proceeds from the Alberta Government's Site Rehabilitation Program, we had over \$40 million in funding, which is an outstanding amount for a company of our size. The FLFN ARO is our most ambitious abandonment project to date, cleaning up all abandoned wells on their lands to bring the land back to its original state.

In addition to monetary support, we are dedicated to working with the FLFN to create the knowledge and experience for a sustainable future. We are investing and training First Nations people and companies to grant autonomy to the FLFN community for future ARO projects. Since the beginning of this project in 2021, over 84% of our workers in the program are of First Nations heritage and we have employed and trained more than 11 First Nation vendors. We are on schedule to wrap up abandonment efforts of inactive sites in February 2023, with reclamation and remediation efforts planned for up to 170 unique sites in this program.



RESPECTING OUR LAND

CASE STUDY:

TAKING CARE OF OIL AND GAS ORPHAN WELLS*

Actions speak louder than words.

We believe that when we take over operatorship or inherit an oil and gas asset, we are responsible for everything to do with that asset – accepting all the risk that comes with any wells or sites, and constantly reassessing those risks. Nowhere is this more evident than when dealing with orphan wells*.

West Lake treats orphan wells as our own, ‘adopting’ them from partners or companies that are no longer in business. By taking over these sites and adding them to our ARO program, we help reduce the number of [orphan wells in Alberta](#). In this way, we strive to act above and beyond our duty as an industry leader. In 2020 and 2021, we contributed approximately \$983,000 to orphan well abandonment and reclamation. We remain committed to help limit the number of orphan wells across Western Canada.

**Orphan wells are wells that have no accountable parties to manage their abandonment responsibilities.*



As part of our transformation, we have been steadily developing and honing more environmentally sustainable drilling practices by utilizing new techniques and technologies to minimize our impact on the land. Continued awareness of our footprint and effect on local communities encourages our team to identify new ways to optimize our processes, be more strategic with wellbores and limit our surface impact. One technique that makes a substantial difference is the use of multi-lateral horizontal wells, which allow upwards of 14 lateral legs from a single wellbore and surface location. With a proportionally large portfolio of these wells, land use and resource recovery is improved along with building better relationships with landowners and other stakeholders as it allows development with significantly less property disturbance. Utilizing rigs that are tailored to the project also contributes by allowing us to drill with efficiency and therefore, further reduce land use and emissions.



We have also concentrated our asset base, allowing us to limit the physical footprint of our operations as activity increased. In addition to creating value for the company, our focus helps us to be the best neighbour and steward of land possible, creating a positive symbiotic relationship with our stakeholders that we intend to cultivate for years to come.

We are committed to leave sites in as good or better condition than when we found them.

Restoring Prairie and Pastureland

A large part of the development and understanding of responsible environmental practices has been the continuous analysis of where improvements can be made within the company. As we work through our portfolio, the long-term effects of our commitment to land stewardship are becoming increasingly notable. We have created a highly skilled and knowledgeable team who are enthusiastic about full cycle land reclamation. We have strong land recovery practices to minimize the amount of land sent to landfill. And we are extremely proud of our work with seeding and planting native species back into areas that have been disturbed, resulting in these sites looking better than they have in decades.

To ensure that our careful prairie work is successful, we tackled the challenge of livestock that potentially disrupt and destroy restoration efforts with the use of solar powered electric fencing. In addition to protecting seeds as they develop roots, the fences are easy to dismantle and remove in the future, becoming grazing land and open prairie once again.

Although West Lake has minimal bio-diverse areas (e.g. wetlands or peat), our policies include a commitment to meet standards and regulatory requirements to maintain, enhance and/or conserve ecosystems. Our operations and supply chain also have an indirect commitment to avoid activities near world heritage sites and protected areas, and indirect avoidance, minimization, restoration, and offset of operation in areas near critical biodiversity.



CASE STUDY:

RETURNING THE GLORY OF THE GRASSLANDS

There are a number of areas across Alberta where we are focused on returning the land to its full prairie grassland glory. The largest component of this project has been in our Jenner and Bow Island assets, completing 55 area closures in Jenner and 12 in Bow Island in 2021. In the process, we carefully researched plants, sourced native species and seedings, and sought out new techniques to ensure flora authenticity and increase regrowth success. We are experimenting with and finding success with new seeding processes for prairie grasses: many of the larger plants are acclimating nicely and these grasslands are starting to showcase the full beauty of the Alberta prairie.



CONSERVING & MINIMIZING WATER USAGE

Water is a vital shared resource in the world. As our company continues to grow, we are increasingly cognisant of our responsibility to take care of this precious resource.



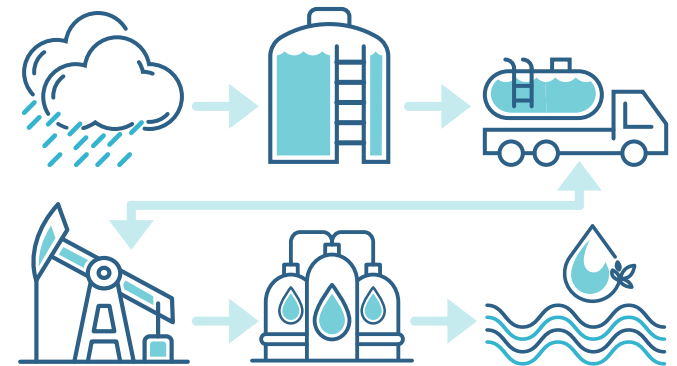
We consider physical water scarcity issues in all development and operational areas, employing tactics to ensure that we are respectful and reduce the impact at all our sites. Central to success is building and strengthening our relationships with farmers, ranchers, First Nations and local communities, working together for shared water solutions. We understand the impact of past practices and strive to be fully transparent, open and honest, offer fair payment and provide regular and consistent communication with our stakeholders.

We take great pride in being a respectful energy producer and take responsibility for our water withdrawal, use and disposal. As our activity increased significantly in 2021, so did our need for water. West Lake produces a large amount of water in our operations (roughly 20x that of

produced oil volumes), which is reused and/or reinjected. To reduce our freshwater use, we use produced water where possible and have very little hydraulic fracturing in our operations. We work steadily to leverage innovation and identify synergies with other operators to minimize our freshwater consumption. We have become creative with our water usage in drilling, taking the effort beyond regulatory requirements to reuse as much mud and fluid as possible by moving tanks and fluids to the next location or other sites. In addition, we use surface water off pad sites in areas that are prone to flooding in spring. These initiatives not only benefit us from a cost-effective perspective, but it significantly limits the impact to stakeholders and ensures that we can continue to operate effectively and sustainably.

CASE STUDY:

REUSING PRODUCED WATER



Part of the advantage of being a boutique company is that we have built solid relationships with other operators, witnessing their efforts to reduce freshwater use. Many of our initiatives are an amalgamation of multiple techniques, tailored to meet the strengths of our field teams and the needs of our stakeholders.

We reuse as much produced water as possible, lessening water storage while minimizing our freshwater use. In 2021, we negotiated with operators in the Jenner area to haul their produced water to our tanks for drilling. This served multiple purposes: providing a critical resource for our operations; offering a solution for other operators for used water disposal; and keeping freshwater untouched for local stakeholders' usage. We continue to implement this methodology wherever possible.

When produced water's usability finally ends, we have blended techniques to improve the efficiency of our wastewater treatment to return much of any extracted freshwater as fully "sweetened" water – water in the same condition as what we used.

MANAGING OUR ENERGY CONSUMPTION & EMBRACING THE ENERGY TRANSITION

The petroleum industry requires a fair amount of energy in all areas of business. In 2020, West Lake's energy consumption decreased due to less drilling and staff working from home. With increased activity in 2021, we began the process of identifying how we can reduce our direct energy consumption both within the office and with our field teams.

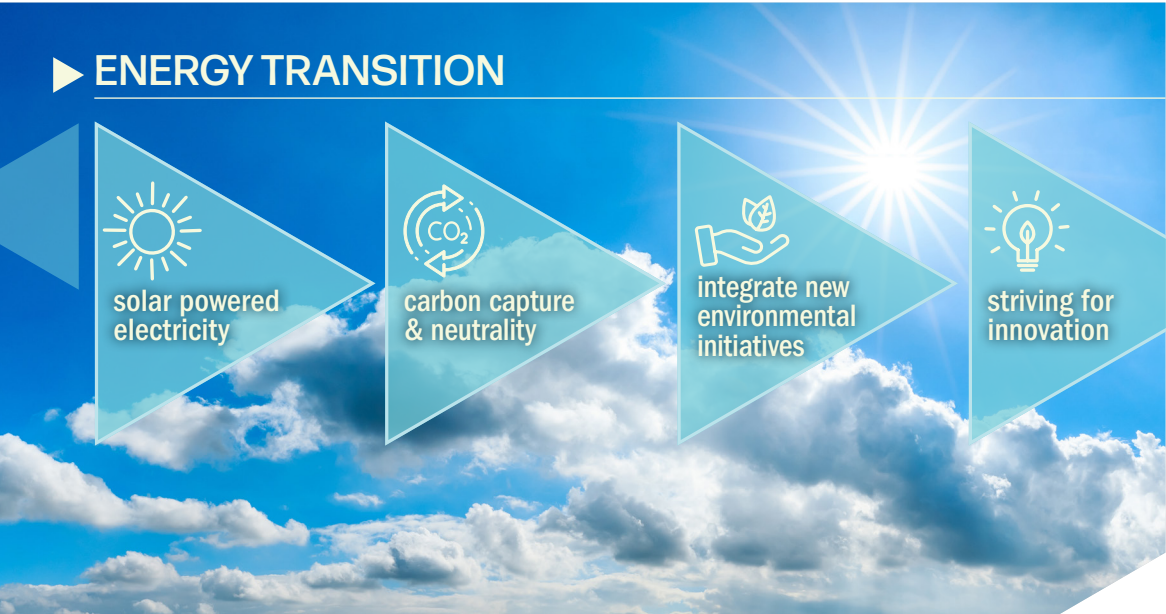
In 2021, we executed a climate-differentiated crude oil marketing transaction – the first of its kind in the industry. As part of this transaction, we entered into an agreement where we were paid a “green premium” for our oil, which came with registered carbon offsets. Later in the year, the Boulder acquisition contributed additional expertise, technology and energy transition initiatives – the most exciting of which is the conversion of our well chemical pumps from gas powered to solar electric powered by the end of 2022.

A fundamental part of our culture is to strive for innovation for the successful and practical reduction of our carbon footprint as we work towards our energy transition. In late 2021, West Lake made a major step forward in our goals of carbon neutrality with an agreement with Greenbriar Capital Corp. to purchase renewable solar-powered electricity, which will meet a significant portion of electricity needs for several years. This partnership is expected to lower West Lake's annual Scope 2 emissions and aligns with our values and goals as a company, providing collaboration and the knowledge of others who focus on areas outside of our expertise.

In addition to solar, we are working on several potential projects to integrate new environmental initiatives into our operations that could include aspects of hydrogen, blue and green ammonia production, and/or carbon capture and sequestration. In 2022, we built dedicated teams to help us in the energy transition and have progressed with a proposal for a new carbon capture, utilization and storage project near Pincher Creek and Waterton, Alberta.

MAINTAINING OPERATIONAL INTEGRITY

West Lake is committed to solid operational practices, policies, and management to reduce the risk of unintended incidents and minimize any impact on the environment and stakeholders. With the increase in activity in 2021, our volume of hydrocarbon spills increased slightly. As a result, we have introduced additional awareness and training programs and increased monitoring to minimize the potential for future spills. West Lake inspects pipelines periodically, records any areas of concern, and prioritizes remedial actions. Systems for hazard identification, risk assessment and environmental risk prevention procedures are monitored and enforced in the form of key performance measures. Any incidents are investigated thoroughly using established procedures, resulting in changes to operating procedures and standards.



	2020	2021
Total inspections	297	403
Hazard identifications	972	877
Worker observations	134	155
Emergency response drills/exercises	4	3
Contractor spot checks	191	212

EMPLOYEE HEALTH & SAFETY

HEALTH & SAFETY HIGHLIGHTS

Fostering a strong health and safety (‘H&S’) focus for our employees and good practices across the company is of key importance in our evolution. Like most of our peers, we experienced a massive overhaul of our field contractors in recent years. This shift in workforce inspired some changes to our approach to safety and safety culture not just in the field, but in the office as well.

In 2021, we welcomed an entirely new safety team to West Lake, focused on better H&S tracking and identifying ways to improve our safety practices. As a result, we have reduced our total recordable injury rate (‘TRIF’) by 53% to 0.80 cases per 200,000 hours from 1.70 cases in 2020, despite significantly increased activity over 2021. We are very proud of our staff’s dedication and hard work that contributes to improvements to West Lake’s safety culture.

2021 HEALTH & SAFETY STATISTICS

0.80	TRIF (cases/200,000 hours)
53%	Decrease in TRIF (from 2020)
826,613	Total hours worked
135%	Increase in total hours worked (from 2020)
2.40	Lost-time injury frequency (cases/200,000 hours)
—	Near miss rate
—	Fatalities

BRIDGING THE GAPS

Part of our safety evolution has been a shift to a proactive perspective in handling safety incidents. With the introduction of our new safety team, we made huge strides in filling gaps in our safety management system. Part of our values as a company is constantly keeping fresh and absorbing skills from others. Since the Boulder acquisition, we have been working on combining their systems and training with our own to create a newer and better program that will benefit everyone.

In 2022, we are implementing new methods to get a better understanding of all aspects of our operations and how to best handle any incidents. Meaningful engagement between senior management and employees provides insight to any gaps and allows us to re-define how safety plays a role in all areas of the business. Fostering these interpersonal relationships has allowed us to tailor our safety training and measures to best meet individuals’ needs, implementing regular self-assessments for field staff. These assessments then help create a culture of safety, providing information to encourage individual improvement, lifestyle integration, and the tools needed to be safe and successful.

Another improvement is the introduction of better incident tracking software to improve reporting and provide the opportunity to learn from incidents. To assist this, an app is being integrated into our operations that allows for fast and user-friendly incident reports, which will be used to prevent similar incidents and build better safety strategies. We are very excited about these initiatives and look forward to reporting our progress in 2022.






TAKING CARE OF OUR PEOPLE AND COMMUNITIES

People are the foundation of our future. As a company, it is crucial that we respect, engage and support the people around us and those involved in our operations: our employees, the communities we operate in, First Nations groups and other stakeholders.

With the changes in the team in 2020 and 2021, we recognized we had work to transform the Corporation into one that meets the needs of all its people. The past two years has been spent examining the Corporation and its interaction with stakeholders, identifying opportunities for improvement, and beginning the process of implementing improved communication, revised processes and new initiatives to strengthen our relationships with these crucial groups.

Changes of this nature are an evolution, not a revolution, and it will take time to get where we want to be in the future. **But the transformation has begun, and we are committed to doing what it takes to make West Lake a better place for everyone involved with the Corporation.**



HIGHLIGHTS

► While much of our focus since 2020 involved evaluating the Corporation, its culture and how we interact with our stakeholders, we also achieved meaningful progress as we:



RESTRUCTURED the organization to fit future goals



INITIATED TWO-WAY DIALOGUE with employees, consultants, and contractors



BEGAN THE PROCESS of reviewing and redesigning our employee rewards structure



IMPLEMENTED strong safety protocols to protect our people



IDENTIFIED ISSUES AND CONCERNS among stakeholders through a consultation process



PROVIDED OVER \$202 MILLION of total economic benefit (2021)



INITIATED REGULAR ENGAGEMENT and communication with FLFN to repair, build and strengthen our relationship



CONTRIBUTED \$25,000 annually in an education and training program with FLFN



UTILIZED FIRST NATIONS SUPPLIERS, contractors and companies in our operations, purchasing over \$7.6 million of supplies (2021)



TARGETS

With much of the evaluation process complete, we are focused on improving how we can better reward and engage with our employees and communities. In 2022, we plan to implement several initiatives to show the importance of and how we value our stakeholders, such as:

Develop core values and principles with employees

Revise and implement *Total Rewards* and performance management programs to better align pay and performance

Revise and/or develop employee systems, policies and guidelines to build better environment and support personal growth

Increase understanding of diversity through development opportunities

Revisit investment in FLFN education and training program

Engage with First Nations companies for future partnerships

RECOGNIZING THE IMPORTANCE OF OUR PEOPLE

The strength of a company starts with its people, and how you treat them will lay the foundation of how they contribute, resonating throughout the organization.

West Lake is composed of a group of highly engaged, nimble and extremely skilled people. We are proud of every individual who works with us and are devoted to creating a community where all levels of employees feel supported and empowered in their roles.

In 2020 and 2021, West Lake underwent significant changes that resonated throughout the organization. We recognized that we first needed to understand what was important and valued by our employees and consultants, what people were going through and their needs. Strong two-way communication is key to create the right culture and ensure that individuals are engaged

and aligned with West Lake's goals. In 2021, the leadership team began the process of defining and developing the Corporation's culture through informal discussions with staff at all levels in the organization, listening to feedback, understanding needs, addressing issues, and identifying areas for improvement. Based on these discussions, the leadership team realized changes were necessary to empower and mentor employees, providing opportunity for accountability, autonomy and team collaboration to foster innovation.

In 2021, we identified several initiatives to help improve the Corporation and create a culture that lives and breathes

its values. West Lake started holding employee town halls to facilitate communication and share important information. Several projects were started to improve employee communication, compensation, performance management and development. Sustainable change is not quick, but we believe that taking the time needed to "get things right" and build a solid foundation is the only way to ensure people are treated fairly and create a positive culture. Many initiatives will not be fully implemented until 2022, but we have made some substantial steps forward and will continue to transform our practices, culture and company to be the employer of choice among peers.



CONTRIBUTING TO THE HEALTH OF OUR PEOPLE

Good safety practices are not only affected by individual or group actions but also by the general wellness of all members of a team – including their families. As part of our commitment to the health and well-being of our people and their families, we integrate H&S into people's lifestyles so it becomes part of daily conversation. Initiatives such as our "Safety Moments" campaign, where a safety moment is provided by a team member at the beginning of every meeting.

One of the major challenges to well-being was the COVID-19 pandemic. When it began, West Lake immediately instigated a corporate lockdown, established a work group to review and modify H&S policies, and provided the ability for employees to work from home where possible. Active communication was crucial to ensure the health and safety of our people, while ensuring operational effectiveness. As a result of the quick response

and care, we did not have any significant COVID-19 office exposure and were able to maintain staffing levels. We also placed an increased emphasis on discussions around the importance of mental health through employee education and access to our Family Service Program.



CASE STUDY: "SAFETY MOMENT"

"It is the time of year when kids are back in school and school buses are back on the road. After the summer break, remember that drivers are not used to school buses and kids aren't either. Keep an eye out for kids crossing lanes of traffic or darting in and out from around buses until everyone gets back into the swing of things – be aware of the rules when you encounter a school bus."



CREATING A HEALTHY WORKPLACE FOR ALL

West Lake strives to create a culture for its people that is inclusive, respectful and open to everyone. Starting with the recruitment process, we consider diversity when evaluating candidates; 35% of full and part-time staff were female at the end of 2021, of which approximately 26% were in supervisory or professional positions.

Our operations are intimately linked with First Nations communities, and our contractors and service companies are increasingly made up of First Nations individuals. We work hard to strengthen those relationships and provide support through employment, financial contributions, and training. To help our employees better understand their perspectives, we encouraged leaders and those working with First Nations communities to take the *Indigenous Canada* course at the University of Alberta in 2022. Phase II of this initiative will expand the program to all staff in 2023, covering any associated time or costs.

We value all our people and expect that everyone will be treated fairly as part of the West Lake family. The Corporation has a Violence and Harassment policy, which everyone is expected to abide by. People are trained on these policies and any incidents of discrimination or harassment are tracked and investigated. In 2022, the policy was reviewed as part of our larger policy and culture work, and revised to the Respectful Work policy that includes updates to promote a positive and respectful workplace.



DEVELOPING OUR FUTURE POTENTIAL



A substantial part of West Lake's culture is focused on the cultivation of the various talents of our people. Due to economic constraints over the past few years, professional development was mostly limited to low-cost training opportunities. Identified as an area for improvement, we began work on developing a system of recognition and facilitating personal growth, starting with improving skills for all employees in leadership. In 2022, a learning and development policy will be implemented to help all employees upgrade or develop their skills.

Our goal is to create a positive environment for all employees based on a foundation of fair rewards. We are confident that the work we completed in 2021 and implement in 2022 and beyond will result in West Lake being seen as an employer of choice, where people wish to remain for years.



CASE STUDY:

BETTER BUILDINGS FOR PEOPLE AND THE ENVIRONMENT

Attention to ESG goes beyond operations to encompass everything we do at West Lake. In Calgary, we leased office space for the entire office staff in a LEED* certified building as part of work to address climate change, protect employees' health and meet our ESG goals. LEED certified buildings lead sustainable design, construction, and operations standards, saving money, improving efficiency, lowering carbon emissions, and creating healthier places for people.

*LEED = Leadership in Energy and Environmental Design

PLACING COMMUNITIES UP FRONT



We provided over
\$202 million
 of total economic benefit to
 local communities, suppliers,
 First Nations groups and
 other stakeholders in 2021.

West Lake is focused on being a sustainable business, ensuring that the communities where we operate benefit from our operations, and the environment and the health and safety of our communities and employees are not compromised. Working together to build strong relationships with our stakeholders is key to success from corporate, community and environmental perspectives. We believe that regular, open, transparent and sincere dialogue and consultation is crucial to understand concerns and expectations in and around our operational areas and help create a strong alignment of interests. Each community has its own unique goals, and West Lake strives to ensure that our actions and initiatives yield positive socio-economic benefits, including local employment and training.

When meeting with landowners and ranchers, we are careful to identify and minimize the potential impact in terms of noise, water and land use. At the same time, West Lake considers its responsibility to local communities for road maintenance, collaboration, and economic benefits. Should a concern arise, we have established project grievance mechanisms and formal community agreements across our areas.



We are committed to supporting the communities in which we operate. In 2021, West Lake generated \$202 million in total economic value across our portfolio (\$124 million in 2020). Most community initiatives are brought forward by our employees who live and work in local areas, strengthening community sustainability. Over the past several years, we have donated to various programs across our communities including:

- › **School lunch programs:** we believe supporting the school lunch programs provides a greater overall benefit to those in need in the community (e.g. Chief Napeweaw school)
- › **Local infrastructure:** contributing funds and/or materials to help build projects such as a Buffalo fence for the Food Sovereign project or to replace existing, worn structures (e.g. fence around Sounding Lake Cemetery)
- › **Local rodeos:** providing sponsorship to rural community rodeos (e.g. Jenner)
- › **Sports:** sponsor a league such as minor hockey or baseball
- › **General donations for community initiatives:** tickets to events, charity raffles and other employee-driven causes.

OUR STAKEHOLDERS

Employees

Contractors and Consultants

Board Members

Local Communities and Residents

First Nations Groups

Landowners

Industry and Financial Partners

Regulators

Governments

One group that West Lake supports annually is 4-H in Alberta. Typically, this consists of the purchase of a steer from the Club with the meat being donated to a local shelter. The Corporation usually does this twice a year with one allocated to northern Alberta (e.g., Elk Point) and one south (e.g., Provost). With higher activity in 2022, we increased our donation program to many of our stakeholder groups such as the Frog Lake First Nation and local communities.



RESPECT & COLLABORATION WITH FIRST NATIONS

Our relationship with the Frog Lake First Nation represents a huge step forward, building a new framework for partnerships that respect and work with the community who steward the land.

AMOUNT SPENT WITH FIRST NATIONS BUSINESSES

- 2017 – \$2.1 million
- 2018 – \$2.3 million
- 2019 – \$2.9 million
- 2020 – \$1.1 million
- 2021 – \$7.6 million

We recognize the rights of First Nations peoples and believe respectful consultation and engagement is the starting place for any and all development projects. In 2020, the new management team discovered that work was needed to rebuild and strengthen our relationship with the Frog Lake First Nations people in Alberta. While only 2% of our net proved reserves are located on or near FLFN land, we understand how important our long-standing relationship is, and that they are a pivotal partner in moving forward. In 2021, we embarked on a multi-pronged process to rebuild the relationship through remediation, environmental stewardship and collaboration – creating meaningful engagement with the community and opportunities to benefit from development.

West Lake now has a very good relationship with FLFN. As part of our commitment, we dedicated a specific First Nation community liaison to work with the community directly to represent their needs. We developed a process of ongoing engagement and regular communication at various levels throughout the organization and with the FLFN. Our executive and asset team members meet quarterly with FLFN Board and Counsel. These programs allow us to respond appropriately and in a timely manner to ensure we treat our First Nations partners fairly and with respect.

Working Together for the Future

West Lake believes strongly in contributing to First Nations communities in our areas in several ways such as through royalty payments, community investment and donations to local programs. Since 2017 we have donated \$165,025 to FLFN, of which approximately 80% was allocated to education and 20% to family and community support. In addition, West Lake has purchased over \$7.6 million from First Nations suppliers for our operations in 2021 (2020: \$1.1 million).

In 2017, West Lake entered into a Cooperation and Consultation Protocol (‘CCP’) with the FLFN, which governs how donation funds are allocated to communities. The CCP includes a \$25,000 annual investment in an Education and Training program, designed to provide opportunities and training for First Nation youth with an interest in pursuing a career in the energy and energy transition industries. To continue our commitment to community engagement, West Lake is revisiting its investment in the program with FLFN under the CCP in 2022. We look forward to continuing to strengthen our relationship with FLFN and other First Nations groups in 2022 and beyond, identifying new opportunities to work together.

CASE STUDY: RECONCILIATION WITH FLFN



Our relationship with FLFN is of utmost importance to the people of West Lake and to our Corporation’s future. We have been involved with the FLFN for years, having a significant portion of our operations located on their lands. Unfortunately, past drilling resulted in a substantial number of wells – many suspended or abandoned – located on or near people’s homes and the Nation’s sacred sites. It was a community and environmental challenge, identifying a failure to understand their needs.

With the management change in late 2020, a completely different approach to the relationship was taken – one that started with good faith, inclusion, engagement and a commitment to the community. In 2021, the West Lake team began to repair the relationship, starting by acknowledging past mistakes, discussing how West Lake was going to remedy issues, and how we would work together in the future. This meant a culture shift from a profit perspective to one that values long-

term relationships. One that takes the time needed to understand others’ perspective and needs, and deal with issues as they come up. As part of improving this key relationship, we expanded our communications with the FLFN throughout all levels of the Corporation. And we committed to making amends for the past by investing to clean up and restore their lands, beginning the process by developing a plan to solve the asset retirement obligation (see ‘Case Study: Partnership with Frog Lake First Nation’ on page 11).

Our work in 2021 laid the foundation for a formal partnership in February 2022 with the Frog Lake Energy Resources Corp. for asset development on the FLFN. This venture includes the commitment of drilling wells on FLFN lands, advances in environmental and community stewardship, and continued investment in the local community including the utilization of local First Nation services.





FOSTERING TRANSPARENCY & TRUST

We are committed to holding ourselves to a high level of corporate governance, accountability, and responsibility to our stakeholders. Strong governance fosters a culture focused on core values and stakeholder relationships built on trust and transparency.

Alignment and cohesion across the organization to governance standards are necessary to meet our sustainability goals, improve our ability to respond to changes, and strengthen our relationships with stakeholders.

With the leadership changes in 2020 and 2021, we began a revitalized focus on and examination of our governance practices to ensure we are building a company with strong values, processes, and procedures. There are many governance areas that we monitor and track, but don't disclose due to our nature as a private company. But our stewardship is recognized: we have a positive reputation in industry for meeting our promises, operating compliantly, and acting in an honourable and ethical manner. **As we continue to develop our governance framework, we leverage best practices to further enhance Board and management accountability to all involved with West Lake.**



HIGHLIGHTS

With the internal changes over the past two years, we focused on improving governance practices throughout the organization. During this time, we:



Restructured the organization to fit future growth and goals



Reviewed current governance practices



Created a new ESG and sustainability team



Began to review, evaluate and build ESG benchmarks and goals



Implemented a review of governance and internal policies, processes and procedures



► KEY BOARD INFORMATION:

Independent chair

4/5 Board members independent and of Asian heritage

Average tenure of 5 years

100% Board meeting attendance

Quarterly ESG updates

TARGETS

Our goal is to continue our work across all areas of governance to ensure we are acting in our stakeholders' best interests. In 2022, we plan to implement several initiatives that emerged from our review process, such as:

Maintain focus on improved disclosure and reporting to stakeholders

Maintain strong governance practices of ESG matters and launch inaugural ESG report

Continue monitoring risks and evaluating opportunities to ensure appropriate oversight

Create compensation-linked key performance indicators for employees that include ESG metrics

Initiate multi-year internal policy and process improvement project

WE BELIEVE IN

TEAMWORK ENGAGEMENT RESPONSIBILITY INCLUSIVITY EMPOWERMENT
 PARTNERSHIP **TRUST** PERFORMANCE RESPECT
 OPENNESS STEWARDSHIP SUSTAINABILITY
 COMMUNICATION
 OWNERSHIP TRANSPARENCY

BUILDING A STRONG CULTURE OF TRUST & OVERSIGHT

Although operating as a private company, the Board and leadership team are committed to acting like a public entity by ensuring a high level of governance and responsible business practices. We believe that fostering a stewardship culture will help us meet our goals as a company, good neighbour and responsible employer, creating benefits for everyone over the long-term.

We developed a process of improved communication and engagement with the Board, resulting in a much closer relationship and level of trust. The Board is committed to adding value, improving their governance knowledge and increasing transparency. To ensure accountability to and alignment with stakeholder needs, Board performance is reviewed once a year, and several board members are investors in the Corporation.

Working closely with the leadership team to add value, the Board provides strong stewardship that guide our strategies. This includes providing ESG oversight and effective risk management to ensure the Corporation operates within guidance levels and considers all potential impacts to West Lake. The Board and leadership team hold regular discussions to identify and mitigate risks and opportunities to the organization as well as develop plans to manage and mitigate any such risks, including those due to climate change.

Governance of ESG Matters

The Board and leadership team have ultimate responsibility for the oversight of ESG matters. Through quarterly meetings and regular updates, the Board enhances their knowledge of ESG topics, climate-related

issues and West Lake's practices and initiatives. Supportive and knowledgeable of the value of ESG, the Board fully supports the executive and ESG team's decisions and offer capital resources for these strategies.

To help navigate the constantly changing ESG landscape – new regulatory and reporting requirements, forecasting and technology innovation – we created a team responsible to develop ESG benchmarks, formal structures for management of ESG matters, and this first inaugural ESG report. The work completed in 2021 led to the development and implementation of compensation-based key performance indicators in 2022 based on GHG reduction targets, providing accountability for ESG improvements across the organization.

Improving Policies And Procedures

As part of our corporate evaluation in 2021, we discovered some processes, policies and procedures that needed to be created or revised to improve our governance, oversight and risk management. Understanding, participation, adherence and changes to our policies are communicated and ensured at West Lake in

a number of ways, including through technology (corporate communications emails, safety management system) and personal contact (new employee onboarding, vendor and contract management, safety meetings).

Building on the initial work in 2021, several policies were developed or revised in 2022 to encourage ethical business practices such as the Code of Conduct, Whistleblower and Respectful Workplace Policies, which included a corporate compliance sign-off process for anyone involved with the company to ensure ethical behaviour. The Whistleblower policy provides understanding and reporting of unethical behaviour or critical concerns by employees or stakeholders. The Code of Conduct and Respectful Workplace policies not only outlines expected behaviour and treatment of others but includes a policy to monitor conflicts of interest to prevent corruption throughout the value chain. Other policies are being reviewed or developed across the organization, touching on every area to improve stewardship of the valuable resources we manage and our relationship with stakeholders.

CASE STUDY:

ENSURING TRANSPARENT AND RESPONSIBLE ACTIONS

Valuing the importance of good corporate governance, we embarked on a multi-year project to modernize Supply Chain Management guidance practices, processes and policies, ensure proper checks and balances, and develop a cohesive understanding of ethics and values across the organization. The project began in 2021 with the internal identification of areas of concern and for improvement. We further developed our understanding in March 2022 with the completion of an external high-level assessment which helped us develop a project implementation plan.

Phase 1 began by focusing on the contract management lifecycle process which includes, but is not limited to: understanding scope of contracts; contract governance (automate approval routing, standardize contract terms and conditions, risk ranking and contract repository); vendor spend analysis reporting; business user dashboards; risk definition; and supplier segmentation. We expect the majority of Phase 1 to be completed by year-end 2022 as we move forward with the Phase II: standardizing bid processes; approved suppliers and standardization; purchasing process decision making and governance; and strategic sourcing.

With the completion of this project, West Lake will have the proper checks and balances in place to ensure that our actions are transparent and responsible.



PERFORMANCE SUMMARY (2020 – 2021)

	UNITS	2020	2021	RELATED SASB/ GRI INDICATOR
Daily Production (Total)	boe/d	9,790	9,823	EM-EP-000.A / 102.2
Daily Production (Oil)	bbl/d	8,933	8,957	
Daily Production (Natural Gas)	Mcf/d	5,139	5,195	
Annual Average Liquids Weighting	%	91	91	201-1
Direct Energy Consumption ¹	GJ	404,845	430,618	
GREENHOUSE GAS EMISSIONS				
GHG Emission (Total) ²	CO ₂ e tonnes	262,528	264,713	EM-EP-110a.1/305-1
Scope 1	CO ₂ e tonnes	188,405	189,486	
Scope 2	CO ₂ e tonnes	74,122	75,228	
Intensity (Scope 1 & 2) ³	CO ₂ e tonnes/boe	0.0735	0.0738	305-4
Emissions covered under a carbon-limiting regulation ⁴	CO ₂ e tonnes	262,528	264,713	EM-EP-110a. 1
Scope 1 Emissions by Source				
Combustion Emissions	CO ₂ e tonnes	84,121	86,789	EM-EP-110a. 2
Flared Emissions	CO ₂ e tonnes	39,266	46,469	EM-EP-110a. 2
Fugitive Emissions	CO ₂ e tonnes	8,972	9,023	EM-EP-110a. 2
Vented Emissions	CO ₂ e tonnes	56,046	47,204	EM-EP-110a. 2
Volume of Flared Gas	thousand m ³	13,691	16,203	
Volume of Vented Gas	thousand m ³	4,380	3,689	
AIR EMISSIONS⁵				
Sulfur Dioxide (SO ₂)	tonnes	NPT ⁶	728.15	EM-EP-120a. 1 / 305-7
Nitrogen Oxides (NO _x)	tonnes	NPT ⁶	231.28	
VOCs	tonnes	NPT ⁶	560.43	
PM ₁₀	tonnes	NPT ⁶	34.67	
WATER MANAGEMENT				
Water Withdrawal	m ³	12,529	31,943	EM-EP-140a. 1/303-3
Water Intensity	m ³ /boe	0.0035	0.0089	
Volume of Produced Water	thousand m ³	17,664	20,248	EM-EP-140a. 2
Produced Water Injected	thousand m ³	17,657	20,223	
Produced Water Recycled or Injected	%	100	100	
Hydraulically Fractured wells for which there is public disclosure of all fracturing chemicals used	%	100	100	
SOLID WASTE				
Solid Waste Rock/Generated	tonnes	7,701	18,850	306-1
Tailings Waste	tonnes	-	-	
Landfill & Ash Solid Waste	tonnes	7,181	17,577	
ABANDONMENT AND RECLAMATION				
Total Wells	count	3,851	4,223	
Active Wells	count	1,084	1,776	
Inactive Wells	count	2,767	2,447	
Abandoned Wells	count	1,587	1,057	
Suspended Wells	count	1,180	1,390	
Wells Reclaimed	count	448	474	
BIODIVERSITY AND SPILL MANAGEMENT⁷				
Number	count	41	40	EM-EP-160a. 2 / 306-3
Volume	m ³	104.3	143.5	
	bbls	657.3	903.8	
Volume Recovered	m ³	104.3	143.5	
	bbls	657.3	903.8	

PERFORMANCE SUMMARY (2020 – 2021)

UNITS		2020	2021	RELATED SASB/ GRI INDICATOR
HEALTH AND SAFETY				
Total Recordable Injury Rate (TRIF) ⁸	cases/200,000 hours	1.70	0.80	EM-EP-320a. 1 / 403-9
Employees	cases/200,000 hours	-	-	
Contractors	cases/200,000 hours	4.5	0.90	
Lost-Time Injury Frequency (LTIF) ⁹	cases/200,000 hours	NPT ⁶	2.40	
Employees	cases/200,000 hours	NPT ⁶	-	
Contractors	cases/200,000 hours	NPT ⁶	3.00	
Near Miss Rate	cases/200,000 hours	NPT ⁶	-	
Fatalities	count	-	-	
Employees	count	-	-	
Contractors	count	-	-	
Total Hours Worked	hours	352,399	826,613	
COMMUNITY AND FIRST NATIONS				
Total Economic Value Generated ¹⁰	\$ millions	124.2	201.9	201-1
Purchases from First Nations Suppliers	\$ millions	1.1	7.6	EM-EP-210a. 2
Proved Reserves in or near First Nations Land	%	2	2	
Probable Reserves in or near First Nations Land	%	2	2	
OUR PEOPLE				
Total Employees	Count	66	65	405-1
Full-time	Count	64	62	
Part-time	Count	2	3	
Contractors	Count	76	74	
Turnover Rate				
Total	%	11	24	
Voluntary	%	-	11	
Involuntary	%	11	13	
Employee count by location				
Field (Permanent)	Count	18	17	
Office (Permanent)	Count	48	43	
Field (Contract & Temporary)	Count	53	54	
Office (Contract & Temporary)	Count	18	25	
Age				
Under 30	Count	1	1	
30-50 Years	Count	36	34	
Over 50	Count	29	30	
Diversity				
Women in Workforce	%	35	35	
Women in Supervisory and/or Management and/or Professional Positions	%	15	26	
Women in Executive Positions	%	-	-	
First Nations Representation in Workforce ¹¹	%	-	-	
GOVERNANCE				
Board Independence	%	25	25	102-18
Average Board Meeting Attendance	%	100	100	102-22, 405-1
Women on the Board	%	-	-	
POC ¹² on the Board	%	100	100	

FOOTNOTES:

1. Direct energy consumption includes produced or purchased fuel, such as natural gas and propane.
2. Direct emissions (combustion, flaring, fugitive and venting) under operational control.
3. Emission intensity, or production carbon intensity, is the measure of total gross operated GHG emissions (tonnes CO₂e) per total operated throughput (BOE).
4. Regulations intended to limit or reduce emissions, such as carbon taxes, output-based performance standards and prescribed facility or equipment emission limits.
5. Air Emissions represent the sum of all sites that require monitoring.
6. 'NPT' indicates measures that were previously not tracked for reporting purposes.
7. A hydrocarbon spill is defined as spills of more than 1 barrel that reached the environment; spills outside of secondary containment were reported to regulatory agencies as per jurisdictional requirements.
8. Total recordable injury frequency excludes first aid injuries and is calculated based on actual total recorded incidents (lost-time, medical aid and modified duties) x 200,000 person hours/total corporate hours; total corporate hours are calculated based on the Canadian Association of Petroleum Producers' "Guide for Health and Safety Performance Metrics".
9. Lost-time recordable injury frequency is calculated based on actual recorded lost-time incidents x 200,000 person hours/total corporate hours; total corporate hours are calculated based on the Canadian Association of Petroleum Producers' "Guide for Health and Safety Performance Metrics".
10. Total economic value generated includes amounts paid to non-First Nations suppliers (development, ARO and operating expenses), employees, banking syndicates, the provincial government (royalties and taxes), First Nations (royalties and community investment), and are net of hedges.
11. Our operations are intimately linked with First Nations communities, and our contractors and service companies are largely made up of First Nations individuals. Over 84% of our workers in the ARO clean-up project at FLN are of First Nations heritage and we have employed and trained more than 11 First Nation vendors since the beginning of 2021.
12. POC stands for 'people of colour'.

REFERENCES TO STANDARDS

West Lake considers and/or has incorporated various ESG strategies, initiatives, key performance indicators, and qualitative measures internally to measure, monitor and improve our sustainability practices. Our 2021 ESG report and associated *'Performance Summary (2020–2021)'* data table was compiled using the Sustainability Accounting Standards Board's ('SASB') *Oil & Gas – Processing & Exploration Accounting Standard, Global Reporting Initiative's ('GRI') GRI 11: Oil & Gas Sector 2021*,

and the Task Force for Climate Related Financial Disclosure ('TCFD') recommendations as a foundation for data collection and strategy development. Related SASB and GRI standards reporting references may be found in the data table, however as a privately owned company some information has not been disclosed and as such does not meet the full compliance requirements for SASB, GRI, or TCFD reporting standards to be "in accordance." The data was calculated via industry standards and methodologies,

in cases where industry standards were not used the appropriate methodology is stated within the data.

More fulsome disclosure of West Lake's 2021 ESG Report performance related to SASB standards, GRI standards and TCFD recommendations can be found on our website under *'Sustainability.'*

ADVISORIES

With this document, we hope to increase your knowledge of West Lake, our operations and our focus on sustainability. We have taken care to ensure the information is accurate; however, the data presented includes aspirational goals, approximations and estimates, which will differ from actual results, and is for informational purposes only. We disclaim any liability whatsoever for errors or omissions. Further, some information in this document may have been disclosed previously in other West Lake public disclosure, and such disclosure is not intended in any way to be qualified, amended, modified or supplemented by information herein.

'Material' may be used within this report to describe issues for voluntary sustainability reporting that are considered to have the potential to significantly affect sustainability performance in our view and may be important in the eyes of internal or external stakeholders. However, material for the purposes of this document should not be read as equating to any use of the word in other West Lake public information.

There is no single standard system that applies across companies for compiling and calculating the quantity of GHG emissions and other sustainability metrics attributable to our operations. Our GHG emissions are derived from various internal reporting systems according to these standards but may not be comparable with similar information reported by other companies. We may change our policies for calculating these GHG emissions in the future without prior notice.

This report contains certain 'forward-looking statements' within the meaning of applicable Canadian and United States securities legislation. Forward-looking statements

are typically identified by words such as 'anticipate', 'continue', 'estimate', 'expect', 'forecast', 'budget', 'may', 'will', 'project', 'could', 'plan', 'intend', 'should', 'believe', 'outlook', 'objective', 'aim', 'potential', 'target' and similar words suggesting future events or future performance. With respect to forward-looking statements contained in this document, we have made assumptions regarding, among other things: we will have the ability to continue as a going concern going forward and realize our assets and discharge our liabilities in the normal course of business; the impact of regional and/or global health related events on energy demand; our ability to execute our capital programs as planned without significant adverse impacts from various factors beyond our control, including weather, infrastructure access and delays in obtaining regulatory approvals and third party consents. Although West Lake believes that the expectations and assumptions on which such forward-looking statements are based are reasonable considering information available at the time the statement was made, undue reliance should not be placed on the forward-looking information.

More particularly and without limitation, this report contains forward-looking information and statements about: our financial, operational and ESG goals, strategy, plans and focus; our sustainability program, practices, initiatives, plans, goals and reporting and the impact and timing thereof; our risk management policy, the commitment to stakeholders; the development of systems and processes to provide data; our sustainability commitments and goals and timing with respect to transparency, diversity and governance practices; ability to be an ESG leader within the industry; prioritizing health and safety; meaningful engagement, mutual transparency

and shared economic value with stakeholders; our safety, stakeholder relations and First Nations rights objectives; partnership and support for our First Nations stakeholders; empowering our people through education, active engagement and inclusion; land and biodiversity preservation including practices that minimize our ecosystem impact; land restoration and management of inactive liabilities including budget for abandonment and reclamation activities in 2021; how we reduce hydrocarbon spills; water management including adherence to water regulations, prudent use of water and use of non-potable water sources; and reducing GHG emissions, lower emission intensity and climate change risk management, the implementation thereof and expectations relating thereto.

West Lake believes the expectations and assumptions reflected in the forward-looking information are reasonable but no assurance can be given that these factors, expectations, and assumptions will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature it involves inherent known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Actual results could differ materially from those currently anticipated due to several factors and risks. These include, but are not limited to: the risks associated with the oil and gas industry in general such as operational and environmental risks in development and exploration; the impact that any government assistance programs could have on the Company; assumptions and expectations with respect to West Lake's proposed Carbon Capture Sequestration Hub, including the characteristics,

benefits and timelines thereof; the possibility that we are not able to continue as a going concern and realize our assets and discharge our liabilities in the normal course of business; the impact on energy demands due to regional and/or global health related events; delays or changes in plans with respect to exploration or development projects or capital expenditures loss of markets; unanticipated operating events or environmental events that can impact operations (including extreme cold during winter months, wild fires and flooding); the risk that wars and other armed conflicts adversely affect world economies and the demand for resources, including the ongoing war between Russian and Ukraine; competition; failure to complete or realize the anticipated benefits of partnerships, acquisitions or dispositions; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other approvals; reliance on third parties; and changes in legislation, including but not limited to tax laws, royalties and environmental regulations. Readers are cautioned that the foregoing list of factors is not exhaustive.

Unless otherwise specified, the forward-looking statements contained in this document speak only as of the date of this document. Except as expressly required by applicable securities laws, we do not undertake any obligation to publicly update or revise any forward.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE 2021 REPORT

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