



Canada Development
Investment Corporation

La corporation de développement
des investissements du Canada

CANADA DEVELOPMENT INVESTMENT CORPORATION

**2020 to 2024
CORPORATE PLAN SUMMARY**

and
2020 CAPITAL BUDGET

**Summary of June 2020 Update
to the 2020-2024 Plan**

NOTE: The CDEV 2020-2024 Corporate Plan and 2020 Capital Budget was drafted and approved by CDEV's Board of Directors prior to the COVID-19 emergency and the collapse in world oil prices in 2020. Certain aspects of CDEV's operations and projections have been affected by these events. In order to provide the most updated information, a new section detailing the affected aspects of CDEV's operations and forecasts has been provided. The core plan remains relevant for information on CDEV's operations that are unaffected by these events.

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1.0 EXECUTIVE SUMMARY

The CDEV 2020-2024 Corporate Plan and 2020 Capital Budget was largely written and approved by the corporation's Board of Directors prior to the COVID-19 emergency and the volatility in the global crude oil market. Since that time, much has changed in the Canadian and global economy that has affected the mandate and operations of CDEV. This section serves to provide an update on the major operations of CDEV that have been affected. The core plan remains relevant for information on CDEV's operations that are unaffected by these events.

This section also provides information on CDEV's new, non-agent subsidiary corporation, Canada Enterprise Emergency Funding Corporation (CEEFC). On May 10, 2020, Treasury Board approved an amendment to CDEV's 2019-2023 Corporate Plan to provide the necessary authorities to establish this subsidiary. This section will provide the most recent information on the Large Employer Emergency Financing Facility (LEEFF) program and CEEFC.

It also updates CDEV's consolidated financial information, including dividends and capital expenditures, and updates the 2020 forecasted results for Canada Hibernia Holding Corporation (CHHC) and Net Profit Interest (NPI).

The core plan remains relevant for those aspects not updated here, including the plans for Canada TMP Finance Ltd. (TMP Finance), the Trans Mountain Corporation (TMC), and Canada Eldor Inc.

2.0 MANDATE AND BUSINESS OVERVIEW

Mandate

On May 11, 2020, the Governor in Council (GIC) issued an order (PC-2020-0305) directing CDEV to incorporate a new, non-agent subsidiary corporation, CEEFC, and to take the steps necessary to facilitate CEEFC's administration of the LEEFF, in accordance with any directive given to CEEFC.

The GIC also issued an order (PC-2020-0307) directing CEEFC to administer, approve and fund transactions in accordance with the terms and conditions approved by the Minister of Finance in relation to the LEEFF.

On May 20, 2020, the Minister of Finance issued a letter of expectations to the boards of CDEV and CEEFC outlining the roles of each corporation in implementing or overseeing the LEEFF. The letter also set the terms and conditions for purposes of PC-2020-0307.

Business Overview

CDEV will remain self-sustaining over the 2020 period. In 2021 and beyond, CDEV expects oil prices to rise over the planning period as the global economy recovers from COVID-19 and oil demand rebounds. CHHC and NPI are expected to generate sufficient net income to fund CDEV's operations and to provide dividends to the Government.

Canada TMP Finance Ltd.

The March 2020 collapse in world oil prices and the COVID-19 situation has had a minimal impact on TMP Finance. It continues to provide financing to TMC, and given construction continues on schedule, will require additional borrowing in the near term as described in the borrowing plan.

Trans Mountain Corporation

The Trans Mountain Pipeline (TMPL) continues to be fully utilized and operations have been adjusted to adhere to guidance from the public health agencies, including through physical distancing and screening workers as they arrive at work sites. Construction of the Trans Mountain Expansion Project (TMEP) continues steadily, however, COVID-19 has delayed the beginning of construction in some spreads until June. It is possible that there could be further delays to construction in 2020 as regulators make decisions on how to adjudicate regulatory requirements, and establish protocols for how evidence is presented.

Overall, there has been no impact on forecasted financial performance to date and the forecast for 2020-2024 period in the core plan remains relevant.

Canada Hibernia Holding Corporation

Although the March 2020 collapse in world oil prices will have an impact on CHHC operations, given CHHC's low costs of extraction, it is expected the corporation's cash reserve will be sufficient to continue operations and meet its capital expenditures obligations. We note that at times of low oil prices the operator and project owners may decide to reduce certain capital expenditures that will be a significant mitigant.

Net Profits Interest

Due to the collapse in world oil prices, NPI receipts are anticipated to be negatively affected. CDEV forecasts \$63 million in NPI receipts and \$63 million in dividends paid from the NPI reserve.

Canada Enterprise Emergency Funding Corporation

CEEFC is responsible for reviewing applications from large Canadian companies applying to the LEEFF for liquidity support, evaluating loan applications against terms provided by the Minister of Finance, processing and funding transactions in accordance

with such terms and managing and disposing of any assets, including warrants in connection with the financing, resulting from these transactions in a commercial manner.

3.0 CORPORATE GOVERNANCE AND OPERATING ENVIRONMENT

The CDEV Board of Directors is responsible for appointing the CEEFC Board of Directors. In May 2020, CDEV appointed directors to the Board of Directors for CEEFC. CEEFC's Board of Directors will be responsible for appointing officers to the corporation.

Please see Appendix A-1 for an organization chart of CDEV including CEEFC.

4.0 NOT USED IN THIS UPDATE

5.0 OBJECTIVES AND STRATEGIES FOR THE 2020 PERIOD

Canada TMP Finance Ltd.

A number of factors, including wet weather in western Canada, and the COVID-19 situation, have slowed TMC's progress in Q2 of 2020. As a result, TMC's spending is lower than expected. TMP Finance continues to seek an increase in the availability limit to \$5.1 billion for 2020.

Canada Hibernia Holding Corporation

The oil price collapse has not impacted the overall objectives and strategies for CHHC. This information is found in the CHHC Corporate Plan, Appendix C to the CDEV Plan Summary.

Risk and Mitigation Summary

The March 2020 collapse in world oil prices is significant and will have an impact on CHHC operations. This has had an impact on CHHC's ability to provide dividends to the CDEV in 2020. However, this is not expected to persist over the planning horizon.

We note that one risk not previously evaluated is the prospect of the COVID-19 pandemic might make off-shore oil production difficult to maintain in case the virus is identified on the platform. The operator is taking precautions to mitigate this risk and CHHC is made aware of significant changes to operations. TMC has low short-term risk related to low oil prices because of its CER approved transportation revenue adjustments that mitigates volume risk.

Canada Enterprise Emergency Funding Corporation

On May 10, 2020, the GIC issued an order (PC-2020-305) directing CDEV to incorporate a new, non-agent subsidiary corporation, CEEFC. CEEFC is responsible for

administering the LEEFF. This program makes financing available to large businesses that were going concerns before the COVID-19 emergency, with the objective of preserving economic capacity and keeping businesses, their employees, and their suppliers active in Canada until the economy emerges from the current lockdown and downturn. The GIC also issued an order (PC-2020-307) directing CEEFC to deliver the LEEFF in accordance with terms and conditions approved by the Minister of Finance.

CEEFC is responsible for receiving applications, assessing the requests against the eligibility criteria and terms approved by the Minister of Finance, and entering into and funding transactions in accordance with such terms. Assessments and processing of applications by CEEFC may be done with the assistance of qualified advisory firms engaged by CEEFC.

CEEFC entered into a funding agreement with the Minister of Finance to purchase shares in the corporation, pursuant to the Minister of Finance's authority under subparagraphs 60.2(2)(a)(i) and 60.2(2)(a)(iii) of the *Financial Administration Act* as recently enacted by the *COVID-19 Emergency Response Act*. As the take-up among Canadian companies is not yet known, the full amount of funding has not been advanced to CEEFC at once.

Applications for the LEEFF opened on May 20, 2020.

The Term Sheet that governs the conditions of the loans issued includes the following high-level terms:

- Loan amounts based on cash flow forecasts (minimum \$60 million);
- 20% of the loan amounts to share security with other lenders;
- Loans available for draw down over one year;
- Restrictions on the use of proceeds;
- Restrictions on any dividends, share repurchases and executive compensation;
- Warrants will be received from publicly traded borrowers;
- Other fees to be received from private borrowers;
- Interest rate of 5% in the first year, 8% in the second year and increasing 2% per year thereafter; and
- A 5-year maturity of the unsecured portion and the maturity date of the existing term loans in the case of the secured portion.

Although CEEFC developed preliminary financial projections in its June 2020 Update to the 2020-2024 Corporate Plan and 2020 Capital Budget, these have been excluded from this Summary as such disclosure could impact future negotiations with applicants and other lenders. The interest revenue, operating expenses and potential loan losses are dependant on assumptions that are preliminary at this time, and most are dependant on the total loan portfolio size which is not yet known nor is it able to be forecast with any degree of accuracy.

6.0 FINANCIAL SECTION

Forecast Update for 2020

Updated forecast for 2020 given COVID-19, decline in world oil prices, and revised capital and operating cost forecasts given the Hibernia Owners' decision to suspend drilling operations and defer discretionary projects.

As at May 2020

| \$ Million (unless noted) | 2020 Plan October 2019 | 2020 Forecast May 2020 |
|------------------------------------------------------|------------------------------|------------------------------|
| CHHC share of Hibernia production (BPD) ¹ | 8,450 | 8,890 |
| Sales Volume (Million BBL ² per year) | 3.09 | 3.25 |
| Average Sales Price – USD/BBL | \$62 | \$30 |
| Average Sales Price – CAD/BBL | \$81 | \$41 |
| | | |
| Gross Crude Oil Sales | 251 | 134 |
| Royalties Expense | 55 | 29 |
| NPI Expense | 18 | 6 |
| Income Tax Expense | 26 | 11 |
| Net Income | 64 | 6 |
| | | |
| Capital Expenditures | 49 | 18 |
| | | |
| Dividends to CDEV | 39 | 7 |
| | | |
| NPI Receipts | 189 | 63 |

Condensed operations and cash flow of CDEV (2019 – 2024):

| \$ Million (per IFRS) | 2019 A | 2020 F/P | 2021 P | 2022 P | 2023 P | 2024 P |
|--------------------------|--------|-------------|--------|--------|--------|--------|
| CHHC Oil Sales (M bbl) | 2.8 | 3.3 | 2.7 | 3.0 | 2.9 | 2.9 |
| Price per bbl (C\$) | 87 | 41 | 84 | 86 | 89 | 92 |
| Net Crude Revenue | 168 | 99 | 170 | 194 | 201 | 199 |
| | | | | | | |
| CHHC Operating Cash Flow | 87 | 90 | 140 | 132 | 134 | 132 |
| Capital Investments | (34) | (18) | (59) | (76) | (88) | (69) |

¹ BPD is barrels per day

² BBL is barrels

| | | | | | | |
|-------------------------------------------------------------------|-------|-------|-------|------|------|------|
| | | | | | | |
| CHHC Plan Dividend to CDEV | 48 | 7 | 68 | 43 | 32 | 50 |
| Additional CHHC Dividend from Plan | 3 | | | | | |
| NPI Receipts (incl CHHC) | 13 | 63 | 150 | 169 | 155 | 186 |
| | | | | | | |
| TMP Finance (net loss) before capitalized interest | (117) | (258) | (426) | 70 | 506 | 520 |
| TMC Operating Cash Flow before changes in Working Capital items * | 120 | 103 | 108 | 76 | 1120 | 1178 |
| TMC Continued Op. Capital Expenditure | 50 | 75 | 35 | 27 | 29 | 31 |
| TMEP Cash Capital Expenditures | 1105 | 2737 | 3373 | 1957 | 399 | 0 |
| | | | | | | |
| CHHC Dividends | | 7 | 68 | 41 | 31 | 50 |
| NPI Dividends | 63 | 63 | 71 | 49 | 115 | 135 |
| | | | | | | |

* There are large adjustments for non-cash working capital items due the refunding of dock premiums that are current and non-current but not truly operational in nature.

CHHC earnings and NPI Receipt Projections

CHHC earnings and NPI receipts and ultimately CDEV net income and dividends to the Government are driven by Hibernia's oil production, crude oil prices and capital expenditures which neither CHHC nor CDEV have any direct control over.

CEEFC Financial Projections

At the time of writing the June 2020 Update to the 2020-2024 Corporate Plan and 2020 Capital Budget, only preliminary estimates were developed regarding the size of the loan portfolio and the financial assumptions for the timing of draws, repayments and potential loan losses. These assumptions continue to be evaluated but remain confidential as these factors may affect the negotiations with borrowers and other lenders.

6.4 Capital Budget

CDEV's updated capital budget for 2020 is \$3.1 billion, including capitalized interest of \$0.2 billion. This predominately includes cash capital expenditures for TMC's expansion project of \$2.7 billion.

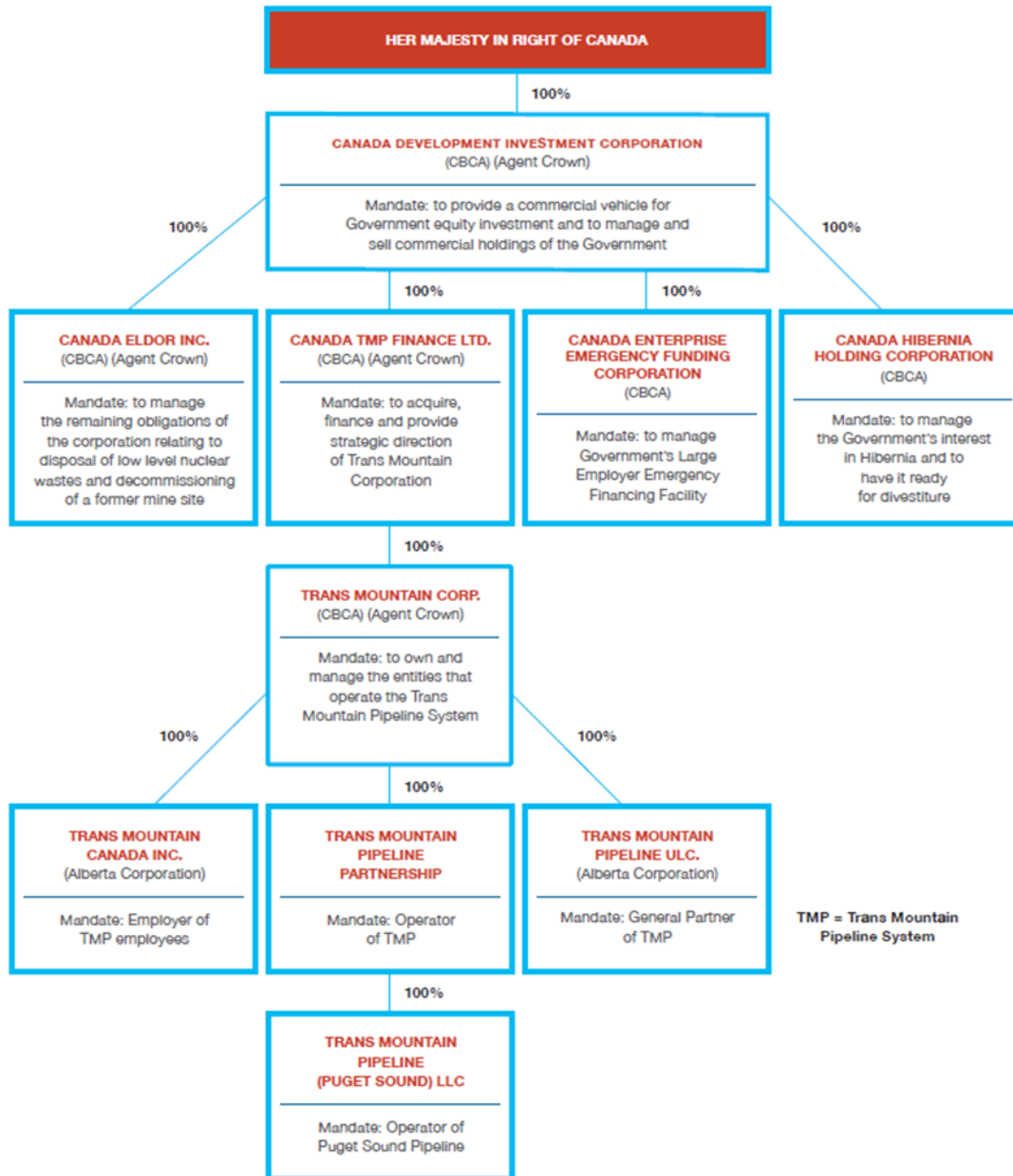
The new operations of CEEFC are not capital intensive.

6.5 Operating Budget

CDEV's updated operating budget for 2020 is \$9.3 million (CDEV non-consolidated) plus \$87 million for CHHC and \$346 million for TMC. For details see the relevant Appendix of core plan.

CEEFC's operating and administrative costs will vary depending on the size of the operation. Primary costs are related to financial and legal advisory fees, executive compensation and staffing costs. CEEFC will make use of advisory firms to provide advice and support in administering the LEEFF. Some of the start up human resource functions will be fulfilled by CDEV employees. Certain costs may be recovered from borrowers through loan fees charged.

Appendix A-1 – Organization Chart





CANADA DEVELOPMENT INVESTMENT CORPORATION

**2020 to 2024
CORPORATE PLAN SUMMARY - CORE**

and
2020 CAPITAL BUDGET SUMMARY - CORE

September 2020 with data as at December 2019

NOTE: The CDEV 2020-2024 Corporate Plan and 2020 Capital Budget was drafted and approved by CDEV's Board of Directors prior to the COVID-19 emergency and the collapse in world oil prices in 2020. Certain aspects of CDEV's operations and projections have been affected by these events. In order to provide the most updated information, this core plan should be read in conjunction with the June 2020 Update provided. The core plan remains relevant for information on CDEV's operations that are unaffected by these events. The Summaries of these two documents are also provided and should be read together.

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1.0 EXECUTIVE SUMMARY AND CORPORATE PROFILE

WHO WE ARE

Canada Development Investment Corporation ("the Corporation" or "CDEV") was incorporated in 1982 under the provisions of the *Canada Business Corporations Act* and is wholly-owned by Her Majesty in Right of Canada. The Corporation is an agent Crown corporation listed in Schedule III, Part II of the *Financial Administration Act* ("FAA") and is not subject to the provisions of the *Income Tax Act*. CDEV reports to Parliament through the Minister of Finance ("the Minister"). CDEV has four wholly-owned subsidiaries: Canada Hibernia Holding Corporation ("CHHC"), Canada Eldor Inc. ("CEI"), Canada Enterprise Emergency Funding Corporation and Canada TMP Finance Ltd. ("TMP Finance") which in turn owns Trans Mountain Corporation ("TMC") and its subsidiaries. CDEV's primary mandate is to manage the government's assets assigned to us in a commercial manner. CDEV also undertakes analyses of government assets from a commercial perspective as requested by the Minister of Finance.

WHAT WE DO

In 2019 CDEV negotiated a purchase and sale agreement with a buyer for the Government's interest in Ridley Terminals Inc. ("RTI"). The sale closed on December 23, 2019.

CDEV received a letter from the Minister of Finance on August 20, 2019, that notified them of the transfer of the Hibernia Development Project Net Profits Interest agreement (NPI) and Hibernia Development Project Incidental Net Profits Interest agreement (INPI) (jointly, the "NPI") from the Minister of Natural Resources to CDEV. CDEV began receiving NPI payments in September.

In 2019 CDEV managed its 100% investment in Trans Mountain Corporation ("TMC") including the provision of financing to TMC to fund construction of the Trans Mountain Expansion Project ("TMEP"). To finance the advances to TMC, CDEV's subsidiary Canada TMP Finance Ltd. borrowed money from the Government's Canada Account, administered by Export Development Canada ("EDC"). These borrowings are governed by a credit agreement with EDC. Under this agreement CDEV, through its financing subsidiary TMP Finance, pays interest of 4.7%. By the end of 2019, the loans payable were approximately \$6 Billion. In 2019, TMC incurred \$1 billion in costs of the TMEP. Construction commenced in earnest on TMEP in October 2019. The present forecast assumes that all TMC construction costs and related interest costs will be financed through borrowing from the Canada Account, administered by EDC. The expected new borrowing, through TMP Finance's construction facility, for 2020 is \$3.1 billion. TMP Finance expects the total outstanding loans on the construction facility on December 31, 2020, to be \$5.1 billion. The expected new borrowing, for Q1 of 2021 is \$1 billion. TMP Finance expects the total outstanding loans on the construction facility on March 31, 2021, to be \$6.1 billion.

CHHC owns a working interest in the Hibernia off-shore oil production platform. CHHC continues to generate profits with forecast 2019 sales volumes of 2.7 million barrels. This projection is down from 2018 sales of 3.13 million barrels primarily due to the platform production shut-in for 80% of the third quarter in response to two unrelated oil discharge incidents in July and August 2019. Forecast net income is \$57 million, compared to 2018 net income of \$76 million

CEI continues to pay for costs relating to the mine site decommissioning and retiree benefits.

CDEV held its annual public meeting on December 11, 2019 in Ottawa, ON, fulfilling requirements under the FAA.

Our main focus in 2020 through 2024 will be to oversee the management of TMC and construction of the TMEP, prepare the entity for divestiture, and consider ways for Indigenous groups to participate in the divestiture on commercial terms. TMP Finance will be TMC's financing entity, providing debt and equity to TMC.

CEI plans to transfer 20 of the remaining 65 properties of the decommissioned Beaverlodge mine site to the Province of Saskatchewan's Institutional Control ("IC") program in 2020.

We will continue to manage the NPI proceeds and audit functions.

The major risks faced by CDEV relate to the uncertainty of the timing of construction activity of TMEP. Attaining permits and land will have an impact on the timing and pace of construction of the project. TMP Finance has \$6 billion in debt outstanding as at December 2019. Completion of TMEP is expected to cost an additional \$8.4 billion (excluding carrying costs) during 2020 through 2023. At present all costs are being financed solely by debt, and the interest costs payable to the Canada Account will need to be borrowed.

The operating risks of TMC are significant but are being managed by an experienced management team with risk-focused systems and processes.

Capital Budget

CDEV's total capital budget for 2020 is \$3.15 billion as described in the cash flow statement (Schedule 2) is made up of \$2.92 Billion in TMC capital expenditures plus \$0.18 billion in capitalized interest for TMC plus \$49 million for CHCC expenditures.

The cost estimate for the TMEP project is \$12.6 billion as approved by the TMC Board in February 2020.

2.0 MANDATE AND BUSINESS OVERVIEW

Mandate

CDEV's Articles of Incorporation give it a broad mandate. We were incorporated to provide a commercial vehicle for Government equity investments and to manage commercial holdings of Canada. Our primary objective is to carry out our activities in the best interests of Canada, operating in a commercial manner.

In November 2007, the Minister of Finance wrote to the Chair and indicated that the future operations of CDEV "should reflect a future focused on the ongoing management of its current holdings in a commercial manner, providing assistance to the Government in new policy directions suited to CDEV's capabilities, while maintaining the capacity to divest CDEV's existing holdings, and any other Government interests assigned to it for divestiture, upon the direction of the Minister of Finance". CDEV continues to operate under this mandate.

Our Vision: To be the Government of Canada's primary resource for the evaluation, management and divestiture of its commercial assets.

Our Mission: Acting in the best interests of Canada, on behalf of the Minister of Finance, we bring excellent business judgement and commercial practices to the evaluation, management and divestiture of assets of the Government of Canada.

Business Overview

CDEV's activities are driven by the priorities of the Government and the Corporation is managed with a commercial focus. We also manage sales processes of Government assets and assist the Government in the analysis of federal assets as requested.

Canada TMP Finance Ltd.

TMP Finance is the owner and financing entity for TMC. Currently, CDEV expects funding to be 100% debt from the Canada Account. Outstanding debt is documented through a credit agreement with EDC. The interest rate of 4.7% on this debt is assumed to be kept at 4.7% through the life of the credit agreement.

As per a Funding Agreement between TMP Finance and TMC, 55% of funds advanced to TMC are loans, and 45% equity. Loans payable by TMC to TMP Finance bear an interest rate of 5.0%. This structure is in alignment with the tolling regime agreed to by the Canada Energy Regulator ("CER", previously the National Energy Board or "NEB") and the shippers of the Trans Mountain Pipeline. It is expected that TMP Finance will need to borrow funds to pay some of its interest costs on top of borrowings to fund TMC.

Trans Mountain Corporation

See Appendix B for more details of TMC. TMC owns Trans Mountain Pipeline Limited Partnership (the operator of the Trans Mountain Pipeline), Trans Mountain Pipeline

ULC (the regulated entity and general partner of the pipeline), Trans Mountain Canada Inc. (the employer and service entity) and Trans Mountain Puget Inc. (which owns the US branch of the system) as shown in the Appendix A-1 organization chart. In 2019, TMC received regulatory approval to re-commence construction of the TMEP project. Work in 2019 focused on a restart of the new Westridge terminal, the portal for the Burnaby Tunnel, expansion of the Burnaby oil terminal and initial clearing for spreads one and two near Edmonton. A revised cost estimate and construction schedule was prepared in 2019. The new cost estimate is \$12.6 billion and the in-service date is estimated to be late 2022 with full completion in mid-2023.

Net Profits Interest

In August 2019, the Government transferred Canada's responsibility pursuant to the Hibernia Development Project Net Profits Interest agreement (NPI) and Hibernia Development Project Incidental Net Profits Interest agreement (INPI) (jointly, the "NPI") from the Minister of Natural Resources to CDEV via an executed Memorandum of Understanding. The NPI allows the Government, and now CDEV, to be paid approximately 10% of all profits from the production of oil from the main Hibernia field (i.e., the NPI) as well as 10% of fees from Hibernia's incidental activities (i.e., the INPI), such as the Hibernia South Extension. Net profit is defined as specific revenues less certain operating expenses and cash capital expenditures incurred by owners, less royalty payments. To fulfill its responsibilities under the agreement, CDEV will hire individuals and professional firms to audit the NPI submissions by the Hibernia owners.

CHHC

CHHC was established in March 1993, for the sole purpose of holding, managing, administering and operating an 8.5% working interest in the Hibernia project. CHHC's primary goal is to commercially manage its ownership in the Hibernia project to maintain the asset in a state of readiness should Canada elect to divest of the asset. An expert management team based in Calgary performs these functions along with a technical advisor to prepare technical and economic reserve evaluation reports (See Appendix C).

Sales Mandates and Asset Reviews

The sale of Ridley Terminals Inc. negotiated in mid-2019, closed in December 2019 for a sale price of \$350 million for 90% of the company.

CEI

CEI through Cameco, the manager and licensee of the Beaverlodge mine site, continues to manage the properties for which it has been granted a license. Projects are being undertaken to reach the goal of transferring the properties to the Institutional Control ("IC") programme of the Government of Saskatchewan during the current license period for the properties, ending in 2023.

3.0 CORPORATE GOVERNANCE AND OPERATING ENVIRONMENT

CDEV is managed by a team based in Toronto, Ontario, headed by an Executive Vice-President, who work closely with consultants, legal counsel, the Board and management of its subsidiaries to ensure the effective functioning of the Corporation and its subsidiaries. CDEV currently has six employees. It also retains several contractors, primarily to help oversee the development of TMC's TMEP project.

The Corporation reports to Parliament through the Minister of Finance. CDEV's Board of Directors supervises and oversees the conduct of the business and affairs of CDEV. The Board of CDEV currently consists of the Chair, appointed March 27, 2019 and six other directors. See Appendix A-1 for the Corporation's organization chart and current listing of CDEV's directors and officers. All members of the Board are independent of CDEV management.

Special Examination

In June 2018, a Special Examination of CDEV conducted by the Office of the Auditor General and KPMG, pursuant to FAA regulations was released. The examination had one significant finding in that CDEV did not have a Governor-in-Council ("GIC")-appointed Chief Executive Officer ("CEO"). The Board of CDEV has initiated a process to recommend a CEO candidate to the GIC. The Board is in discussions with the PCO and expect to finalize a hiring process in Q1 2020 but the timing of an OIC appointment of a CEO is not within CDEV's control. Other recommended improvements include the development of a formal risk policy and risk reporting process were implemented in 2019. As well, the procedure to identify conflicts of interest of management and board members was improved and CHHC is in the process of improving its register of contracts which should be complete in 2020.

4.0 CORPORATE PERFORMANCE

4.1 Assessment of 2019 Results

Our actual performance in 2019 as compared to the objectives outlined in our 2019-2023 Corporate Plan is as follows:

| 2019 Objectives | 2019 Results |
|--------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Oversee, monitor and provide strategic support of TMC | Developed strong working relationship with TMC management; participated in strategic planning and review sessions, assisted TMC with conversion to a Crown corporation, and hired contractors to provide assurance regarding the TMEP. |
| TMP Finance to provide financing to TMC | TMP Finance negotiated increased loan facilities with Canada Account and funding agreement with TMC to provide financing for TMEP. |
| Manage working interest in Hibernia through CHHC; keep asset ready for potential divestiture and maximize value where possible | Financial results were reasonable given unplanned shutdown. CHHC worked to advance development opportunities for Hibernia. Invested \$12 million in abandonment fund in 2019. |
| Operate CHHC efficiently and to maximize value, given limited 8.5% ownership leverage | Given 10-week unscheduled shutdown in Q3 2019 due to two unrelated oil spills, net income is forecast at \$57 million, compared to plan income of \$81 million. Production was 17% lower than 2019 Plan. |
| Manage assigned sales processes of Government assets | Negotiated Purchase and Sale Agreement for sale of 90% of RTI. Transaction closed December 23, 2019. |
| Remain operationally efficient yet flexible to meet requirements from Finance | Continued use of consulting firms with suitable expertise and bench strength given uneven work requirements; remained in compliance with travel directive; retained funds to ensure adequate resources available to satisfy mandate. |
| Management of Canada CEI and its liabilities | CEI continues to oversee Cameco's management of the site restoration activities and budget estimates; participated in Canadian Nuclear Safety Commission ("CNSC") hearings in fall 2019. Transfers of 20 properties potentially in late 2019. |

Trans Mountain Corporation

From the time TMC was acquired, through to the end of 2019, TMC will have spent \$1.4 billion (excluding carrying costs) on the project. In 2019, efforts were focused on acquiring permits and land for construction of the project as well as construction activity at Edmonton Terminal, Burnaby Terminal, Westridge Marine Terminal and Spread 1 and 2 land clearing near Edmonton.

The outstanding loans with Canada Account at December 31, 2019 are \$4.7 billion for the Acquisition Facility and \$1.4 billion on the Construction Facility. In Q3 2019 TMP Finance, under the IFRS accounting framework, began capitalizing a portion of the interest costs related to the construction costs of TMEP incurred to date.

5.0 CDEV - OBJECTIVES AND STRATEGIES FOR THE PERIOD 2020 TO 2024

Our main objectives are to manage the interests the Government assigns to us in a commercial manner. These are the main areas of focus for 2020 and beyond:

- **Oversee, monitor and provide strategic support of the Trans Mountain Corporation. As per TMC's Corporate Plan (Appendix B) TMC's main objectives for 2020 are:**
 - Continue to operate the existing Trans Mountain Pipeline System and Puget systems safely and efficiently.
 - To build the Trans Mountain Expansion Project in a safe, environmentally sound manner on a commercially viable basis.
- For TMP Finance to provide financing to TMC for its operating and financing requirements. TMP Finance will seek funding from the Government. The attached financial projections assume that 100% of the financing of TMEP will be in the form of loans from the Canada Account to TMP Finance.
- Manage our working interest in the Hibernia oil field through our subsidiary CHHC in a commercially prudent manner.
- Continue to keep CHHC in a state of preparedness for a potential sale
- Manage our operations to maintain our ability to perform all tasks given to us in an efficient manner. This involves keeping employees and management trained and engaged in relevant issues, maintaining contacts with potential advisors, and maintaining suitable levels of cash to fund contingencies and new projects assigned to CDEV.
- Assist in the review of government assets as requested by the Minister of Finance and remain available and prepared to address the needs of the Government for any future endeavour that is suitable given our capabilities and expertise.
- Manage any responsibilities related to the assignment of the NPI to CDEV including any audit functions and receipt of any NPI proceeds from Hibernia owners.

5.1 Trans Mountain Corporation

Please see the attached Appendix B for detailed information on the objectives and strategies of TMC. Trans Mountain Corporation's mandate is to own and operate the Trans Mountain Pipeline System and to complete the related expansion project in a timely and commercially viable manner.

TMC is focused on efficiently and profitably operating its pipeline in a manner that supports its Environmental, Health and Safety program. Its regulated transportation service revenue is driven by the tolls approved by the CER and its forecast volume throughput.

The TMEP Project

TMC will continue to develop the TMEP in a commercially viable manner respecting environmental, health and safety standards, and best practices. The current construction schedule for TMEP plans for significant construction activity in 2020 and 2021, including commissioning and testing activities with a planned in-service date for the expansion in 2022. See the capital budget for the amounts expected to be spent on TMEP 2020 to 2023.

In early 2020, the TMC Board approved a revised cost estimate of \$12.6 billion (including \$1.7 billion in financing costs). The cash expenditures in the attached financial statements are based on this new \$12.6 billion estimate.

The \$12.6 billion cost estimate was prepared on a Class 2 basis which has a much higher level of accuracy and confidence than previous estimates prepared by TMC's project team.

The initial project investment decision was approved in June 2019, after considering many factors and was made on a commercial basis. A key assumption was that construction would commence in earnest in the third quarter of 2019 after receiving a revised Order in Council for the project and related CER approvals. The project would be in service by December 2022. The final tanks and expanded wharf would be complete in mid-2023 when full capacity would be achieved. We note that not all cost increases would be absorbed by TMC in its return analysis and that certain cost increases would be borne by the shippers in its toll including uncapped costs.

5.2 Canada TMP Finance Ltd.

TMP Finance will continue to access debt financing from the Canada Account administered by EDC. It will fund TMC in a ratio of 55% debt/45% equity. Given that, at present, TMP Finance borrows 100% of its financial requirements (at 4.7% interest) but only lends 55% of this to TMC (at 5.0% interest) it has a cash flow deficiency. If TMP Finance continues to be 100% debt financed, it will be required to draw on its Construction facility to fund some of the interest expenses on the Acquisition and Construction facilities. A portion of the interest costs will be capitalized during construction which will reduce the accounting loss of TMP and CDEV.

Pursuant to section 127(3) of the *FAA*, TMP Finance is seeking the ability to borrow up to \$5.1 billion until December 31, 2020, and an ability to borrow up to \$6.1 billion until March 31, 2021.

5.3 Canada Hibernia Holding Corporation

Please see the attached Appendix C for detailed information on the objectives and strategies of CHHC. At a high level, we note that planned CHHC 2020 sales volume of 3.09 million barrels is higher than 2019 forecast of 2.70 million barrels due to unscheduled production shut-ins in Q3 2019.

Dividends from CHHC in the plan period are expected to range from \$32 to \$68 million per year. The average dividend per year is about \$8 million lower than last year's planned dividends primarily due to lower forecast oil prices and increased capital expenditures. Since CHHC is a single asset company, it retains funds for decommissioning obligations for the Hibernia project. At the end of 2019 CHHC has set aside approximately \$100 million in the CRF plus \$50 million in other financial assets for abandonment and other purposes.

CHHC 2020 Plan net income is \$64 million, higher than the 2019 forecast net income of \$57 million. Dividends from CHHC are expected to be \$39 million in 2020 compared to \$48 million forecast in 2019. The decrease in 2020 dividends from 2019 is due to a \$14 million increase in capital expenditures.

5.4 Net Profits Interest

The transfer of the Net Profits Interest to CDEV allows CDEV to receive a payment equal to 10% of net profit from the Hibernia owners. In the plan period we have estimated the receipts based on the payments forecast by CHHC and applying a factor based on its proportion of the field production. To satisfy CDEV's obligations under the NPI, CDEV will be hiring professional firms to review NPI submissions by the owners and to finalize NPI determinations. The expected receipts from NPI can vary significantly due to fluctuating oil prices (shown below) and deductible cash capital expenditures by the owners.

5.5 Canada Eldor Inc.

CEI has mine site restoration liabilities related to a decommissioned uranium mine of Eldorado Nuclear in northern Saskatchewan and costs related to post-employment benefits of former employees. CEI is also a defendant in a class action lawsuit going back several years in the Deloro township of Ontario.

CEI will continue to pay Cameco to undertake mine site restoration activities, pay regulatory fees and pay benefits to retired employees. The 2020 projected costs are \$2.5 million and \$10.5 million for the entire plan period 2020 to 2024. CEI has \$19 million in assets to pay for these expected costs. Payments to Cameco for defined benefits to former employees average approximately \$100 thousand per year. CEI will withdraw \$5 million from the CRF in 2020.

Status of Overall Project and Outstanding Issues

A CNSC hearing was held in October 2019 to consider the transfer of more properties to IC. In December 2019 the commission approved the transfer of 20 properties to Institutional Control program of the Province of Saskatchewan in 2020.

5.6 Review of Government Assets and Sales Roles

Review of Government Assets

We remain available and prepared to commence reviews of Crown corporations or other assets if so requested by the Government. Our primary functions include advising the Department of Finance, preparing well-defined statements of work in conjunction with the Department of Finance, conducting a thorough and fair advisor selection process, and producing insightful reports to the Government.

5.7 Risks and risk mitigation summary

We and our subsidiaries are subject to a number of risks. Those risks related to TMC and CHHC are detailed in their respective Corporate Plans. The main risks for CDEV (non-consolidated) are reputational in nature.

The main risk for TMP Finance is ensuring financing is in place to complete the project over the next three years.

CEI is subject to liabilities with no ability to raise additional funds. We rely on the expertise of Cameco to manage and budget for the site restoration activities. A significant mitigant for future risks is through the transfer of properties to Institutional Control where monitoring costs are reduced significantly. However, these transfers do not fully remove CEI liability for future environmental impacts and related financial costs.

6.0 FINANCIAL SECTION

6.1 Financial Overview for 2019

The attached financial schedules were prepared in December 2019. These do not include the operations of the new subsidiary for the LEEFF and do not include the revised CHHC 2020 forecast financial figures which have been recalculated due to the Q1 and Q2 2020 crude oil market changes. These two changes are reflected in the Summary of the June 2020 Update to the 2020-2024 Corporate Plan and 2020 Capital Budget.

Consolidated net income is forecast for 2019 at \$49 million which is comprised of CHHC's income of \$62 million, TMC's operating income of \$139 million (net of IFRS adjustments and before interest and income taxes) less TMP's loss of \$53 million (after incurring net interest costs and after capitalizing some interest), less costs to operate CDEV. Dividends paid (please see Schedules 2 or 3 below) are forecast in 2019 at \$63 million, compared to 2019 Plan of \$58 million.

See the Appendix for the pro-forma financial projections (December year-end) (On the following Schedules, numbers may not add due to rounding):

Schedule 1 - Consolidated Statements of Financial Position

Schedule 2 - Consolidated Statements of Cash Flows

Schedule 3 - Consolidated Statements of Changes in Shareholder's Equity

Schedule 4 - Consolidated Statements of Comprehensive Income

Key assumptions for the schedules are outlined below in Section 6.3.

6.2 Quarterly Financial Reporting

We issue Quarterly Financial Statements, which we post in both English and French on our website (www.cdev.gc.ca) within 60 days of a quarter end.

6.3 Commentary, Highlights and Key Assumptions in Financial Projections

Condensed operations and cash flow of CDEV (2019 – 2024):

| \$ Million (per IFRS) | 2019 F | 2020 P | 2021 P | 2022 P | 2023 P | 2024 P |
|-------------------------------------------------------------------|--------|--------|--------|--------|--------|--------|
| CHHC Oil Sales (M bbl) | 2.7 | 3.1 | 2.7 | 3.0 | 2.9 | 2.9 |
| Price per bbl (C\$) | 85 | 81 | 84 | 86 | 89 | 92 |
| Net Crude Revenue | 162 | 178 | 170 | 194 | 201 | 199 |
| CHHC Operating Cash Flow | 77 | 104 | 140 | 132 | 134 | 132 |
| Capital Investments | (35) | (49) | (59) | (76) | (88) | (69) |
| CHHC Plan Dividend to CDEV | 48 | 39 | 68 | 43 | 32 | 50 |
| NPI Receipts (incl CHHC) | 12 | 189 | 150 | 169 | 155 | 186 |
| TMP Finance (net loss) before capitalized interest | (117) | (258) | (426) | 70 | 506 | 520 |
| TMC Operating Cash Flow before changes in Working Capital items * | 120 | 103 | 108 | 76 | 1120 | 1178 |
| TMC Continued Op. Capital Expenditure | 50 | 75 | 35 | 27 | 29 | 31 |
| TMEP Cash Capital Expenditures | 1105 | 2737 | 3373 | 1957 | 399 | 0 |

* There are large adjustments for non-cash working capital items due the refunding of dock premiums that are current and non-current but not truly operational in nature.

CHHC earnings and NPI Receipt Projections

CHHC earnings and NPI receipts and ultimately CDEV net income and dividends to the Government, are driven by Hibernia's oil production, crude oil prices and capital expenditures which neither CHHC nor CDEV have any direct control over. CHHC net income is expected to be lower in 2020 than as expected in the prior 2019 plan (\$64 million from \$84 million) primarily due to lower net revenue as a result of a 9% drop in C\$ oil prices now expected. Hibernia production is lower in 2021 due to the triennial platform turnaround (maintenance shutdown). Crude oil prices will vary but there are no reliable means to predict oil prices in the long term as the forward market is not fluid.

Loans Payable to Canada Account

In 2019, TMP Finance executed an amended Construction Loan Facility to fund construction and other costs of TMC. TMP Finance has borrowing approval from the Minister of Finance to borrow up to the facility's limit of \$4 billion in 2020. We are requesting increased borrowing authority to provide the necessary financing capacity to fund TMEP costs through 2020 and Q1 2021.

6.3.1 Assumptions for the Plan Period

This Corporate Plan is based on the following assumptions:

Canada Development Investment Corporation (non-consolidated)

- 1) Operating Costs - Financial projections assume management and the Board continue to closely manage costs. Administration costs (Salary, Benefits and Other) are approximately \$4 million annually throughout the planning period which is similar to earlier years but difficult to predict.
- 2) Professional fees incurred by CDEV, TMP Finance and CEI are expected to be approximately \$5 million in 2020 and beyond.
- 3) Foreign Exchange Rate – CAD\$ 1.31 per USD for CDEV and all of its subsidiaries. Since the majority of CDEV and its subsidiaries operations are in Canadian dollars, foreign exchange rate fluctuations have a minimal impact on the corporation's financials.

Canada Hibernia Holding Corporation

- 4) Operating Revenues and Costs – CHHC's revenues and costs are discussed in detail in Appendix C.

Canada Eldor Inc.

- 5) Site restoration costs in the plan period total \$8.7 million. Most of the costs are incurred when properties are transferred to Institutional Control Program and for long-term monitoring and regulator fees, expected in 2021 and 2023.
- 6) Interest is accrued on CEI's funds on deposit in the CRF at a rate equal to 90% of the Government's 90-day Treasury Bill rate. Provisions for Site restoration are adjusted for inflation at 2% and discounted at the 3-5yr Treasury Bill rate.

Canada TMP Finance Ltd.

- 7) The loans negotiated with EDC have an interest rate of 4.7% per annum and have commitment fees of 0.065% for undrawn amounts. Loans receivable from TMC (55% of funding) earn interest at 5.0% and the remaining equity contributions are interest free. The commitment fee on the \$500 million NEB facility is 0.30%.

Trans Mountain Corporation

- 8) In the financial statements included in the Plan, we assume that the operating results of the existing pipeline continue in a steady state manner with revenues earned based on a toll approved by the CER and operating costs incurred based on operating and maintaining the 300,000 barrels per day Trans Mountain pipeline in an efficient manner recognizing the need to comply with its Environmental, Health and Safety program and any requirements of its regulator the Canada Energy Regulator. By the end of 2019, TMC operations will be independent of any Kinder Morgan support. To ensure that TMC has comparative financial information to its prior operation and to its peer group, TMC prepares its financial statements under USGAAP regulated entities framework. CDEV prepares its financial information under IFRS. Therefore it converts TMC's financial information into IFRS for consolidation. We present the income statement components in both USGAAP and IFRS below with the adjusting entries.

| TMC \$MM | 2020 | 2021 | 2022 | 2023 | 2024 |
|----------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|
| EBITDA – USGAAP | 189 | 192 | 190 | 1,499 | 1,536 |
| Collection of funds to be used in construction (Firm 50) | 29 | 29 | 3 | 0 | 0 |
| Other (digital transformation) | 5 | 5 | | | |
| EBITDA - IFRS | 223 | 226 | 193 | 1,499 | 1,536 |

6.4 Capital Budget

TMP Finance and CEI are not involved in capital intensive activities and do not require any capital funding of equipment or other acquisitions for the 2020 fiscal year. CDEV may enter an office lease of up to five years in 2020. CHHC self-funds its capital expenditures.

Please see the TMC corporate plan in Appendix B for the capital budget of TMC. The TMEP cost estimate used in preparing the 2020-2024 capital budgets is \$12.6 billion (including 1.7 billion in financing costs). On a go-forward basis, TMC estimates cash costs of \$8.4 billion and \$1.4 billion in financing costs. Any capital outlays by TMC for maintenance capital spending on the existing pipeline are funded from operating cash flow.

Summary of Capital Expenditures (Cash, excluding interest costs)

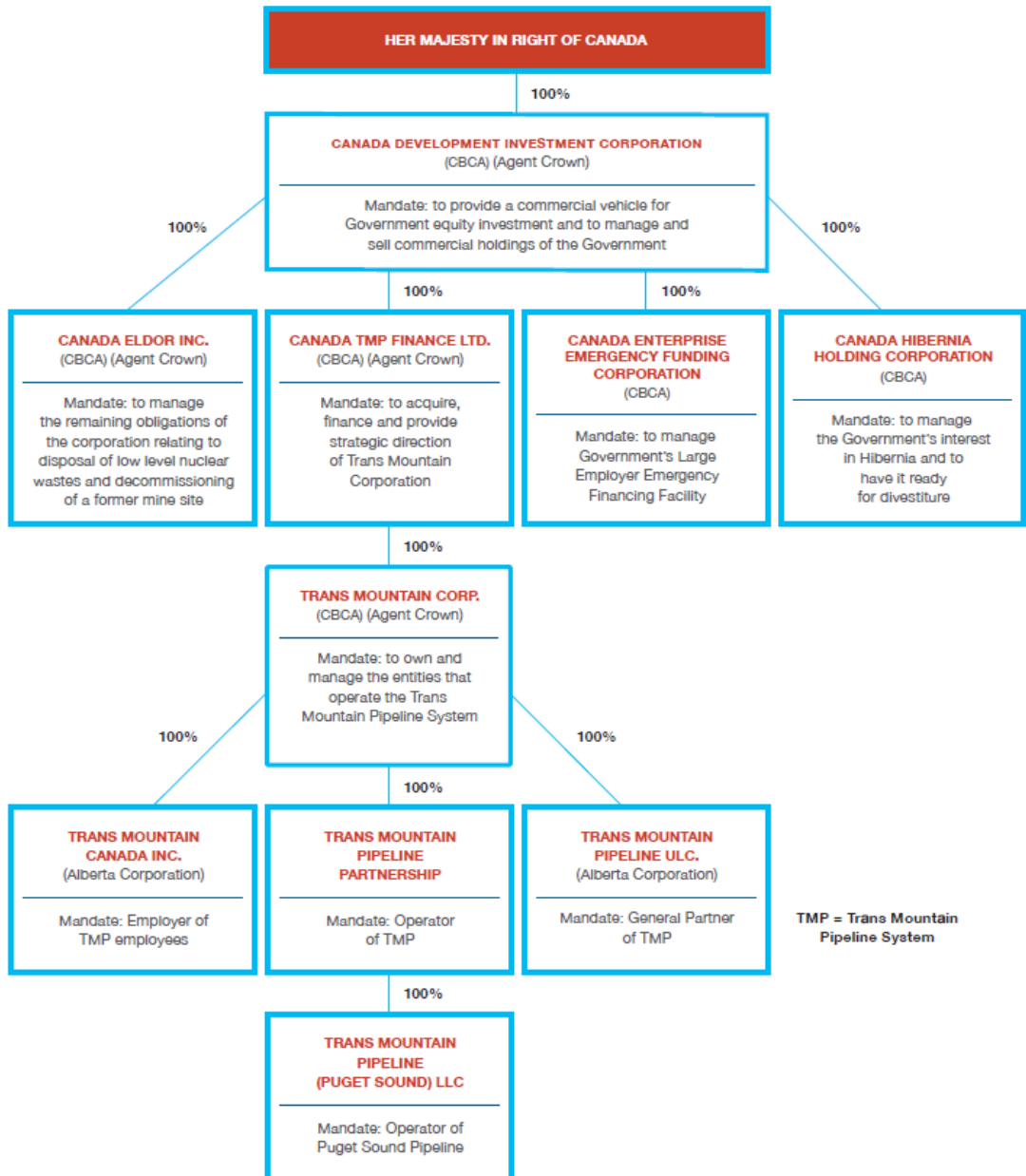
| \$ million | 2020 | 2021 | 2022 | 2023 | 2024 |
|--------------------------|-------------|-------------|-------------|-------------|-------------|
| TMC – TMEP | 2737 | 3373 | 1957 | 399 | 0 |
| TMC - maintenance | 75 | 33 | 34 | 35 | 36 |
| CHHC | 49 | 59 | 76 | 88 | 69 |

6.5 Operating budget

Please see Appendices B and C for details of the operating budgets of TMC and CHHC respectively.

Appendix A-1 – Organization Chart and Board of Directors

CANADA DEVELOPMENT INVESTMENT CORPORATION



Board of Directors

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Stephen Swaffield, MBA ⁽²⁾ Chair of CDEV President CarbEx Consulting Inc. Whistler, British Columbia</p> | |
| <p>Darlene Halwas, CFA, ICD.D ⁽¹⁾⁽³⁾ Director Calgary, Alberta</p> | <p>Mary Ritchie, FCPA FCA ⁽¹⁾⁽²⁾ CEO Richford Holdings Ltd. Edmonton, Alberta</p> |
| <p>Carole Malo, BCom, CFA, ⁽¹⁾⁽²⁾⁽³⁾ Director, Humber River Hospital, York University Toronto, Ontario</p> | <p>Sandra Rosch, MBA ⁽²⁾⁽³⁾ Executive Vice President and Director Labrador Iron Ore Royalty Corporation Toronto, Ontario</p> |
| <p>Jennifer Reynolds, MBA ⁽¹⁾⁽³⁾ President and CEO Toronto Financial International Toronto, Ontario</p> | <p>Robert Wener, MBA, FCPA, FCA ⁽¹⁾⁽²⁾ President Wener Advisory Group Ltd. Ottawa, Ontario</p> |

CDEV has three committees of the Board: (1) Audit Committee, (2) Nominating and Governance Committee, (3) Human Resources and Compensation Committee

CDEV Officers: **Michael Carter**
Executive Vice-President

Andrew StafI, CPA CA, MBA
Vice-President, Finance

Zoltan Ambrus, CFA, LL.B, MBA
Vice-President

Noreen Flaherty, BA, LLB
Corporate Secretary

Appendix A-2 – CDEV Consolidated Pro-Forma Financial Statements 2018 - 2024

Schedule 1 - Proforma Consolidated Statements of Financial Position

\$ millions (Dec 31)

| | 2018 Actual | 2019 Plan | 2019 Forecast | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan | 2024 Plan |
|---------------------------------------------|----------------|----------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Assets | | | | | | | | |
| Currents assets: | | | | | | | | |
| Cash and cash equivalents | 344.9 | 304.6 | 587.1 | 596.6 | 624.4 | 192.9 | 178.8 | 338.0 |
| Restricted cash | 500.7 | - | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 |
| Trade and other receivables | 159.0 | 175.8 | 119.3 | 83.0 | 48.9 | 49.0 | 178.2 | 183.2 |
| Income taxes recoverable | 3.5 | - | 4.2 | 5.3 | 5.4 | 5.5 | 5.6 | 5.6 |
| Inventory | 3.8 | 4.3 | 0.6 | 3.8 | 3.8 | 3.8 | 3.8 | 3.8 |
| Prepaid expenses | 15.0 | 12.3 | 19.0 | 18.9 | 18.9 | 18.9 | 18.9 | 18.9 |
| Investments held for future obligations | 2.5 | 2.0 | 3.6 | 1.8 | 1.5 | 3.5 | 1.5 | - |
| | 1,029.4 | 499.0 | 736.190 | 712.0 | 705.4 | 276.1 | 389.2 | 552.0 |
| Non current assets: | | | | | | | | |
| Property, plant and equipment (note 1) | 4,854.6 | 6,222.1 | 6,146.7 | 9,173.8 | 13,025.1 | 15,656.1 | 15,714.3 | 15,354.3 |
| Goodwill | 1,016.6 | 1,016.0 | 1,015.8 | 1,015.8 | 1,015.8 | 1,015.8 | 1,015.8 | 1,015.8 |
| Investments held for future obligations | 151.2 | 161.6 | 159.7 | 173.8 | 181.6 | 192.2 | 202.0 | 216.4 |
| Restricted cash | 56.7 | 49.0 | 60.5 | 60.5 | 60.5 | 60.5 | 60.5 | 60.5 |
| Restricted investments | 54.8 | 92.2 | 70.9 | 98.3 | 113.3 | 139.9 | 167.0 | 194.8 |
| Other assets | 46.3 | 140.0 | 104.2 | 128.3 | 162.7 | 159.0 | 139.0 | 119.0 |
| Deferred tax asset | 17.7 | 23.2 | 17.5 | 25.4 | 27.7 | 29.4 | 29.1 | 29.7 |
| | 6,197.9 | 7,704.1 | 7,575.4 | 10,675.9 | 14,586.6 | 17,252.9 | 17,327.8 | 16,990.5 |
| | 7,227.3 | 8,203.2 | 8,311.6 | 11,387.9 | 15,292.0 | 17,529.0 | 17,717.0 | 17,542.6 |
| Liabilities and Shareholder's Equity | | | | | | | | |
| Current liabilities | | | | | | | | |
| Trade and other payables | 133.4 | 294.3 | 337.0 | 317.1 | 314.1 | 314.0 | 313.7 | 308.9 |
| Income tax payable | - | 3.4 | - | - | - | - | - | - |
| Current portion defined benefit obligation | 0.2 | 0.2 | 1.4 | 0.2 | 0.2 | 0.2 | 0.2 | - |
| Current portion of site restoration | 2.3 | 1.9 | 3.4 | 1.6 | 1.3 | 3.3 | 1.3 | - |
| Other current liabilities | 109.0 | 64.0 | 216.9 | 211.0 | 211.0 | 211.0 | 211.0 | 211.0 |
| | 244.9 | 363.8 | 558.7 | 529.9 | 526.6 | 528.5 | 526.2 | 519.9 |
| Non-current liabilities | | | | | | | | |
| Loans payable | 5,290.0 | 6,463.0 | 6,055.0 | 9,142.7 | 13,111.7 | 15,382.5 | 15,120.9 | 14,457.5 |
| Deferred income taxes | 561.0 | 557.0 | 507.5 | 504.2 | 502.3 | 492.7 | 663.8 | 849.0 |
| Provision for decommissioning obligation | 529.1 | 501.2 | 609.9 | 652.1 | 662.2 | 701.5 | 726.9 | 750.2 |
| Provision for site restoration | 7.8 | 5.8 | 6.4 | 5.8 | 4.6 | 1.3 | - | - |
| Defined benefit obligation | 78.4 | 78.4 | 88.7 | 88.6 | 88.0 | 87.9 | 87.8 | 87.3 |
| Other non-current liabilities (note 1) | 171.9 | 32.7 | 163.4 | 178.4 | 189.5 | 211.9 | 235.0 | 258.6 |
| | 6,638.2 | 7,638.1 | 7,430.9 | 10,571.8 | 14,558.2 | 16,877.8 | 16,834.5 | 16,402.6 |
| Shareholder's Equity | | | | | | | | |
| Share capital | - | - | - | - | - | - | - | - |
| Contributed surplus | 603.3 | 603.3 | 616.1 | 604.1 | 604.1 | 604.1 | 604.1 | 604.1 |
| Accumulated deficit | (269.9) | (412.7) | (283.5) | (307.4) | (386.3) | (470.8) | (237.1) | 26.6 |
| Accumulated other comprehensive income | 10.8 | 10.8 | (10.6) | (10.6) | (10.6) | (10.6) | (10.6) | (10.6) |
| | 344.2 | 201.4 | 322.0 | 286.1 | 207.2 | 122.8 | 356.4 | 620.1 |
| | 7,227.3 | 8,203.2 | 8,311.6 | 11,387.9 | 15,292.0 | 17,529.0 | 17,717.0 | 17,542.6 |

Note 1 - Right to use assets are included in PP& E; lease liabilities are included in other non-current liabilities

Note 2 - see Appendices B and C for TMC and CHHC Financial Statement.

Schedule 2 - Proforma Consolidated Statements of Cashflow

\$ millions (Dec 31)

| | 2018 Actual | 2019 Plan | 2019 Forecast | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan | 2024 Plan |
|------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------|----------------|
| Cash provided by (used in): | | | | | | | | |
| Operating activities: | | | | | | | | |
| Net income (loss) | 7.9 | (84.6) | 49.4 | (4.9) | (15.9) | (47.5) | 259.7 | 308.7 |
| Adjustments for: | | | | | | | | |
| Depletion and depreciation | 78.3 | 156.9 | 160.6 | 167.3 | 160.0 | 167.3 | 473.1 | 472.7 |
| Income tax expense | 22.6 | 33.4 | (25.9) | 26.1 | 25.3 | 30.1 | 30.5 | 30.5 |
| Interest income | (11.1) | (4.8) | (11.8) | (3.9) | (3.6) | (3.8) | (4.0) | (4.2) |
| Unwind of discount on provisions | 5.8 | 11.2 | 12.9 | 9.8 | 10.1 | 10.3 | 10.6 | 10.9 |
| Net change in defined benefits | 3.5 | (0.1) | 2.3 | (0.1) | (0.1) | 0.0 | 0.0 | 0.0 |
| Lease interest expense | - | - | 2.0 | - | - | - | - | - |
| Unrealized foreign exchange gain (loss) | - | - | (0.1) | - | - | - | - | - |
| Change in provision for site restoration | (0.2) | (1.7) | 1.2 | (2.5) | (1.6) | (1.3) | (3.3) | (1.3) |
| Deferred income taxes | - | (4.0) | - | (3.3) | (1.8) | (9.7) | 171.2 | 185.2 |
| Interest received | 11.1 | 4.5 | 11.6 | 3.7 | 3.4 | 3.6 | 3.8 | 4.0 |
| Provisions settled | (6.1) | (3.7) | (3.7) | (3.3) | (2.9) | - | - | (0.7) |
| Income taxes paid | (35.7) | (35.0) | (27.4) | (31.1) | (27.8) | (31.9) | (30.3) | (31.1) |
| Change in non-cash working capital | 76.2 | 71.6 | 171.0 | 157.8 | 145.0 | 117.2 | 911.3 | 974.7 |
| Total cash provided by operating activities | 218.7 | (60.6) | 175.8 | 138.7 | 156.4 | 147.0 | 834.0 | 1,012.8 |
| Financing activities: | | | | | | | | |
| Proceeds from loan issuance | 5,290.0 | 1,673.0 | 1,265.0 | 3,087.7 | 3,969.0 | 2,270.8 | - | - |
| NPI Received | - | - | 12.8 | 207.0 | 150.0 | 169.0 | 155.0 | 186.0 |
| Repayment of debt | - | - | (500.0) | - | - | - | (261.6) | (664.0) |
| Payment of lease liabilities | - | - | (19.1) | (3.9) | (4.0) | (4.1) | (4.1) | (4.2) |
| Dividends paid | (114.0) | (58.0) | (63.0) | (238.0) | (213.0) | (206.0) | (181.0) | (231.0) |
| Total cash provided (used) for financing activities | 5,176.0 | 1,615.0 | 695.7 | 3,052.7 | 3,902.0 | 2,229.7 | (291.7) | (713.2) |
| Investing activities: | | | | | | | | |
| Acquisition, net of cash acquired | (4,484.4) | - | 37.0 | - | - | - | - | - |
| Purchase of property, plant and equipment | (211.1) | (1,555.6) | (1,066.1) | (3,151.0) | (4,008.3) | (2,769.2) | (516.6) | (99.7) |
| Capitalized interest | - | - | (51.2) | - | - | - | - | - |
| Intangible implementation costs | - | - | (10.1) | - | - | - | - | - |
| Sale (purchase) of short term investments | 30.2 | (12.7) | - | (4.2) | - | - | - | - |
| Purchase of restricted investment | (4.8) | (16.0) | (14.0) | (14.7) | (15.0) | (26.5) | (27.2) | (27.8) |
| Purchase of investments held for future obligation | (13.9) | (14.6) | (14.4) | (12.1) | (12.3) | (12.5) | (12.7) | (12.9) |
| Change in restricted cash | (542.9) | - | 490.8 | - | 5.0 | - | - | - |
| Change in non-cash working capital | - | 3.8 | - | 0.1 | 0.1 | - | - | - |
| Total cash used by investing activities | (5,226.9) | (1,595.1) | (627.9) | (3,181.9) | (4,030.6) | (2,808.3) | (556.5) | (140.4) |
| Effects of FX translation on cash | 0.7 | | (1.4) | | | | | |
| Increase (decrease) in cash & cash equivalents | 168.5 | (40.2) | 242.3 | 9.5 | 27.8 | (431.5) | (14.2) | 159.2 |
| Cash and cash equivalents, beginning of year | 176.4 | 344.8 | 344.9 | 587.1 | 596.6 | 624.5 | 192.9 | 178.7 |
| Cash and cash equivalents, end of year | 344.9 | 304.6 | 587.1 | 596.6 | 624.5 | 192.9 | 178.7 | 337.9 |

Schedule 3 - Proforma Consolidated Statements of Changes in Shareholder's Equity

\$ millions (Dec 31)

| | 2018 | 2019 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|-----------------------------------------------|---------------|--------------|-----------------|--------------|--------------|--------------|--------------|--------------|
| | Actual | Plan | Forecast | Plan | Plan | Plan | Plan | Plan |
| Share Capital | | | | | | | | |
| Balance, beginning and end of year | - | - | - | - | - | - | - | - |
| Contributed Surplus | | | | | | | | |
| Balance, beginning of year | 603.3 | 603.3 | 603.3 | 616.1 | 604.1 | 604.1 | 604.1 | 604.1 |
| NPI receipts | | | 12.8 | 207.0 | 150.0 | 169.0 | 155.0 | 186.0 |
| Dividends paid | | | - | (219.0) | (150.0) | (169.0) | (155.0) | (186.0) |
| Balance, beginning and end of year | 603.3 | 603.3 | 616.1 | 604.1 | 604.1 | 604.1 | 604.1 | 604.1 |
| Accumulated deficit | | | | | | | | |
| Balance, beginning of year | (163.8) | (270.0) | (269.9) | (283.5) | (307.4) | (386.3) | (470.8) | (237.1) |
| Net income (loss) | 7.8 | (84.7) | 49.4 | (4.9) | (15.9) | (47.5) | 259.7 | 308.7 |
| Dividends | (114.0) | (58.0) | (63.0) | (19.0) | (63.0) | (37.0) | (26.0) | (45.0) |
| Balance, end of year | (270.0) | (412.7) | (283.5) | (307.4) | (386.3) | (470.8) | (237.1) | 26.6 |
| Accumulated other comprehensive income | | | | | | | | |
| Balance, beginning of year | - | 10.8 | 10.8 | (10.6) | (10.6) | (10.6) | (10.6) | (10.6) |
| Other comprehensive income | 10.8 | - | (21.4) | - | - | - | - | - |
| Balance, end of year | 10.8 | 10.8 | (10.6) | (10.6) | (10.6) | (10.6) | (10.6) | (10.6) |
| Total shareholder's equity | 344.1 | 201.4 | 322.0 | 286.1 | 207.2 | 122.8 | 356.4 | 620.1 |

Schedule 4 - Proforma Consolidated Statements of Comprehensive Income

\$ millions (Dec 31)

| | 2018 | 2019 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|----------------------------------------------------------|---------------|---------------|-----------------|--------------|---------------|---------------|--------------|--------------|
| | Actual | Plan | Forecast | Plan | Plan | Plan | Plan | Plan |
| Revenue: | | | | | | | | |
| Net crude oil revenue | 179.1 | 189.0 | 168.5 | 178.0 | 169.6 | 193.7 | 201.0 | 198.6 |
| Transportation revenue | 107.7 | 353.0 | 413.2 | 395.5 | 397.1 | 372.8 | 1,918.9 | 1,981.0 |
| Lease revenue | 20.4 | 56.0 | 60.1 | 64.1 | 61.9 | 57.4 | 56.7 | 54.4 |
| Other income | 1.0 | 2.0 | 13.0 | 1.8 | 2.8 | 1.3 | 3.3 | 3.3 |
| Facility use & processing fee | 2.1 | - | 1.8 | - | - | - | - | - |
| Foreign exchange gain | 5.7 | - | 1.9 | - | - | - | - | - |
| | 316.0 | 600.0 | 658.6 | 641.5 | 632.9 | 626.9 | 2,181.3 | 2,239.2 |
| Expenses: | | | | | | | | |
| Depletion and depreciation | 78.3 | 156.9 | 160.6 | 167.3 | 160.0 | 167.3 | 473.1 | 472.7 |
| Crude oil production and operating expenses | 30.0 | 27.3 | 27.4 | 28.4 | 27.7 | 27.8 | 34.4 | 32.0 |
| Pipeline operating costs | 53.1 | 113.0 | 152.3 | 126.6 | 128.9 | 134.2 | 289.7 | 305.3 |
| Professional fees | 12.8 | 7.3 | 12.4 | 7.7 | 7.3 | 7.2 | 7.3 | 7.5 |
| Salaries and benefits | 26.9 | 69.9 | 71.6 | 77.9 | 77.9 | 74.7 | 104.8 | 108.9 |
| Foreign exchange loss | 2.1 | - | 3.3 | - | - | - | - | - |
| Change in estimates of provision for site restoration | (0.1) | - | 1.2 | - | - | - | - | - |
| Other administrative expenses | 5.3 | 7.9 | 4.2 | 3.6 | 2.9 | 3.0 | 19.4 | 20.0 |
| | 208.4 | 382.3 | 433.0 | 411.4 | 404.7 | 414.1 | 928.7 | 946.4 |
| Finance expenses: | | | | | | | | |
| Interest expense | 82.40 | 277.40 | 201.0 | 174.6 | 185.9 | 204.4 | 717.1 | 695.3 |
| Interest income | (11.1) | (6.7) | (11.8) | (7.4) | (6.6) | (7.0) | (7.0) | (7.6) |
| Unwind of discount on decommissioning obligations | 5.6 | (20.8) | 12.7 | 9.8 | 10.1 | 10.3 | 10.6 | 10.9 |
| Unwind of discount on provision for site restoration | 0.2 | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 | - | 0.1 |
| | 77.1 | 250.0 | 202.1 | 177.1 | 189.5 | 207.8 | 720.7 | 698.7 |
| Net income before income taxes | 30.5 | (32.3) | 23.5 | 53.0 | 38.7 | 5.0 | 532.0 | 594.2 |
| Income taxes: | | | | | | | | |
| Current | 35.9 | 70.1 | 25.4 | 66.1 | 58.8 | 63.9 | 100.9 | 100.9 |
| Deferred | (13.3) | (17.7) | (51.3) | (8.2) | (4.1) | (11.4) | 171.5 | 184.6 |
| | 22.6 | 52.4 | (25.9) | 57.9 | 54.6 | 52.4 | 272.3 | 285.5 |
| Net income (loss) | 7.9 | (84.7) | 49.4 | (4.9) | (15.9) | (47.5) | 259.7 | 308.7 |
| Other comprehensive income | | | | | | | | |
| Currency translation adjustment | 12.98 | - | (14.8) | - | - | - | - | - |
| Remeasurement of defined benefit obligations | (2.22) | - | (6.6) | - | - | - | - | - |
| Total other comprehensive income | 10.8 | - | (21.4) | - | - | - | - | - |
| Comprehensive income | 18.7 | (84.7) | 28.1 | (4.9) | (15.9) | (47.5) | 259.7 | 308.7 |

Appendix A-3 Mandate Letter

Minister of Finance



Ministre des Finances

Ottawa, Canada K1A 0G5

AUG 27 2018

2018FIN476328

Mr. Stephen Swaffield
Chair
Canada Development Investment Corporation
1240 Bay Street, Suite 302
Toronto, ON M5R 2A7

Dear Mr Swaffield:

The Government of Canada is committed to making investments that create good, well-paying jobs that help strengthen and grow the middle class, help get Canada's natural resources to world markets and deliver economic benefits for all Canadians now, and for years to come. As a country, we must be able to develop our resources safely, while also respecting the rights of Indigenous peoples, protecting our environment, and safeguarding our oceans.

The Trans Mountain Expansion Project is a project that *is* in Canada's national interest. It will create economic benefits for all Canadians by providing Canadian oil with unprecedented access to foreign markets, diversifying our exports, ensuring a fair price for our natural resources, and employing thousands of Canadians in its construction. On May 29, 2018, the then Minister of Natural Resources Jim Carr and I announced that the Government of Canada had reached an agreement to purchase the entities holding the Trans Mountain Expansion Project and related pipeline and terminal assets (the "Trans Mountain Assets") for \$4.5 billion. The Government took this action to ensure the Expansion Project gets built and enters into operation.

When we announced the purchase agreement, we told Canadians that it represents a fair price for Canadians and that the Trans Mountain Assets are a sound investment opportunity. The Canada Development Investment Corporation (CDEV) has been charged with responsibility for the purchase, oversight and eventual sale to the private sector of the Trans Mountain Assets and will play a key role in protecting Canada's investment and Canadian taxpayers.

As a Crown corporation, CDEV is accountable to the Government and must comply with Part X of the *Financial Administration Act* and other applicable statutes. CDEV reports to Parliament through the Minister of Finance, including through the submission of an annual corporate plan, operating and capital budget. *Open and Accountable Government* (2015) recognizes my role, as the responsible Minister for CDEV, in providing guidance to the Board on the corporation's

objects and in conveying to the Board the Government's expectations concerning the corporation's public policy objectives.

In that context, it is my pleasure to provide you with this letter of expectations for the attention of the Board, the management of CDEV and the management of relevant CDEV subsidiaries. This statement is intended to assist CDEV as it prepares for three stages: the initial transaction to acquire the entities holding the Trans Mountain Assets; ownership of the existing assets and the development of the Expansion Project; and future divestiture of the Trans Mountain Assets or entities.

Throughout these three stages it is expected that CDEV will manage the Trans Mountain Assets in a commercial manner, particularly to ensure that Canada realizes a positive financial return on its investment. It is my expectation that CDEV will establish a Board of Directors, with my consultation, to oversee the Trans Mountain subsidiary. Collectively, the Board will have a deep and varied set of professional skills and experience suitable to oversee ownership of a significant energy asset and the construction of a major infrastructure project of national importance. In making appointments to the Board, CDEV should take into consideration Canada's gender, linguistic, cultural and regional diversity.

Acquisition

In preparation for this transaction, the Minister of International Trade and I have authorized, through Ministerial Authorizations, Export Development Canada to make funds available to the CDEV through the Canada Account. In addition, the Governor in Council has passed several orders authorizing CDEV or its subsidiaries to acquire shares and/or assets of the Trans Mountain entities and also to divest those shares and/or assets in the future.

Prior to acquisition, the Government expects CDEV to ensure that its governance and oversight structure is in place, and it is fully prepared to take on ownership of the Trans Mountain entities and particularly to exercise oversight of the development of the Expansion Project. The Government expects CDEV's corporate governance practices for the Trans Mountain entities to be informed by best practices in both the public and private sectors and to prevent conflicts of interest.

Ownership

We told Canadians that the development of the Trans Mountain Expansion Project will proceed in a manner that protects the public interest. There are three primary elements of protecting the public interest during the period that CDEV owns the Trans Mountain Assets.

The first is to pursue development of the Expansion Project in a commercial manner in order to protect the value of the Government's investment. The second is to ensure full compliance with applicable laws and rules, particularly environmental protection and worker health and safety

requirements. The third is to operate in a manner consistent with Canada's commitment to advance reconciliation with Indigenous peoples, as outlined in the *Principles respecting the Government of Canada's relationship with Indigenous peoples*. This includes honouring all existing benefit agreements negotiated with Indigenous communities in relation to this project, and continuing Trans Mountain's commitment to providing employment and workforce development opportunities to Indigenous individuals and communities.

In keeping with its oversight role, CDEV should monitor the performance of the Trans Mountain Assets and transparently report plans and results as part of its annual reports to Parliament.

Divestiture

It is not the intention of the Government of Canada to be a long-term owner of the Trans Mountain Assets. The Government is of the view that, save for the exceptional non-business risks currently faced by the Expansion Project, the Trans Mountain Assets are commercial assets that should be owned and operated by a party other than the Government of Canada. At the same time, the Government is prepared to own the Trans Mountain Assets until the completion of the Expansion Project and beyond if that is necessary to protect the Government's investment.

The Government expects that CDEV will maintain readiness on an ongoing basis to divest the Trans Mountain Assets, taking into account the optimal timing for divestiture relative to project risks. CDEV should also consider ways for Indigenous groups to participate in the divestiture on commercial terms. Given the foregoing, the Government expects CDEV to ensure that the Trans Mountain Assets are in a state of readiness to be divested.

The Government has entrusted CDEV to acquire, operate, expand, and eventually divest a major national energy project. The Board of CDEV has my full confidence that you will meet the highest standard for good governance and carry out your duty of care in the best interests of Canada. I would ask that you keep me informed of progress on this critical initiative on an ongoing basis.

Sincerely,



The Honourable William Francis Morneau, P.C., M.P.

The Canada Development Investment Corporation (CDEV) 2020 - 2024 Corporate Plan was approved by the Treasury Board in August 2020. The TMC Corporate Plan was included in this Plan. The following Summary of the 2020 - 2024 Corporate Plan of TMC was prepared in accordance with section 125 of the Financial Administration Act (FAA), in order to provide information on the business activities and decisions of Crown corporations. Summaries of TMC Plan have been submitted in order to accurately reflect the corporate plan that was approved by the Treasury Board. Information that may be commercially detrimental to CDEV's or TMC's operations have not been included within this Summary, pursuant to section 153(1) of the FAA

APPENDIX B



TRANS MOUNTAIN CORPORATION

A wholly owned subsidiary of

Canada Development Investment Corporation

2020 to 2024 CORPORATE PLAN SUMMARY



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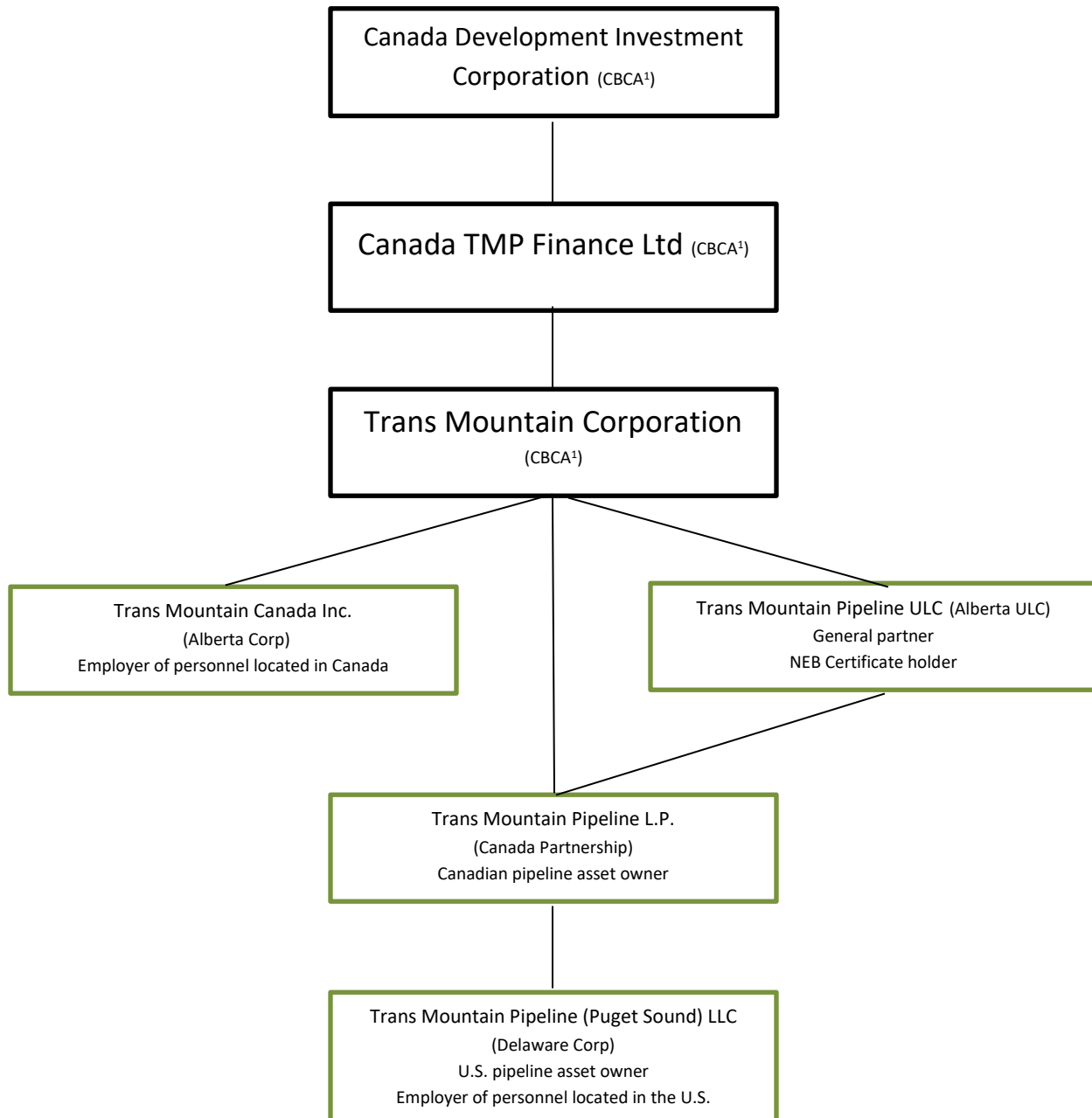
Corporate Profile

Trans Mountain Corporation (“TMC”) was created as a subsidiary of Canada TMP Finance Ltd (“TMP Finance”). TMP Finance is a subsidiary of Canada Development Investment Corporation (“CDEV”). On August 31, 2018, in accordance with the Share and Unit Purchase Agreement (“SPA”) between the Government of Canada and Kinder Morgan, TMC purchased four entities: Trans Mountain Pipeline Limited Partnership (“TMP LP”) and its wholly owned subsidiary Trans Mountain Pipeline (Puget Sound) LLC (“Puget”), Trans Mountain Pipeline ULC (“TMP ULC”), and Trans Mountain Canada Inc. (formerly named Kinder Morgan Canada Inc.) (“TMCI”). Together these four entities are the “Trans Mountain Entities”. These entities own and manage the Trans Mountain Pipeline System. The Trans Mountain Entities were purchased for cash consideration of \$4.484 billion.

As part of the purchase of the Trans Mountain Entities, TMC also acquired certain rights, designs and construction contracts related to the expansion of the system known as the Trans Mountain Expansion Project (“TMEP”).

The Purchase of the Trans Mountain Entities by TMC was financed with credit facilities from TMP Finance, who in turn entered into credit facilities drawn on the Canada Account.

The diagram below illustrates the TMC corporate structure.



1. Canada Business Corporations Act

Mandate

Trans Mountain Corporation's mandate is to own and operate the Trans Mountain Pipeline System and to complete the related expansion project in a timely and commercially viable manner.

TMC does not have a direct public policy role, other than to operate in compliance with applicable laws, rules and regulations and to ensure the business is managed in a commercial manner in accordance with environmental standards and expectations. TMC will complete the TMEP in alignment with the Government's energy policy and priority to provide international markets for Canadian producers.

In performing its mandate, TMC is committed to:

- Operating our assets safely to protect the public, our employees and the environment;
- Operating our assets in compliance with applicable legal requirements;
- Employing sustainable business practices;
- Conducting our business ethically, honestly, responsibly and with integrity;
- Cooperating with the communities we operate in, and building and sustaining productive relationships based on mutual respect and trust;
- Providing a respectful and rewarding work environment for our employees; and
- Working with Indigenous communities to manage impacts on traditional territories and provide economic opportunities where possible.

Mission: To safely and responsibly provide transportation services connecting Canadian energy supplies to world markets.

Vision: Bringing Canadian energy to the world.



Corporate Governance

TMC is managed by a Calgary-based team of experienced executives, led by the President and CEO, who reports to the Board of Directors. The Board has broad authority for corporate governance and nominates several committees to oversee specialized areas. These include the HR and Compensation Committee, which monitors and approves executive compensation, the Audit Committee, which appoints the joint external auditors and has oversight over financial reporting and accounting matters, and the EHS Committee, which maintains oversight over environmental protection and health and safety matters.

Communication with CDEV is conducted through the Corporate Plan and Corporate Plan summary, annual and quarterly reporting, and ad hoc meetings as required. Senior management of CDEV work closely with the senior management of TMC on most strategic matters in support of the board of directors of TMC. CDEV in turn reports to Parliament through the Minister of Finance.

The composition of TMC's Board and Executive Management team is detailed in Appendix 1.



Business Overview

The Trans Mountain Pipeline System is comprised of the Trans Mountain Pipeline being the portion of the pipeline system located in Canada, and the Puget Sound Pipeline being the portion of the pipeline system located in the United States.

Trans Mountain Pipeline

TMP ULC is the general partner of TMP LP and holder of the Certificates of Public Convenience and Necessity issued by the National Energy Board (“NEB”) for the operation of the Trans Mountain Pipeline. TMP LP owns the assets that comprise the Trans Mountain Pipeline. In operation since 1953, the Trans Mountain Pipeline (“TMPL”) is approximately 1,150 kilometers long, beginning in Edmonton, Alberta and terminating in Burnaby, British Columbia. Twenty-three active electrically powered pump stations and four terminals located in Edmonton, Kamloops, Sumas and Burnaby, along with the Westridge Marine Terminal, facilitate movements on the system. The system includes tanks with a capacity of nearly 11 million barrels in total, mainly at Edmonton (8 million barrels) and Burnaby (1.7 million barrels). The remaining capacity is at Kamloops, Sumas, and the Westridge Marine Terminal. The approximately 8 million barrels at Edmonton is made up of 35 tanks, 20 of which (2.9 million barrels) are currently used to serve TMPL’s pipeline transportation service, and 15 of which (5.1 million barrels) are leased to a third party. Under certain conditions, Trans Mountain has the ability to recall these tanks for use in its pipeline transportation service.

The nominal 300,000 bpd capacity of the pipeline has been determined based on a throughput mix of 20% heavy and 80% light commodities. Actual delivery capacity on the TMPL mainline is based on the type of commodities transported.

TMPL regularly ships multiple products, including refined petroleum, synthetic crude oil, light crude oil, and heavy crude oil, and is the only pipeline in North America that carries both refined products and crude oil together in the same line. This process, known as “batching,” means that a series of products can follow one another through the pipeline in a “batch train.” A typical batch train in the mainline is made up of a variety of materials being transported for different shippers. The transit time for a barrel between Edmonton and Burnaby is approximately 10 days.





As of today, TMPL remains the only pipeline that transports liquid petroleum from the Western Canadian Sedimentary Basin to the West Coast. It is also the only pipeline providing Canadian producers with direct access to world market pricing through a Canadian port.

TMPL is currently a common carrier pipeline that generates revenue through the collection of tolls for pipeline transportation service pursuant to a NEB approved Tariff. The Tariff rates charged are adjusted annually based on the determination of an annual revenue requirement and the application of an approved toll design. The parameters for the revenue requirement are negotiated with shippers and are laid out in a negotiated toll settlement agreement which has historically been based on a cost of service approach. The term for each toll settlement agreement has varied between one year and five years with the existing 2019 – 2021 Incentive Toll Settlement Agreement being a three-year term. Trans Mountain expects that it will continue to negotiate toll settlement agreements until the commencement of service for the expanded pipeline system.

Puget Sound Pipeline

In operation since 1954, the Puget Sound Pipeline (“Puget”) transports crude oil from the Canada-US border near the Sumas Terminal to Washington State refineries in Anacortes and Ferndale.

Puget is approximately 111 kilometers long, with one pump station and two tanks to facilitate movements on the pipeline system. The pipeline has total throughput capacity of approximately 240,000 bpd when transporting primarily light oil. The transit time for a barrel on Puget is approximately one day.

Puget is also a common carrier pipeline and is regulated by the Federal Energy Regulatory Commission (“FERC”) for financial matters, and by the United States Department of Transportation (“USDOT”) for the safety and integrity of its assets.

Trans Mountain Canada Inc.

Incorporated in 2002, TMCI employs the personnel that operate and maintain TMPL and provide certain support services and oversight to Puget. TMCI is headquartered in Calgary, Alberta.

Trans Mountain Expansion Project

The TMEP would constitute a twinning of the existing pipeline between Strathcona County (near Edmonton), Alberta and Burnaby, BC. It would create a pipeline system with nominal capacity of 890,000 barrels per day, a significant increase from the 300,000 barrel per day existing capacity. The scope of TMEP includes:

- Approximately 860 km of new 36-inch pipeline, 120 km of new 42-inch pipeline, and 193 km of reactivated 24-inch pipeline, and 2 new 30-inch, 3.6 km parallel delivery lines from the Burnaby Terminal to the Westridge Marine Terminal.
- Construction of 12 new pump stations.
- Installation of 72 new mainline block valves to complement existing mainline block valves. These valves work to limit the volume of and consequences associated with pipeline leaks or ruptures.
- Construction of 19 new tanks in Burnaby (14), Sumas (1) and Edmonton (4). Demolition of one tank in Burnaby and recall of two tanks in Edmonton from merchant service to regulated service.
- Construction of three new berths at the Westridge Marine Terminal in Burnaby, as well as a utility dock for tugs and emergency response equipment, followed by the deactivation and demolition of the existing berth. Post-expansion, it is anticipated that the Westridge Marine Terminal would be capable of serving up to 34 Aframax class vessels per month.
- Approximately 73 per cent of the route would use the existing right-of-way, 16 per cent will follow other linear infrastructure such as telecommunications, electric transmission lines or highways, and 11 per cent will be new right-of-way.
- Once in service, the predominantly 24-inch “line 1” would carry refined products, synthetic crude oils, and light crude oils, with the capability for heavy crude oils, and the predominantly 36-inch “line 2” would carry heavier crude, with the capability for transporting light crude oils.

This expansion project has been in planning for over six years and by May 2018, construction activity had started on certain spreads and at the Westridge Marine Terminal in Burnaby, BC. Most of the \$1.3 billion in costs incurred to that point were for engineering design, permitting, and pipe material purchases. Through mid-2018, management continued to progress design of the expansion and execute contracts with major construction contracting firms.

On August 30, 2018, the Federal Court of Appeal issued a ruling that required TMC to cease construction on the expansion pending a new Order in Council that addresses concerns about

marine traffic impacts on Species at Risk and certain consultations with First Nations by the Crown. To this end, construction activity on the expansion ceased activities on construction sites were stood down in a safe, responsible manner.

On February 22, 2019, the National Energy Board (“NEB”) announced the results of its reconsideration, and recommended the approval of the TMEP, subject to 156 conditions and 16 recommendations. The conditions are measures the NEB can enforce as regulator on the TMEP. The recommendations are measures that are within the authority of the Governor in Council (“GIC”) but beyond the scope of the NEB’s regulatory authority. TMC believes the conditions to be reasonable and expects that the proposed TMEP would be able to comply fully.

In June 2019 an Order in Council was received from the government to allow the TMEP to proceed, the Board of Directors of TMC (“Board”) were provided a cost estimate and schedule for the project and recommended a favorable Investment Decision regarding the undertaking of TMEP.

TMEP Contract Service Toll Structure

Under TMEP there is a fundamental shift in the toll design for the expanded pipeline system whereby the first year toll is established based on the requirements set out in the Transportation Service Agreements (TSA) with shippers. The TSAs set out each shippers’ commitment based on the transportation service requirements agreed to which include the monthly volume commitment, the delivery destination and the crude type (light or heavy).

TMEP Tolls

The toll is made up of two components, the fixed component and the variable component. The fixed component of the toll is the take or pay amount that a contracted shipper must pay based on their respective monthly volume commitment. The variable component of the toll is comprised of costs, such as power, that are collected from shippers based on use of the pipeline. The power costs are recovered in the variable component of the toll whereas all other operating costs are captured in the fixed component of the toll. Approximately 80% of the 890,000 barrel per day capacity has been contracted with shippers with 93% for a 20- year period. Most shippers have investment grade or near investment grade credit ratings. Shippers receive discounts when they commit to the 20-year contract period (10% toll discount)and/or larger volumes (7.5% toll discount).

The fixed toll component will be adjusted at the TMEP’s in service based on changes in certain uncapped costs (i.e. passed on to the shipper) at a rate of \$0.07/\$100M. The uncapped cost categories includes:

- 1) Land and right of way acquisition costs for spread 7 (Lower Mainland BC)
- 2) Acquisition of pipe material
- 3) Pipeline construction of Spread 5B in mountainous terrain
- 4) Pipeline construction of Spread 7 including the tunnel through Burnaby mountain
- 5) Indigenous accommodation costs payable up to and including the in-service date
- 6) Community investment agreements

The remaining project costs fall in the capped cost category and these costs are recovered only through the base toll agreed to in 2017. The fixed component of the tolls that are set for the first year of transportation service on the expanded system are escalated annually by 2.5% over the terms of the contracts.

As part of the commercial negotiations for the Project it was agreed that 50% of the spot revenue generated by volumes transported in excess of 85% of pipeline capacity would be shared with shippers. The shippers sharing amount will be returned to shippers as a credit to the variable component of the toll. In addition, Trans Mountain also negotiated an agreement with the Province of BC that Trans Mountain will share a minimum of \$0.5 billion to a maximum of \$1.0 billion, depending on spot volume, over 20 years with the Province of British Columbia.

The variable component of the toll includes flow through cost items which will be reconciled annually. The costs to be passed through in the variable toll include:

- Power costs;
- Pipeline abandonment costs;
- Shipper share of spot revenue, if applicable;
- Indigenous accommodations cost payable after the commencement of service;
- Greenhouse gas emission - construction offsets; and
- Other costs as allowed in the contract

Trans Mountain Pipeline System

The configuration map provided below depicts the Trans Mountain Pipeline System after the completion of the TMEP.



Performance Goals and Objectives

TMC's performance goals for the next 5 years include:

- Maintain safe, compliant and commercially viable operation of the Trans Mountain Pipeline System;
- Complete the construction of TMEP in a safe, compliant and commercially viable manner and place the completed assets into service;
- Investigate potential optimization and expansion opportunities for the Trans Mountain Pipeline System;
- Complete the digital transformation and establish TMC as a fully self-reliant organization;
- Establish and execute a business readiness plan for the orderly transition and integration of the expansion assets into the ongoing operation of the Trans Mountain Pipeline System;
- Maintain an ethical, respectful reputation and be in compliance with all relevant requirements of a Crown Corporation.

Risks

TMC is subject to risks which could result in additional costs, delays in construction execution and/or reputational damage including but not limited to:

- Major incident that impact the safety of the public, employees and the protection of the environment resulting from construction execution, operations or third party damage;
- Natural hazards and environmental events that have impacts on construction execution and/or operations;
- Demonstrations or protests that result in impacts to construction execution and/or operations;
- Timely receipt of permits and access to lands that results in impacts to construction execution;
- Legal challenges that result in impacts to construction execution;
- Inadequate controls for contractor oversight that result in impacts to construction execution and/or operations;
- Inadequate procurement controls related to contractor selection and management that result in violations of law, fraud or increased cost;
- Digital transformation results in inadequate functionality;
- Attracting and retaining a suitably skilled workforce for construction execution;
- Cyber security breach that results in impacts to operations or reputational damage.

TMC manages these risks through a combination of policies and procedures, operational monitoring and maintenance activities, insurance and other contractual arrangements, and consultation with internal and external experts.

TMC maintains a corporate insurance program to ensure that potential costs arising from incidents associated with the administration and the operation of the business and physical assets are recoverable. The insurance program provides coverage for property damage, business interruption and various types of liability. The TMEP is separately insured.

Financial overview

TMC prepares its financial statements in accordance with United States Generally Accepted Accounting Principles (“US GAAP”) and incorporates the requirements of *Accounting Standards Codification Topic 980 – Regulated Operations (“ASC 980”)*. As such, TMC recognizes certain revenues, expenses, regulatory assets and liabilities to reflect the economic effects of rate regulation. Recognition of these items may differ from that otherwise expected under US GAAP applicable to non-regulated businesses. TMC is taxable under a regulation of the Income Tax Act.

We note that in the CDEV Plan all financial results are converted to IFRS which is the framework under which CDEV reports to the government. In the CDEV plan, the TMC financial figures have been converted to IFRS.

2019 Actual

TMPL transported approximately 314,000 bpd, with approximately 203,000 bpd moving on the Puget system into Washington State. Puget movements are influenced by the prevailing heavy vs light pricing spread. Generally, the wider the spread, (i.e. the cheaper the heavy barrel), the greater pressure there is for dock capacity and the less space available for Puget light barrels.

Total TMC operating income before depreciation (EBITDA) was approximately \$194 million, approximately \$10 million higher than the 2019 budget due mainly to higher throughput on Puget.

Non-TMEP capital spending on an accrual basis in 2019 totalled approximately \$78 million which includes amounts associated with the Digital Transformation project as well as the System Optimization Project which were the subject of separate Board approvals.

On TMEP, 2019 spending on an accrual basis (excluding AFUDC) was approximately \$1.25 billion based on continued pursuit of permits, land acquisition and the roll out of construction activities at Westridge Marine Terminal, Burnaby Terminal, Edmonton Terminal, pump stations and on Spreads 1 and 2.

2020 Annual Plan

In 2020, the TMPL system is expected to move approximately 316,000 bpd, with approximately 185,000 bpd moving on the Puget system into Washington State.

Total TMC operating income before depreciation (EBITDA) is expected to total approximately \$189 million, approximately \$2 million lower than the 2019 forecast due mainly to lower throughput on Puget and an increase in Trans Mountain personnel costs.

On a cash basis, non-TMEP capital spending in 2020 is expected to total approximately \$68 million, approximately \$30 million of which is planned to address natural hazard mitigation and preserve system integrity. Approximately \$28 million is planned on capital projects that enhance system reliability, such as IT infrastructure and software upgrades, electrical and valve upgrades, and other facility and equipment upgrades. The remaining \$10 million relates to compliance requirements, growth and connectivity opportunities, and safety, security, and emergency response related projects. All activities are undertaken after completion of a cost benefit analysis.

On TMEP, 2020 spending (excluding AFUDC) of approximately \$2.8 billion is expected supporting the following main activities planned for 2020:

- Continued application and approval process supported by TMEP internal team
- Purchase of pipe, bends, valves and other owner supplied materials.
- Spread 1: completion of scope of work including 13 Horizontal directional drills (HDDs) and other major crossings
- Spread 2: all 289 kilometers cleared and approximately 100 kilometers of pipeline installation
- Spread 3 & 4A: all 200 kilometers cleared and approximately 30 kilometers of pipeline installation
- Spread 4B: 75 kilometers of clearing and pipeline installation
- Spread 5A: 7 kilometers Kamloops urban area special projects and 10 kilometers Black Pines special project
- Spread 5B: all 85 kilometers clearing, highway realignment construction, major crossings within 60 kilometers
- Spread 6: all 70 kilometers cleared and approximately 10 kilometers of pipeline installation
- Reactivation: 150 kilometers construction work
- Edmonton Terminal and Pump Station: 40% of construction
- Kingsvale Powerline: construction complete
- Spread 7: 2 HDDs and approximately 7 kilometers of pipeline
- Burnaby Mountain Tunnel: Portal complete, 40% tunnelling
- Sumas Terminal: 40% of construction
- Burnaby Terminal: 30% of construction
- Westridge Marine Terminal: 30% of construction



2021 through 2024

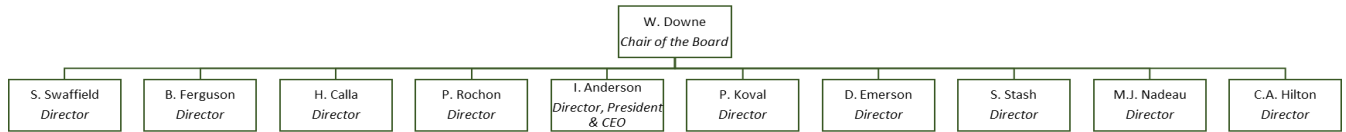
The operating assumptions of TMC are fairly steady through 2021 with few major variations expected. TMC expects the TMEP will be in-service by December 31, 2022 at a total cost of \$12.6 billion. When TMEP is complete, transportation revenue will increase as a result of pipeline capacity increasing to 890,000 barrels/day and a new toll structure related to new Transportation Services Agreements that have been negotiated with shippers in connection with the TMEP. TMC estimates EBITDA of \$1.5 billion in the first year of operation of the expanded pipeline system.

For the 2021 through 2024 period, TMC's objectives are to continue to safely and efficiently operate the existing TMPL system and safely completing the TMEP facilities and placing them into service.



Appendix 1: Corporate Governance

As at March 6, 2020, the composition of the TMC Board of Directors and Committees is as follows:



EHS Committee

D. Emerson (Chair)
B. Ferguson
S. Stash
S. Swaffield

Audit Committee

B. Ferguson (Chair)
P. Rochon
P. Koval
H. Calla

HRCG Committee

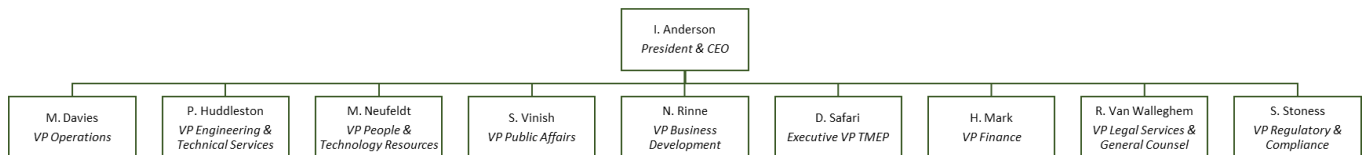
M.J. Nadeau (Chair)
C.A Hilton
D. Emerson
P. Koval

EPO Committee

B. Ferguson (Chair)
C.A Hilton
S. Stash
S. Swaffield

The Chairman of the Board, W. Downe, is an ex Officio on each of the committees.

The composition of the TMC Executive Management team is as follows:





Appendix 2: Financial Statements

Trans Mountain Corporation
Proforma Consolidated Statements of Financial Position
December 31, 2018 to 2024
Cdn\$ thousands

| | 2018 Actual | 2019 Actual | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan | 2024 Plan |
|--------------------------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Assets | | | | | | | |
| Current Assets | | | | | | | |
| Cash and cash equivalents | 169,200 | 423,899 | 448,723 | 473,358 | 42,435 | 24,417 | 186,391 |
| Restricted cash | 500,000 | - | - | - | - | - | - |
| Accounts receivable | 142,712 | 62,801 | 35,584 | 35,629 | 35,757 | 164,902 | 169,893 |
| Other current assets | 30,670 | 19,511 | 19,511 | 19,511 | 19,511 | 19,511 | 19,511 |
| | 842,582 | 506,211 | 503,817 | 528,498 | 97,703 | 208,830 | 375,795 |
| Property, plant and equipment | 4,530,559 | 5,744,369 | 8,738,414 | 12,580,460 | 14,975,407 | 15,017,867 | 14,662,626 |
| Right-of-use asset | - | 67,659 | 67,659 | 67,659 | 67,659 | 67,659 | 67,659 |
| Regulatory assets | 24,568 | 40,853 | 73,504 | 107,825 | 104,185 | 84,156 | 64,127 |
| Goodwill | 888,098 | 888,098 | 888,098 | 888,098 | 888,098 | 888,098 | 888,098 |
| Restricted investments | 54,783 | 70,911 | 85,618 | 100,667 | 127,211 | 154,374 | 182,170 |
| Restricted cash | 48,843 | 63,015 | 63,015 | 63,015 | 63,015 | 63,015 | 63,015 |
| Deferred amounts and other assets | 24,525 | 60,619 | 60,619 | 60,619 | 60,619 | 60,619 | 60,619 |
| Total Assets | 6,413,958 | 7,441,735 | 10,480,743 | 14,396,841 | 16,383,898 | 16,544,618 | 16,364,109 |
| Liabilities and Equity | | | | | | | |
| Current Liabilities | | | | | | | |
| Accounts payable | 120,687 | 305,868 | 305,868 | 305,868 | 305,868 | 305,868 | 305,868 |
| Regulatory liabilities | 102,695 | 196,888 | 196,888 | 196,888 | 196,888 | 196,888 | 196,888 |
| Loans from parent | 607,250 | - | - | - | - | - | - |
| Other current liabilities | 6,165 | 23,180 | 23,180 | 23,180 | 23,180 | 23,180 | 23,180 |
| | 836,797 | 525,936 | 525,936 | 525,936 | 525,936 | 525,936 | 525,936 |
| Loans from parent | 2,506,350 | 3,257,100 | 4,871,204 | 6,916,337 | 7,752,665 | 7,472,115 | 6,972,115 |
| Deferred income taxes | 618,780 | 584,885 | 628,387 | 711,373 | 771,210 | 951,543 | 1,145,905 |
| Regulatory liabilities | 212,500 | 131,185 | 145,892 | 160,941 | 187,485 | 214,648 | 242,444 |
| Pension and post-employment benefits | 74,931 | 87,297 | 87,297 | 87,297 | 87,297 | 87,297 | 87,297 |
| Other deferred credits | 9,325 | 12,748 | 12,748 | 12,748 | 12,748 | 12,748 | 12,748 |
| Total Liabilities | 4,258,683 | 4,651,106 | 6,323,418 | 8,466,587 | 9,389,296 | 9,316,242 | 9,038,399 |
| Equity | 2,155,275 | 2,790,629 | 4,157,325 | 5,930,254 | 6,994,602 | 7,228,375 | 7,325,710 |
| Total Liabilities and Equity | 6,413,958 | 7,441,735 | 10,480,743 | 14,396,841 | 16,383,898 | 16,544,618 | 16,364,109 |

Trans Mountain Corporation
Proforma Consolidated Statements of Equity
For the period from incorporation to December 31, 2018 and for the years ended December 31, 2019 to 2024
Cdn\$ thousands

| | 2018 Actual | 2019 Actual | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan | 2024 Plan |
|---------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Balance at beginning of period | - | 2,155,275 | 2,790,629 | 4,157,325 | 5,930,254 | 6,994,602 | 7,228,375 |
| Capital contributions | 2,138,400 | 526,500 | 1,231,582 | 1,517,885 | 880,452 | 179,550 | - |
| Dividends | - | - | - | - | - | (500,000) | (500,000) |
| Other comprehensive Income | 7,337 | (22,001) | - | - | - | - | - |
| Net income | 9,538 | 130,855 | 135,114 | 255,044 | 183,896 | 554,223 | 597,335 |
| Balance at end of period | 2,155,275 | 2,790,629 | 4,157,325 | 5,930,254 | 6,994,602 | 7,228,375 | 7,325,710 |



Trans Mountain Corporation

Proforma Consolidated Statements of Income and Comprehensive Income

For the period from incorporation to December 31, 2018 and for the years ended December 31, 2019 to 2024

Cdn\$ thousands

| | 2018 Actual | 2019 Actual | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan | 2024 Plan |
|---------------------------------------------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|
| Revenues | | | | | | | |
| Transportation revenue | 116,365 | 357,298 | 361,101 | 362,903 | 370,438 | 1,918,860 | 1,981,003 |
| Lease revenue | 20,417 | 60,146 | 64,139 | 61,893 | 57,373 | 56,658 | 54,389 |
| Other revenue | 1,011 | 2,308 | 1,762 | 2,752 | 1,276 | 3,301 | 3,326 |
| | 137,793 | 419,752 | 427,002 | 427,547 | 429,088 | 1,978,819 | 2,038,718 |
| Expenses | | | | | | | |
| Pipeline operating costs | 42,769 | 120,300 | 126,555 | 128,871 | 134,203 | 289,659 | 305,285 |
| Depreciation and amortization | 33,615 | 100,551 | 103,415 | 103,415 | 103,415 | 386,002 | 386,002 |
| Salaries and benefits | 19,837 | 64,296 | 73,555 | 73,578 | 70,293 | 100,298 | 104,310 |
| Taxes, other than income taxes | 10,308 | 32,685 | 35,129 | 31,109 | 32,042 | 71,692 | 73,842 |
| Administration | 5,077 | 8,073 | 2,801 | 2,021 | 2,082 | 18,536 | 19,092 |
| | 111,606 | 325,905 | 341,455 | 338,995 | 342,035 | 866,186 | 888,531 |
| Operating income | 26,187 | 93,847 | 85,547 | 88,552 | 87,052 | 1,112,633 | 1,150,187 |
| Equity AFUDC | 21,241 | 91,292 | 184,288 | 340,051 | 325,811 | - | - |
| Interest expense, net of capitalized Accretion | (34,483) | (84,609) | (91,219) | (90,573) | (169,132) | (378,076) | (358,491) |
| Other, net | 115 | (1,708) | - | - | - | - | - |
| Foreign exchange (loss) gain | 10 | (289) | - | - | - | - | - |
| Tax recovery (expense) | (3,532) | 32,322 | (43,502) | (82,986) | (59,836) | (180,334) | (194,361) |
| Net income | 9,538 | 130,855 | 135,114 | 255,044 | 183,896 | 554,223 | 597,335 |
| Other comprehensive (loss) income | | | | | | | |
| Currency translation adjustment | 12,983 | (14,812) | - | - | - | - | - |
| Benefit plans | (5,646) | (7,189) | - | - | - | - | - |
| Comprehensive income | 16,875 | 108,854 | 135,114 | 255,044 | 183,896 | 554,223 | 597,335 |
| Adjusted EBITDA | 59,802 | 194,398 | 188,962 | 191,967 | 190,467 | 1,498,635 | 1,536,189 |



Trans Mountain Corporation
Proforma Consolidated Statements of Cash Flow
For the period from incorporation to December 31, 2018 and for the years ended December 31, 2019 to 2024
Cdn\$ thousands

| | 2018 Actual | 2019 Actual | 2020 Plan | 2021 Plan | 2022 Plan | 2023 Plan | 2024 Plan |
|------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Operating activities | | | | | | | |
| Net income (loss) for the year | 9,538 | 130,855 | 135,114 | 255,044 | 183,896 | 554,223 | 597,335 |
| Items not affecting cash | | | | | | | |
| Depreciation and amortization | 33,615 | 100,551 | 103,415 | 103,415 | 103,415 | 386,002 | 386,002 |
| Accretion | | | | | | | |
| Equity allowance for funds used during construction | (21,241) | (91,292) | (184,288) | (340,051) | (325,811) | - | - |
| Deferred income taxes | 1,662 | (31,508) | 43,502 | 82,986 | 59,836 | 180,334 | 194,361 |
| Changes in non-cash working capital items | 119,972 | 48,705 | 9,274 | (19,317) | 30,055 | (81,952) | 42,833 |
| | 143,546 | 157,311 | 107,017 | 82,077 | 51,391 | 1,038,607 | 1,220,531 |
| Investing activities | | | | | | | |
| Acquisition, net of cash acquired | (4,484,157) | - | - | - | - | - | - |
| Capital expenditures | (189,170) | (1,070,066) | (2,913,172) | (3,605,411) | (2,172,550) | (428,462) | (30,762) |
| Internal use software expenditures | - | (10,094) | - | - | - | - | - |
| Purchase Restricted Investments | (4,843) | (13,957) | (14,707) | (15,049) | (26,544) | (27,163) | (27,796) |
| Working capital settlement on acquisition | - | 37,020 | - | - | - | - | - |
| | (4,678,170) | (1,057,097) | (2,927,879) | (3,620,460) | (2,199,094) | (455,624) | (58,557) |
| Financing activities | | | | | | | |
| Issuance (repayment) of loans from parent | 3,113,600 | 143,500 | 1,614,104 | 2,045,133 | 836,328 | (280,550) | (500,000) |
| Capital contributions | 2,138,400 | 526,500 | 1,231,582 | 1,517,885 | 880,452 | 179,550 | - |
| Dividends | - | - | - | - | - | (500,000) | (500,000) |
| | 5,252,000 | 670,000 | 2,845,686 | 3,563,018 | 1,716,781 | (601,000) | (1,000,000) |
| Effects of FX translation on cash balances | 667 | (1,343) | - | - | - | - | - |
| Net increase (decrease) in Cash and Restricted cash | 718,043 | (231,129) | 24,824 | 24,635 | (430,923) | (18,017) | 161,974 |
| Cash and Restricted cash, beginning of period | - | 718,043 | 486,914 | 511,738 | 536,373 | 105,450 | 87,432 |
| Cash and Restricted cash, end of period | 718,043 | 486,914 | 511,738 | 536,373 | 105,450 | 87,432 | 249,406 |
| Cash, beginning of period | - | 169,200 | 423,899 | 448,723 | 473,358 | 42,435 | 24,417 |
| Restricted cash, beginning of period | - | 548,843 | 63,015 | 63,015 | 63,015 | 63,015 | 63,015 |
| Cash and Restricted cash, beginning of period | - | 718,043 | 486,914 | 511,738 | 536,373 | 105,450 | 87,432 |
| Cash, end of period | 169,200 | 423,899 | 448,723 | 473,358 | 42,435 | 24,417 | 186,391 |
| Restricted cash, end of period | 548,843 | 63,015 | 63,015 | 63,015 | 63,015 | 63,015 | 63,015 |
| Cash and Restricted cash, end of period | 718,043 | 486,914 | 511,738 | 536,373 | 105,450 | 87,432 | 249,406 |

Appendix 3: Borrowing Plan

At present TMC has a funding agreement with Canada TMP Finance Ltd. Funding provided under this agreement is treated as 55% debt funding and 45% equity funding. Debt incurs an interest rate of 5%.

TMC borrowed \$2.5 billion to finance the acquisition of the Trans Mountain entities and will borrow an additional \$0.7 million through the end of 2019 to finance continued work on TMEP and to make interest payments.

For 2020 it is expected that cash generated by operations will meet operational requirements and fund both sustaining capital and non-TMEP growth capital programs. Funding for TMEP will continue to be financed through draws on the funding agreements. TMC will also need to draw funds to pay its semi-annual interest payments. Total aggregate funding required for 2020 is expected to exceed the facility's \$3.8 billion limit in 2020. This Plan assumes an amendment to the agreement will be negotiated to increase the borrowing limit.

An undrawn \$500 million facility exists to satisfy financial requirements of the CER. A commitment fee of 0.30% is paid on the facility for undrawn amounts. It is not expected that this new facility will have any draws in the normal course of business.

Leases

TMC has committed to leases that will continue through 2020 and may enter new leases in 2020 with annual payments up to approximately \$38 million for temporary work space to receive, store and work on materials and equipment along the planned construction route as well as office space required to support the growing workforce. Some rental arrangements for large pieces of equipment, materials storage, and workspace required may have terms greater than one year. The financial commitments of rental/lease agreements in respect of TMEP are included in the borrowing requirements for TMEP.

Commercial Agreements

TMC has committed to commercial agreements and may enter new commercial agreements in respect of community investments for TMEP. These community investment agreements financially commit TMC to provide funds to municipal and Indigenous communities which may have payment terms greater than one year.

APPENDIX C

CHHC

CANADA HIBERNIA HOLDING CORPORATION

A wholly owned subsidiary of

Canada Development Investment Corporation

CORPORATE PLAN SUMMARY Of the 2020 Corporate Plan

FOR THE YEARS 2020 – 2024

With 2020 Forecast Update as of May 2020

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1.0 Hibernia Project - Summary

Canada Hibernia Holding Corporation (CHHC) is a wholly-owned subsidiary of Canada Development Investment Corporation (CDEV) and was formed in March 1993 for the purpose of holding, managing, administering and operating the Government of Canada's then 8.5% working interest (WI) in the Hibernia offshore oil project, located 315 km east of St. John's, Newfoundland and Labrador.

Hibernia continues to be a very successful venture. By the end of 2019, CHHC has paid, on a cumulative basis, approximately \$2.24 billion¹ of dividends, \$288 million in federal Net Profits Interest (NPI) and \$711 million in federal income tax. Dividend payments commenced in 2003 after CHHC had returned \$431 million in appropriations to the Government of Canada for CHHC's share of the project's capital costs.

For 2019, CHHC paid dividends of \$51 million which is \$12 million below the Plan amount of \$63 million. Lower net crude oil revenue², driven by production downtime and lower realized oil prices, was partially offset by lower capital expenditures and lower escrow fund contributions.

The approved 2020 Corporate Plan is based on an updated forecast for 2020 given COVID-19, decline in world oil prices, and revised capital and operating cost forecasts given the Hibernia Owners' decision to suspend drilling operations and defer discretionary projects. For the 2020 Plan, dividends are forecasted at \$7 million which is \$44 million lower than \$51 million paid in 2019. The reduction in 2020 dividends is due mainly to preserving financial flexibility amid the volatility in oil market conditions and COVID-19.

As a single asset company, CHHC's initial share of funding was obtained through appropriations from the Government of Canada until the commencement of production in 1997. However, funding since 1998 has been generated from internal cash flow derived from CHHC's interests in Hibernia. CHHC is responsible for having sufficient cash available to fund its capital, operating and transportation costs, royalties, NPI, income taxes, administrative costs, and future abandonment costs without requiring additional government appropriations. CHHC is responsible for paying federal and provincial income taxes, royalties and the NPI on the same basis as private sector companies.

CHHC's primary goal is to manage the shareholder's ownership in the Hibernia project assuring that the shareholder's interest is protected, its value is maximized, and all decision-making is conducted in a commercially prudent manner.

CHHC pursues this goal through active participation in all committees overseeing the project's strategic direction; by providing input on operational matters including safety and environmental protection and managing the revenue stream; by ensuring adherence to all government regulations and contractual obligations; through diligent involvement in and oversight of transportation and marketing activities for CHHC's share of oil production; by maintaining

¹ All financial data is in Canadian dollars unless otherwise noted.

² Net crude oil revenue is calculated as crude oil sales after the deduction of royalties and NPI

sufficient working capital to avoid the need for government funding; and by setting aside funds to provide for the eventual abandonment of Hibernia.

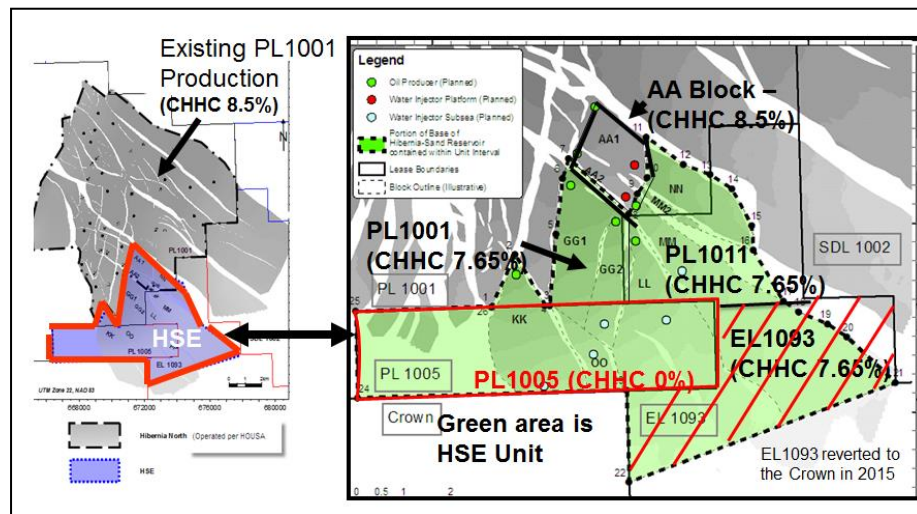
A secondary goal is to keep the asset in a ready state for evaluation and sale should Canada elect to divest of the asset.

CHHC has different working interests (WI) in different areas of the Hibernia field. The Hibernia field is divided into license areas and some license areas have been unitized³. On an overall basis, CHHC has an 8.5% WI in the Hibernia Main Field and a current 5.62665% WI in the Hibernia Southern Extension (HSE) Unit. CHHC's WI in the HSE Unit is subject to adjustment (along with all other HSE Unit participants) according to the HSE Unit Agreement. CHHC has an 8.5% WI in the portion of the Hibernia field PL1001 production license area originally approved for development and shown in the gray color on the diagram on the left below within the dashed lines (the "Main Field"). CHHC also has an 8.5% WI in the AA block shown in gray in the right-hand diagram below. The other Owners in these PL1001 areas (Main Field) are ExxonMobil (33.125%), Chevron (26.875%), Suncor (20.0%), Murphy (6.5%) and Equinor (5.0%). The Main Field owners are also the owners of Hibernia Management and Development Company Ltd. (HMDC) and the Gravity Base Structure (GBS) platform and facilities in proportion to their Main Field ownership.

The unitization⁴ of a portion of PL1001, PL1011 (originally EL1093) and PL1005 resulted in the formation of the HSE Unit. The HSE Unit lands for the Hibernia sands formation and CHHC's WI for each lease are shown by the green area on the right-hand diagram.

CHHC's initial HSE Unit WI was 5.08482%, subsequently adjusted to 5.7265% on December 1, 2015 resulting from the First Interim Reset and to 5.62665% on May 1, 2017 resulting from the Second Interim Reset. Although CHHC's WI in the HSE Unit changes, the CHHC WI in each individual lease does not change. The HSE Unit Agreement specifies the process and timing for adjustments to the HSE Unit owners' working interests over time.

³ Unitization is a common oilfield practice where owners reach a contractual agreement to share production, costs and investments on lands and assets with different ownership to enable co-coordinated development of a common reservoir(s) or pool(s)



Note 1: The “Main Field” is the “Existing PL1001 Production” (CHHC 8.5%) area shown in gray on the left diagram above plus the “AA Block (CHHC 8.5%)” portion of the HSE area shown in gray on the diagram on the right.

Note 2: The “HSE Unit” area at the Hibernia sands level is shown in the above right-hand diagram in the green color.

Note 3: A portion of EL1093 was converted into PL1011. The remaining area expired as shown by the crosshatch.

The HSE Unit came about because of development drilling that demonstrated that the oil-water contact was much lower than first anticipated and extended the field limits into the PL1005 lease which has different ownership than the rest of the field.

Negotiations on fiscal, provincial benefit and equity terms with the Province which concluded on February 16, 2010, resulting in Nalcor acquiring a 10% working interest in defined Unit lands with proportionate contributions from all the Hibernia Owners.

The project is operated by HMDC on behalf of the Owners, with the management, administrative and technical staff provided under contract from ExxonMobil Corporation. The HSE Unit is operated in a similar manner. While the day-to-day operations of the field are managed by ExxonMobil, all Owners play an active role in decision-making processes.

All activities undertaken to date and contemplated in this Corporate Plan Summary remain within the mandate of CHHC.

2.0 Review of 2019 Operations

For 2019, CHHC paid dividends of \$51 million which is \$12 million below the Plan amount of \$63 million. The variance is due mainly to lower operating cash flows driven by lower net crude oil revenue, partially offset by a reduction in escrow fund contributions and lower capital expenditures.

For 2019, CHHC recorded crude oil sales of \$246 million, net crude oil revenue of \$168 million, and net income of \$46 million (see Schedule II), which are below the respective Plan amounts. CHHC WI production in 2019 averaged 7,490 bopd or 13% below the Plan forecast of 8,580 bopd. The variances below Plan are due to the production downtime associated with the two unrelated Hibernia oil discharge events, which occurred in July and August 2019. Production

operations were shut down for nearly 80% of the producing days in the July – September period following incident investigation.

CHHC's average realized oil price of \$87 per bbl in 2019 was marginally lower than the Plan assumption of \$89 per bbl.

For 2019, combined royalty and NPI expenses of \$78 million were 12% lower than \$89 million estimated in the Plan, similar to the decline in crude oil sales.

While CHHC's contractual net royalty rates range from 30% to 50% (levied on revenue net of cost deductions) depending on WTI oil prices and the particular royalty area, the majority of CHHC's net revenue bears the 30% net royalty rate. A "net royalty" means the royalty rate is multiplied by "net transfer revenue", which is essentially crude oil sales less eligible cost deductions. The contractual NPI rate is 10% and likewise levied on net revenue (crude oil sales less eligible cost deductions) from the main PL1001 license area, although it reduces in low oil price environments (generally when Brent falls below US \$60 per bbl) according to an oil indexing factor. A rate of 10% was applied throughout 2019.

Operating costs and administrative expenses in 2019 did not vary significantly from Plan. Transportation expenses in 2019 were \$2 million lower than Plan due to lower usage and capacity share of tankers and transshipment facilities. Income tax expense in 2019 was \$11 million higher than Plan, as the decrease in current tax expense driven by lower net income before tax was more than offset by an increase in deferred tax expense.

CHHC's share of capital spending for 2019 was \$34 million, compared to \$45 million in the Plan due to the deferral some costs to 2020.

While the July and August 2019 Hibernia oil discharge events are very unfortunate, HMDC management systems performed well through the events. Hibernia has excellent SSH&E performance, operates safely, and complies with regulations.

3.0 Objectives for 2020

CHHC's major business objectives for 2020 are to deliver operating and financial performance in accordance with the Corporate Plan, prepare for the First Redetermination of the Unit working interest, support the operator in optimizing value in subsea developments and future platform resource development in areas including the BNA and Catalina formations, monitor risks and oversee decisions associated with marketing and transportation of CHHC's crude and monitoring credit and marine transportation risks (including mitigating strategies) and ensuring adequate tanker capacity.

4.0 Marketing and Transportation

CHHC typically sells cargos of Hibernia crude at the Dated Brent benchmark oil price, in USD, plus or minus a price differential that is reflective of current market conditions. CHHC continues to use Suncor, as its marketing agent and participates in the Suncor Marketing Group (SMG).

The Basin Wide Transportation and Transshipment System (BWTTS) provides both cost savings and efficiencies for all BWTTS participants, including CHHC. Under this system, the BWTTS participants (comprising 9 producer companies operating 4 producing fields offshore East Coast Canada) share in the use of shuttle tankers to transport oil to the Newfoundland Transshipment Ltd. (NTL) terminal.

5.0 Risks

This Corporate Plan has the normal variability associated with crude oil pricing, foreign exchange rates, capital expenditures, operating expenses and reservoir performance.

Key financial risks include volatility in oil prices; volatility in the USD/CAD exchange rate; volatility in interest rates; credit risk from counterparties to CHHC's oil sales and cash and short-term investments; and sufficiency of abandonment funding.

Key non-financial risks include operational and technical risks associated with an offshore oil operation (including drilling complexities and production risks, inaccurate estimates of reserves, harsh weather); safety and environmental risks, including pollution; marine transportation risks; regulatory risks; IT/cybersecurity risks; availability of insurance related to the aforementioned risks.

CHHC has accepted the risk of oil price volatility by participating in multiple (20+) cargo sales annually through its joint marketing agreement with Suncor which provides natural mitigation and by maintaining appropriate cash reserves. CHHC monitors oil price volatility.

6.0 Financial Section

CHHC's sales volumes are estimated to total 3.25 million barrels in 2020, which is 15% higher than the 2.83 million barrels sold in 2019. The increase in sales volumes is explained by the 19% increase in CHHC's share of daily average production volumes and cargo sale timing differences.

CHHC's WI share of production is estimated to average 8,890 bopd in 2020, which is 19% higher than the 2019 average of 7,490 bopd. On a CHHC net basis, HSE Unit production is forecast to comprise 31% of total WI production in 2020, consistent with 2019. The increase in 2020 production is due mainly to less downtime, as production was shut down for the majority of the third quarter of 2019 (nearly 80% of the available producing days) in response to two unrelated oil discharge incidents in July and August.

Realized crude oil prices are forecast to decline 53% to C\$41 (US\$30) per bbl in 2020 compared to C\$87 (US\$65) per bbl in 2019.

Gross crude oil sales revenue for 2020 is projected to total \$134 million, 46% lower than the \$246 million in 2019. The 15% increase in sales volumes and 53% decrease in realized oil price combine to produce a 46% decrease in crude oil sales revenue year-over-year in 2020 vs. 2019.

The Plan assumes a lower average combined effective royalty and NPI rate (expressed as total royalty and NPI expense as a percentage of crude oil sales) of 26% in 2020 compared to 32%

in 2019, due mainly to the impact of lower 2020 oil prices in royalty and NPI calculations. Royalty and NPI expenses decrease faster than decreases in crude oil sales because both royalty and NPI expenses are calculated on sales “net of costs”.

Net income is forecasted to decrease to \$6 million in 2020 from \$46 million in 2019.

Planned capital expenditures for 2020 are \$18 million. The \$16 million or 47% decrease in 2020 planned capital expenditures over the 2019 expenditures of \$34 million is due mainly to the deferral of drilling and project capital including the deferral of the Hibernia West Tieback (HWT) subsea development.

For the 2020 Plan, dividends are forecasted at \$7 million which is \$44 million lower than the 2019 amount of \$51 million. The reduction in 2020 dividends is due mainly to preserving financial flexibility amid the volatility in oil market conditions and given COVID-19.

CHHC’s cash flows are sensitive to fluctuations in crude oil prices, exchange rates and production volumes.

7.0 Organization

Since its inception in 1993, CHHC has been staffed by a modest number of experienced energy industry professionals. At year-end 2019, the staff consisted of 8 full and part-time employee positions (6.5 full-time equivalent or FTE) and 1 part-time contractor. In 2020, CHHC anticipates adding one employee (0.5 FTE) reporting to the Controller, bringing the anticipated year-end 2020 forecast to 9 employees (7.0 FTE) and 1 part-time contractor.

8.0 International Financial Reporting Standards

CHHC prepares its financial statements in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), with effect from January 1, 2010.

Attached to this Plan are Schedules I, II and III.

Canada Hibernia Holding Corporation
Proforma Statements of Financial Position
December 31, 2019 To 2024
Cdn\$ millions

Schedule I

| | 2018 Actual | 2019 Plan | 2019 Actual | 2020 Forecast | 2021 Plan | 2022 Plan | 2023 Plan | 2024 Plan |
|-----------------------------------------------|----------------|---------------|----------------|------------------|---------------|---------------|---------------|---------------|
| Assets | | | | | | | | |
| Current assets: | | | | | | | | |
| Cash and short term investments | 81.01 | 60.46 | 68.70 | 118.63 | 60.35 | 60.74 | 60.93 | 60.53 |
| Accounts receivable | 16.03 | 32.82 | 56.21 | 11.43 | 5.61 | 5.61 | 5.61 | 5.61 |
| Prepaid expenses | 0.29 | 0.25 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 | 0.30 |
| Inventory | 3.80 | 4.25 | 0.58 | 0.58 | 0.58 | 0.58 | 0.58 | 0.58 |
| Total current assets | 101.13 | 97.78 | 125.79 | 130.94 | 66.84 | 67.23 | 67.42 | 67.02 |
| Property and equipment: | | | | | | | | |
| Hibernia project facilities and wells at cost | 542.79 | 578.08 | 582.62 | 602.12 | 663.73 | 768.70 | 871.65 | 953.63 |
| Right-of-use lease assets | - | 0.83 | 20.66 | 17.07 | 13.05 | 9.03 | 5.01 | 0.99 |
| Less accumulated depletion and depreciation | (358.31) | (402.80) | (402.30) | (455.03) | (498.57) | (548.71) | (597.35) | (645.72) |
| Net property and equipment | 184.48 | 176.11 | 200.98 | 164.16 | 178.21 | 229.02 | 279.31 | 308.90 |
| Other assets: | | | | | | | | |
| Deferred tax asset | 17.73 | 23.21 | - | - | - | - | - | - |
| Cash held in escrow | 8.50 | 21.17 | 8.50 | 10.50 | 10.50 | 10.50 | 10.50 | 10.50 |
| Abandonment and risk fund | 136.72 | 151.30 | 151.07 | 162.63 | 174.91 | 187.41 | 200.12 | 213.06 |
| Total other assets | 162.95 | 195.68 | 159.57 | 173.13 | 185.41 | 197.91 | 210.62 | 223.56 |
| | 448.56 | 469.57 | 486.34 | 468.23 | 430.46 | 494.16 | 557.35 | 599.48 |
| Liabilities and Shareholder's Equity | | | | | | | | |
| Current liabilities: | | | | | | | | |
| Accounts payable and accrued liabilities | 9.59 | 16.77 | 26.33 | 8.23 | 6.72 | 6.72 | 6.72 | 6.72 |
| Income taxes payable | (3.50) | 3.43 | (4.17) | (1.61) | (2.04) | (2.28) | (2.65) | (2.86) |
| Total current liabilities | 6.09 | 20.20 | 22.16 | 6.62 | 4.68 | 4.44 | 4.07 | 3.86 |
| Other liabilities: | | | | | | | | |
| Lease liabilities | - | 0.67 | 20.79 | 16.85 | 12.82 | 8.76 | 4.64 | 0.46 |
| Deferred tax liability | - | - | - | - | - | - | - | - |
| Decommissioning liability | 141.53 | 130.17 | 147.81 | 150.51 | 153.35 | 185.37 | 203.33 | 218.98 |
| Total other liabilities | 141.53 | 130.84 | 168.60 | 167.36 | 166.17 | 194.13 | 207.97 | 219.44 |
| Shareholder's equity: | | | | | | | | |
| Retained earnings | 300.94 | 318.53 | 295.58 | 294.25 | 259.61 | 295.59 | 345.31 | 376.18 |
| Total shareholder's equity | 300.94 | 318.53 | 295.58 | 294.25 | 259.61 | 295.59 | 345.31 | 376.18 |
| | 448.56 | 469.57 | 486.34 | 468.23 | 430.46 | 494.16 | 557.35 | 599.48 |

Canada Hibernia Holding Corporation
Proforma Statements Of Income And Retained Earnings
Years Ended December 31, 2019 To 2024
Cdn\$ millions

Schedule II

| | 2018 | 2019 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--------------------------------------------|---------------|---------------|---------------|-----------------|---------------|---------------|---------------|---------------|
| | Actual | Plan | Actual | Forecast | Plan | Plan | Plan | Plan |
| Revenue | | | | | | | | |
| Crude oil sales | 276.92 | 278.54 | 246.05 | 133.88 | 236.75 | 254.88 | 261.00 | 268.41 |
| Royalty | (76.38) | (69.65) | (61.33) | (28.76) | (43.69) | (48.43) | (46.98) | (53.68) |
| Net profits interest | (21.00) | (19.50) | (17.15) | (6.02) | (13.22) | (12.74) | (13.05) | (16.10) |
| Net crude oil revenue | 179.54 | 189.39 | 167.57 | 99.10 | 179.84 | 193.71 | 200.97 | 198.63 |
| Interest income | 4.26 | 4.52 | 4.82 | 2.58 | 3.36 | 3.58 | 3.79 | 4.02 |
| Net facility use and processing fee income | 2.06 | 2.68 | 1.81 | 2.32 | 1.23 | 1.50 | 1.50 | 1.14 |
| Total revenue | 185.86 | 196.59 | 174.20 | 104.00 | 184.43 | 198.79 | 206.26 | 203.79 |
| Expenses | | | | | | | | |
| Field operating | 24.10 | 23.41 | 22.90 | 18.28 | 22.87 | 22.49 | 28.68 | 26.58 |
| Transportation and marketing | 6.30 | 7.00 | 4.54 | 5.84 | 4.80 | 5.27 | 5.68 | 5.39 |
| Administration | 3.72 | 3.60 | 3.13 | 3.47 | 3.42 | 3.34 | 3.78 | 3.73 |
| Depletion and depreciation | 43.84 | 44.86 | 49.79 | 56.32 | 47.56 | 54.16 | 52.66 | 52.39 |
| Accretion | 2.93 | 3.20 | 2.69 | 2.70 | 2.84 | 2.98 | 3.13 | 3.29 |
| Interest expense | - | - | 0.55 | 0.47 | 0.42 | 0.36 | 0.30 | 0.24 |
| Other | (3.63) | - | 1.04 | - | - | - | - | - |
| Total expenses | 77.26 | 82.07 | 84.64 | 87.08 | 81.91 | 88.60 | 94.23 | 91.62 |
| Net income before tax | 108.60 | 114.52 | 89.56 | 16.92 | 102.52 | 110.19 | 112.03 | 112.17 |
| Income taxes | | | | | | | | |
| Deferred income tax | (1.63) | (3.70) | 17.74 | - | - | - | - | - |
| Current income tax | 34.04 | 37.09 | 26.18 | 11.25 | 32.16 | 33.21 | 31.31 | 32.30 |
| Total income taxes | 32.41 | 33.39 | 43.92 | 11.25 | 32.16 | 33.21 | 31.31 | 32.30 |
| Net income | 76.19 | 81.13 | 45.64 | 5.67 | 70.36 | 76.98 | 80.72 | 79.87 |
| Retained earnings: | | | | | | | | |
| Beginning of year | 332.75 | 300.40 | 300.94 | 295.58 | 294.25 | 259.61 | 295.59 | 345.31 |
| Dividends | (108.00) | (63.00) | (51.00) | (7.00) | (105.00) | (41.00) | (31.00) | (49.00) |
| End of year | 300.94 | 318.53 | 295.58 | 294.25 | 259.61 | 295.59 | 345.31 | 376.18 |

Canada Hibernia Holding Corporation
Proforma Statements Of Cash Flow
Years Ended December 31, 2019 To 2024
Cdn\$ millions

Schedule III

| | 2018 | 2019 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|------------------------------------------|-----------------|----------------|----------------|-----------------|-----------------|----------------|----------------|----------------|
| | Actual | Plan | Actual | Forecast | Plan | Plan | Plan | Plan |
| Operating activities: | | | | | | | | |
| Net income for year | 76.19 | 81.13 | 45.64 | 5.67 | 70.36 | 76.98 | 80.72 | 79.87 |
| Depletion and depreciation | 43.84 | 44.86 | 49.79 | 56.32 | 47.56 | 54.16 | 52.66 | 52.39 |
| Accretion | 2.93 | 3.20 | 2.69 | 2.70 | 2.84 | 2.98 | 3.13 | 3.29 |
| Interest income | (4.26) | (4.52) | (4.42) | (2.58) | (3.36) | (3.58) | (3.79) | (4.02) |
| Income tax expense | 32.41 | 33.39 | 43.92 | 11.25 | 32.16 | 33.21 | 31.31 | 32.30 |
| Abandonment activities | (4.17) | (3.72) | (2.08) | (1.37) | (2.92) | - | - | (0.71) |
| Income taxes paid | (35.69) | (34.96) | (26.86) | (8.69) | (32.59) | (33.45) | (31.68) | (32.51) |
| Changes in non-cash working capital | 3.61 | (12.88) | (21.89) | 26.68 | 4.31 | - | - | - |
| Cash from operating activities | 114.86 | 106.50 | 86.79 | 89.98 | 118.36 | 130.30 | 132.35 | 130.61 |
| Investing activities: | | | | | | | | |
| Hibernia project facilities and wells | (20.75) | (44.64) | (34.30) | (18.13) | (58.69) | (75.93) | (88.12) | (68.91) |
| Interest received | 4.26 | 4.52 | 4.82 | 2.58 | 3.36 | 3.58 | 3.79 | 4.02 |
| Cash held in escrow | 5.73 | (12.67) | - | (2.00) | - | - | - | - |
| Abandonment and risk fund | (13.67) | (14.64) | (14.35) | (11.56) | (12.28) | (12.50) | (12.71) | (12.94) |
| Changes in non-cash working capital | (4.17) | 3.80 | - | - | - | - | - | - |
| Cash used in investing activities | (28.60) | (63.63) | (43.83) | (29.11) | (67.61) | (84.85) | (97.04) | (77.83) |
| Financing activities: | | | | | | | | |
| Payment of lease liabilities | - | (0.16) | (4.27) | (3.94) | (4.03) | (4.06) | (4.12) | (4.18) |
| Dividends paid to CDEV | (108.00) | (63.00) | (51.00) | (7.00) | (105.00) | (41.00) | (31.00) | (49.00) |
| Cash used in financing activities | (108.00) | (63.16) | (55.27) | (10.94) | (109.03) | (45.06) | (35.12) | (53.18) |
| Change in cash | (21.74) | (20.29) | (12.31) | 49.93 | (58.28) | 0.39 | 0.19 | (0.40) |
| Cash, beginning of year | 102.75 | 80.75 | 81.01 | 68.71 | 118.64 | 60.36 | 60.75 | 60.94 |
| Cash, end of year | 81.01 | 60.46 | 68.71 | 118.64 | 60.36 | 60.75 | 60.94 | 60.53 |