

November 19, 2019

sent electronically

Scott Tessier, Chief Executive Officer
Canada-Newfoundland and Labrador Offshore Petroleum Board
5th Floor, TD Place
140 Water St.
St. John's, NL A1C 6H6

Dear Mr. Tessier:

We are writing today on behalf of CAPP members producing and exploring offshore Newfoundland and Labrador and in response to your letter related to the environment, health and safety events which occurred over the last 18 months. In an effort to synthesize and highlight our collective thoughts, we have provided the following main points and then laid out our path to our more fulsome action plan.

- As an industry we are disappointed with recent offshore performance. We remain confident that we have the right foundation to operate safely, but that collaboration and CAPP governance can be strengthened to foster performance improvement.
- An industry-led basin wide improvement action plan is under development.
- We are committed to regaining public trust by demonstrating our ability to operate safely and responsibly.

The safety of industry personnel and environmental protection is of paramount importance to CAPP and our members. As such, we share governments' and the C-NLOPB's disappointment with recent events and that we must do better as an industry. Investigations into these recent events are ongoing and individual producers will continue to implement corrective actions that arise through learnings and findings. They have begun sharing that information across all of the industry.

We recognize that you have discussed the concerns noted in your letter with individual producers and explorers and also collectively at a recent meeting through CAPP's Offshore Policy Group. As you are aware, not all of the concerns noted in your letter apply to each of the events occurring over the last 18 months. Nevertheless, CAPP members are committed to working collectively to address the points raised, including direct consideration for specific actions identified as part of the C-NLOPB's expectations for a basin-wide improvement plan of action.

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CAPP has coordinated several meetings of its members to discuss performance improvement. These discussions have examined how our members share environmental and safety information within their own organizations, as well as collectively. These discussions have also considered CAPP's internal governance structure and priorities to ensure it can support our objective of driving improvement. These discussions are ongoing and CAPP, on behalf of the producers and explorers, will be bringing forward an action plan that we are collectively designing with a focus on safe, responsible and reliable operations through continuous improvement. We will review each of the actions listed in your letter as we develop our plan. We will also be incorporating outcomes from the December 3-4 workshop on spill prevention and response and look forward to finalizing and sharing the plan with you following that workshop.

We are committed to demonstrating that we will learn from these past experiences and conduct our business in a safe and environmentally responsible manner. While we are all disappointed with the events that have occurred, and acknowledge improvement is necessary, we remain confident we have the leadership, people, tools, commitment and ability to safely operate in this region. We will assess all of the actions listed in your letter to determine areas of opportunity and can say unequivocally that our offshore workers and the men and women leading them today, do not allow production pressures to impact decisions related to safety and the environment.

We look forward to operationalizing an action plan to bring our performance to the next level and regain the trust of our employees, government, regulators and people of Newfoundland and Labrador.

Sincerely,

A handwritten signature in cursive script that reads "R. Paul Barnes".

R. Paul Barnes
Director, Atlantic Canada & Arctic