OVERVIEW

Encana Corporation (Encana) is the owner and operator of the Deep Panuke natural gas development, located in the marine environment approximately 175 kilometres (km) offshore Nova Scotia. The development includes facilities required to produce natural gas from the Deep Panuke field, such as the offshore platform (production field centre or PFC), subsea wells, flowlines, control umbilicals and protection structures for subsea equipment. Natural gas is processed offshore and transported via a subsea pipeline to shore near Goldboro, Nova Scotia for further transport to markets using the Maritimes & Northeast Pipeline (M&NP). Encana permanently ceased production from Deep Panuke on May 7, 2018 and has begun the work required for decommissioning activities.

DECOMMISSIONING PROCESS

It is currently Encana’s plan to generally complete the decommissioning of the Deep Panuke development as follows:

- Decommissioning of the offshore platform (PFC), subsea structures, flowlines, umbilicals, gas export pipeline, and onshore facilities
- Well plugging and abandonment and subsea structure removal
- PFC removal and final field survey
This spring/summer, Encana will conduct the GEP flushing program. The GEP (175 km long, 22" diameter) connects the offshore platform to the onshore metering station in Goldboro. The GEP will be flushed with seawater to remove the sales-quality gas it currently contains.

Pipeline pigs (devices inserted into the pipeline to create a seal) will be propelled with nearshore filtered seawater from onshore to offshore. The flush water received at the PFC is not expected to contain any oil or require treatment since the pipeline has never been exposed to liquid hydrocarbons. Recovered flush water will be discharged overboard once it is confirmed that water quality meets regulatory requirements. In the unlikely event that water received at the PFC does not meet regulatory requirements, the water will be injected in the disposal well or sent to shore for disposal at an approved facility.

The GEP flushing program will require mobilizing equipment onshore at both the metering station and landfall. At the end of the program the entire offshore pipeline will be filled with seawater. The onshore section of the pipeline will be dewatered. The landfall site (including the existing gravel pad and fence, no-anchor sign, and the new temporary laydown areas created to store water pumping/storage equipment) will be restored and re-vegetated with native species seeds/transplants. The onshore metering station site will be restored in 2020.

The GEP flushing work will take approximately two weeks between mid-June and mid-August.
Onshore Section of the GEP

Existing gravel pad, fence and no-anchor sign at the landfall site
Example of the type of pumping equipment that will be used at landfall during the GEP flushing program

Offshore Section of the GEP
REGULATORY PROCESSES

Decommissioning and abandonment of the Deep Panuke development will require approvals from the Canada-Nova Scotia Offshore Petroleum Board (CNSOPB) and the National Energy Board (NEB). The CNSOPB will issue Operations Authorizations and well approvals for the decommissioning and abandonment of Deep Panuke facilities. The NEB will issue a Leave to Abandon for the Deep Panuke gas export pipeline and onshore facilities.

NEB – Leave to Abandon Application

The Leave to Abandon Application was filed with the NEB on June 19, 2018. Encana’s Leave to Abandon Application is undergoing a written hearing process. Encana filed its written argument January 28, 2019. Encana’s reply argument is due February 4, 2019 with a Board decision anticipated within 12 weeks thereafter.

CNSOPB – Operations Authorizations

An Environmental Study Report for Deep Panuke decommissioning and abandonment activities has been accepted by the CNSOPB. Other authorizations required include:

- Amendments to Operations Authorization – Production
- Well plugging and abandonment: Approval to Alter the Condition of Wells
SCHEDULE

Encana anticipates conducting the following decommissioning activities during the 2019-2020 timeframe.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Target</th>
<th>Estimated Duration</th>
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<tbody>
<tr>
<td><strong>Gas Export Pipeline (GEP) and Onshore</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GEP flushing and pigging</td>
<td>mid-Jun and mid-Aug 2019</td>
<td>2 weeks</td>
</tr>
<tr>
<td>Onshore facilities removal and restoration</td>
<td>2020</td>
<td>1 month</td>
</tr>
<tr>
<td><strong>Subsea</strong></td>
<td></td>
<td></td>
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<tr>
<td>Flowline flushing and cleaning</td>
<td>Q3 2019</td>
<td>2-3 weeks</td>
</tr>
<tr>
<td>Flowline subsea disconnects</td>
<td>2020</td>
<td>1-2 weeks</td>
</tr>
<tr>
<td>Subsea structures removal</td>
<td>2020</td>
<td>1-2 weeks</td>
</tr>
<tr>
<td><strong>Well Plugging and Abandonment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Offshore execution</td>
<td>Likely beginning in late 2019-early 2020</td>
<td>4-5 months</td>
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<tr>
<td><strong>Production Field Centre (PFC)</strong></td>
<td></td>
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<tr>
<td>PFC de-install</td>
<td>Jul-Aug 2020</td>
<td>1 week</td>
</tr>
</tbody>
</table>

CONTACT

A key component of this information update is to provide up-to-date information on key activities. Encana is available to meet with interested groups that would like to discuss potential effects, concerns, and interests related to the decommissioning activities so that these may be considered in the decommissioning planning process.

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