


Managing Water Resources

Peace River Regional District Board Meeting


Dawson Creek, BC | May 2nd | 2024

Sobhi Alhashwa | Lead of Infrastructure and Water
Guillaume Lafond | Senior Water Stewardship Geologist
Adam Rolick | Community Relations Advisor

**Ovintiv™**

1

MANAGING WATER RESOURCES

**Ovintiv™**

Confidentiality Disclaimer

This presentation is for general information purposes only, may not be relied upon for any purpose, and is not to be construed under any circumstances to be: (a) an offering or solicitation for the sale of securities; (b) a recommendation to purchase, sell, or hold any securities; (c) an offering memorandum as contemplated by applicable securities laws; or (d) an obligation by Ovintiv (the “Company”) to enter into a transaction with the Company.

The information contained in this presentation has been derived from sources believed to be reliable. However, neither the Company nor any of its representations make any representation or warranty, expressed or implied, as to the accuracy or completeness of the information contained or referred to in this presentation or any other written or oral communication related to this presentation, and shall not be liable or responsible to any person for any harm, loss or damage that may arise in connection with the use of this presentation. Certain statements contained herein may constitute forward-looking statements which involve risks and uncertainties that could cause actual events or results to differ materially from the estimated or anticipated events or results implied or expressed in such forward-looking statements. Readers are cautioned against unduly relying on such statements which, by their nature, involve numerous assumptions, risks and uncertainties that may cause such statements not to occur, or results to differ materially from those expressed or implied. These assumptions, risks and uncertainties may be based on expectations and projections made in light of, and generally consistent with, Ovintiv’s historical experience and its perception of historical trends, including with respect to the pace of technological development, the benefits achieved and general industry expectations, and are further described in its most recent Annual Report on Form 10-K and from time to time in Ovintiv’s other periodic filings as filed on SEDAR and EDGAR. Although Ovintiv believes the expectations represented by such statements are reasonable, there can be no assurance that such expectations will prove to be correct.

This presentation may not be used, disclosed, summarized or otherwise referred to, in whole or in part, except as agreed in writing by Ovintiv and Ovintiv is under no obligation to update any information contained herein.

2

MANAGING WATER RESOURCES



Outline

Water Strategy

- Vision, Objectives and Accountabilities
- Key Partners

Water Sustainability

- Drought Preparedness

Water Management

- Challenges and Opportunities
- Water Demand and Forecasts
- Stakeholder Engagement

3

3

MANAGING WATER RESOURCES



Water Management Strategy

VISION

A leader in **sustainable water management**, ensuring **safe and efficient access to water resources** for the Canadian Operations Area

OBJECTIVES

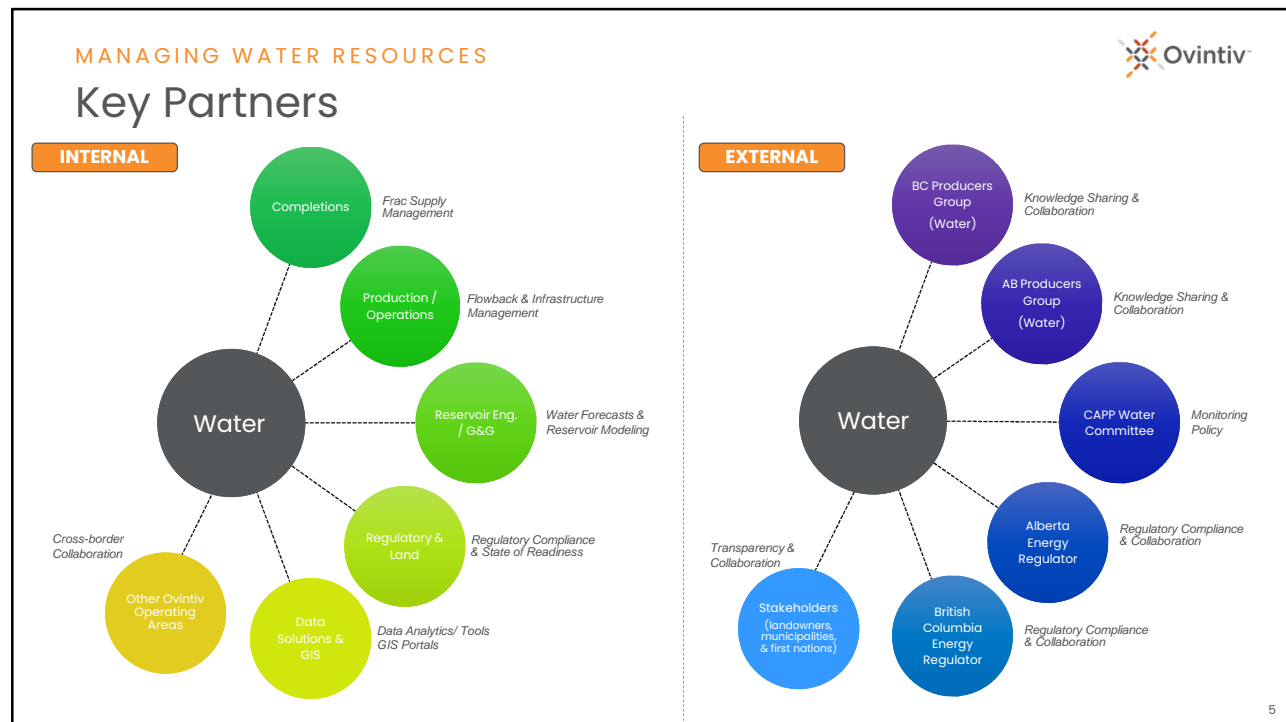
Environment, Health and Safety	Production Optimization (↑ Oil bbls & Gas m ³)
Water Sustainability (↑ Recycled Water ↓ Fresh Water)	Capital Efficiency (↓ Water \$/m ³)
Stakeholder Communication and Engagement	Well and Infrastructure Reliability
Regulatory Compliance	Innovation

ACCOUNTABILITIES

Water Supply Management
Water Flowback Management
Water Volume/ Cost Tracking, Reporting & Forecasting
Regulatory Compliance (Testing & Reporting)
Disposal/ Source Well Oversight & Maintenance
Infrastructure Modelling
Water Supply Licensing
Concurrent Operations/ Competitor Activity
Innovation
Industry Collaboration
Water Supply and Handling Planning (2Y to 5Y+)
Acid Gas Disposal
Development Growth Strategy

4

4



5

MANAGING WATER RESOURCES

Drought Preparedness

How is industry taking action to prepare for water shortages?

CAPP

- Increasing **reuse of recycled water**
- Actively increasing use of **alternative water sources**
- Timing **operations schedules** to maximize water reuse
- Using **groundwater resources** for well drilling and completions
- Optimizing **water storage** and use within operating areas
- Investigating **treatment of sour water** for reuse
- **Sharing recycled water** with other operators
- Advocating for **regulatory pathways to enable sharing** of water between operators

[Drought Preparedness – CAPP | A Unified Voice for Canada's Upstream Oil and Gas Industry](#)

6

6

MANAGING WATER RESOURCES

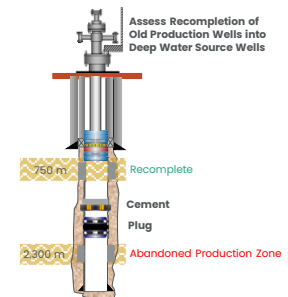
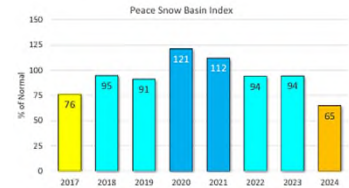


Drought Preparedness

How is Ovintiv taking actions internally to prepare for water shortages?

Internal Initiatives

- Monitoring multiple datasets relative to snowpack, potential runoff, hydrometric station flows, and climate
- Communicating potential drought conditions – increasing internal awareness and water management planning initiatives.
- Review of water requirements and planning for the year
 - Assessing timing, locations, water sources, and available options.
- Set corporate sustainability water metrics
 - Annual review of water sourcing and sustainability, helps assess water sources and set targets for increased sustainable water management.
- Cross-border knowledge sharing across Ovintiv's assets in Canada and the USA
 - enhanced sharing of water recycling knowledge and technology.
- Assessment of water source options with a reduced risk to surface water sources



7

7

MANAGING WATER RESOURCES



Drought Preparedness

How is Ovintiv taking actions externally to prepare for water shortages?

External Initiatives

- Communications with BC Energy Regulator water usage data and planned water needs and sources for 2024
 - Supports BCER in assessing short-term water demand beyond the volumes listed in the license terms.
 - Supports BCER in assessing sustainable water use development and areas of improvement.
- Member of BC Montney Operators Group
 - Operators meet regularly to coordinate on water sharing opportunities and possible scheduling.
- Member of CAPP Water Committee
- Member of CAPP Drought Task Group
 - Providing industry awareness of drought conditions and possible water management requirements
- Petroleum Technology Alliance Canada
 - Alberta Upstream Petroleum Research Fund
 - Water Innovation Planning Committee (Energy Regulator, Environmental Regulator, Operators)



8

8

MANAGING WATER RESOURCES

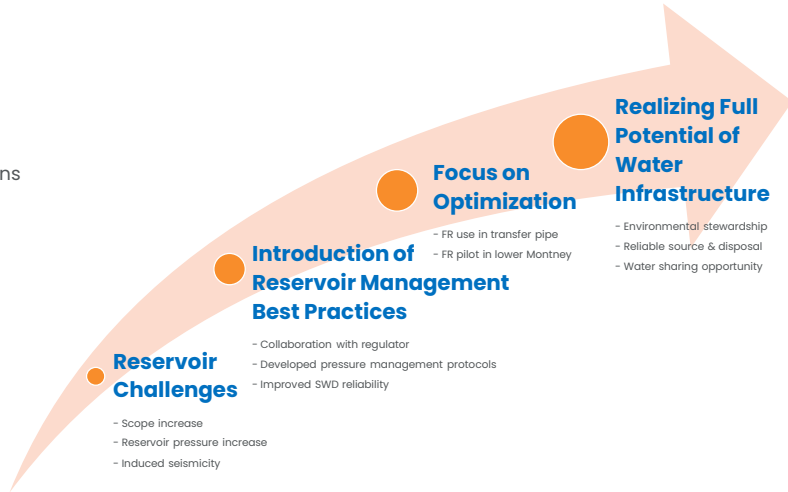


Water Management

We promote responsible and innovative water management processes and solutions

Overcoming Challenges

- ✓ Induced seismicity
- ✓ Reservoir pressure limitations
- ✓ Operations supply rate limitations
- ✓ Storage limitations
- ✓ Montney water compatibility
- ✓ Internal competing objectives



9

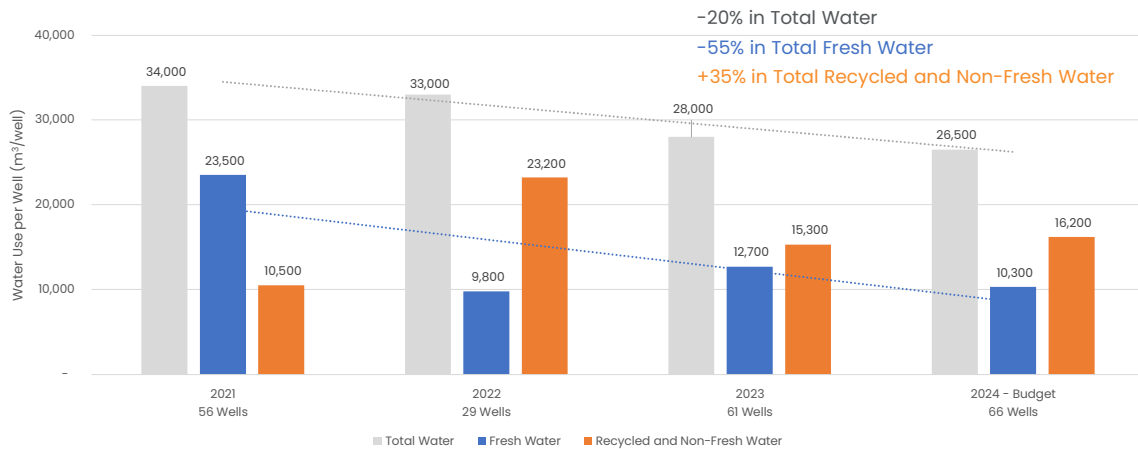
9

MANAGING WATER RESOURCES



Water Demand and Forecasts

We are fully committed to fresh water conservation and environmental stewardship



10

10

MANAGING WATER RESOURCES



Multi-Basin Advantage

We leverage cross-border water management processes, technologies and learnings



Feb-2024 Ovintiv Water Teams Cross-Border Strategy Session and Field Tour

3-day strategy session and field tour

35+ attendees from five offices including office and field

Topics Discussed

EH&S | Integrity Management | Spills Prevention, Detection and Response
Capital and Production Efficiency | Drought Management | Water Supply and Handling
Innovation | New Ideas and Technologies
Data Management | Tools and Workflows



11

11

MANAGING WATER RESOURCES

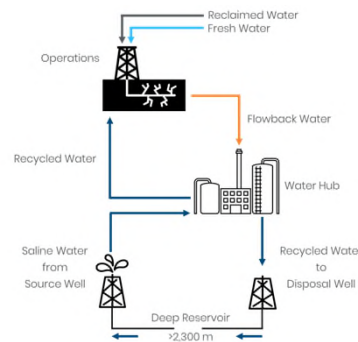


Water Resource Hubs

We invest in industry-leading water management and handling infrastructure



Our water hubs in British Columbia operate as a **closed-loop water handling and recycling system** that runs on hydroelectric power.



Definitions:

Fresh Water: natural water from water bodies and ground water aquifers
Reclaimed Water: municipal wastewater
Saline Water: naturally occurring non-potable water in deep formations
Flowback Water: water from operations that flows back to surface
Recycled Water: re-usable water delivered to our operations by our facilities
Disposal Well: stores recycled water into deep geological reservoirs
Source Well: recovers non-potable saline water from deep geological reservoirs



Since starting operation of the hubs in 2016, we have conserved approximately **1.5 billion gallons** of fresh water, equivalent to the average annual water use of approximately **10,500 households**.

12

12

MANAGING WATER RESOURCES

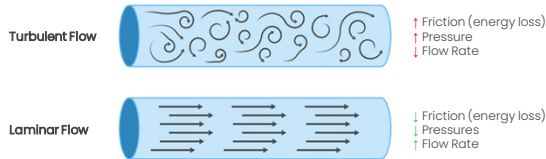


Water Friction Reducer

Trusted downhole fluids provide significant advantages for recycled water supply rates at surface



Through our continued **focus on innovation** and **fresh water conservation**, we recently upgraded one of our water hubs with a friction reducer injection vessel. This upgrade allowed us to deliver **up to 50% higher rates of recycled water** to our operations, conserving an additional **40 million gallons** of fresh water in 2023 alone, equivalent to the average annual water use of **280 households**.



Friction reducers, also referred to as drag reducing agents (DRA), are introduced to **reduce the friction drag experienced by fluids** as they flow in or over surfaces (like pipes or conduits). This allows fluids to glide more easily along the walls of the pipe which results in **less energy loss** due to friction, **lower pipe pressures** and **higher flow rates**.

13

13

MANAGING WATER RESOURCES



Stakeholder Engagement

We firmly believe in increasing transparency and awareness around responsible water management

BRITISH COLUMBIA WATERS Responsible Water Management

Ovintiv is a leading North American oil and gas producer with a proud history of safely developing sustainable unconventional resources.

We acknowledge that water is a valuable resource, and we take responsibility for the water we use. We verify water safety and conservation opportunities during our operations from drilling to well completion and on-going production and disposal of water.

We recognize the significance of fresh water for people and the environment, and take our water management responsibilities seriously. Ovintiv's water management program considers location, resources, regulations, water stress, cost and operational need when planning water solutions.

We are wholeheartedly committed to responsible water management and reducing our overall fresh water use in our operations.

Protecting Water Resources

The protection of water resources is of utmost importance to Ovintiv's operations, and it starts with an effective wellbore design and the proper execution of wellbore construction procedures. Every well has an engineered steel casing system that is connected externally to prevent any operational fluids from reaching surface or groundwater supplies.

A regulatory-compliant casing and cementing program is designed for all types of casing operations that we employ. Layers of steel casing and cement prevent extraneous oil and gas from escaping with up to six combinations of steel and cement between groundwater and the wellbore. Proper wellbore design and collaboration between geoscientists and drilling teams ensure water resources are protected throughout the development process and life of the well.

Fresh Water Conservation

We are fully committed to fresh water conservation and environmental stewardship. Our industry-leading water hubs in British Columbia operate a closed-loop water handling and recycling system that runs on hydroelectric power.

The system recycles recycled water primarily composed of excess saline water from our operations (also referred to as flowback water). This water is stored in deep geological reservoirs via disposal wells isolated from surface or groundwater aquifers. When water is required to recover well from the same deep geological reservoir via source wells, regardless of our water hubs and then transported to underground disposal tanks for our operations. This eliminates the need for any other water source in the surface. Since starting operations at the hubs in 2008, we have conserved approximately 10 billion gallons of fresh water, equivalent to the average annual water use of approximately 65,000 households.

Through our continued focus on innovation and fresh water conservation, we recently upgraded one of our water hubs with a water friction reducer facility. This upgrade allowed us to deliver up to 50% higher rates of recycled water to our operations, conserving an additional 40 million gallons of fresh water in 2023 alone, equivalent to the average annual water use of 280 households.

15 Million Gallons Conserved

450+ Wells Cased

0 Ponds or Surface Water

170 Million Gallons Recycled

Contacts

For more information, please contact the following Ovintiv representatives. If you have a question, please contact the relevant contact.

Alberta: Alberta@Ovintiv.com
855.646.6865

For 24-hour incident reporting contact the BCWU Call Centre (see page 14 for details):
800.965.5445

BCWU Call Centre and Emergency:
250.754.3200

Additional Online Resources

British Columbia Stewardship
www.bccw.gov.bc.ca

British Columbia Energy Regulator
www.bceer.ca

Canadian Association of Petroleum Producers
www.capp.ca

Water and the Environment
www.environment.ca

Ovintiv Two-Page Responsible Water Management Stakeholder Hand-out

14

14

MANAGING WATER RESOURCES



Contacts

Sobhi Alhashwa | P.Geo. (AB & BC) | PMP

Lead, Infrastructure and Water

e Sobhi.Alhashwa@ovintiv.com

t 403.645.5153

Guillaume Lafond | P.Geo. (AB & BC)

Senior Water Stewardship Geologist

e Guillaume.Lafond@ovintiv.com

t 403.645.2196

Adam Rolick

Community Relations Advisor

e Adam.Rolick@ovintiv.com

t 250.219.1139



15

15



16