

COMMUNITY MATTERS

NEXEN OIL SANDS
REPORT TO THE COMMUNITY

NOVEMBER 2015



MESSAGE FROM THE VICE PRESIDENT, OPERATED OIL SANDS

Welcome to the 2015 issue of Oil Sands Community Matters, Nexen's annual report to the community. We publish Community Matters each autumn to bring you up to date on some of our activities, community investments and support, and business milestones from the past 12 months.

It has been several months since I arrived as Vice President-Operated Oil Sands. My career in the petroleum industry spans 30 years and I came to Alberta from Nexen's offshore operations in the UK North Sea. In my new role in Oil Sands, I have accountability for the operation of Nexen's Long Lake oil sands facility. I have had the pleasure of meeting many community representatives and I look forward to meeting more of you and getting to know each other.

I'd like to address the pipeline failure that Nexen responded to in July. On behalf of Nexen, I am sorry the incident occurred and regret the impact it's had on the local environment. I sincerely appreciate the Alberta Energy Regulator's (AER) professionalism throughout this incident. We have also had close contact with the Minister of Energy's office and the Minister of Environment and Parks. Our relationships with First Nation and Métis communities are important to us and we appreciate working with community representatives. We have also been working with other community stakeholders to ensure they are informed, and again we appreciate this opportunity for contact and sharing information.

We continue to focus on three priorities: the safety of our people and the public, minimizing impacts on the environment and wildlife, and investigating the root cause of the incident.

You will find more information about the pipeline failure in this issue of Community Matters, and Nexen continues to provide updates on our website, www.nexencnooctltd.com. This issue also includes an update on how Nexen is addressing the AER's Suspension Order, which applies to pipelines at Long Lake.

Elsewhere in this issue, you'll find information on Nexen's community investment over the past year, with our particular focus on supporting education. We remain strongly committed to the community and to environmental responsibility, as you will see from the stories in this newsletter.

These are challenging times in our industry. I am eager to continue working together with the community and seeking new opportunities that will strengthen our relationships.

Sincerely,



Bob Fennell
Vice President
Operated Oil Sands
Nexen Energy ULC



SERVING THE COMMUNITY FOR 10 YEARS

CHRISTINE WHITE

As a valued member of Nexen's Community Consultation and Aboriginal Relations (CCAR) team, Christine White, Administrative Assistant, serves the community as much as she works for Nexen.

And after 10 years with Nexen, including 7 in her current role, she's earned the trust and respect of community members and co-workers alike.

"Christine is well known for her friendly hospitality to all employees, stakeholders and community visitors to the Anzac office," says Cindy Amerongen, Manager, Community and Consultation. "She keeps the community office humming. She loves to plan and attend events, and to work with non-profits such as the Northern Alberta Aboriginal Business Association (NAABA). She is an exemplary volunteer and gives her time generously to a number of community causes. We all love to make her laugh because it is infectious!"

Christine says, "I like to help people in any way that I can. I love volunteering in Anzac and Fort McMurray. I like talking to people who stop by my office for coffee or just to say hello. Plus I work with a great team!"

Clearly, Christine is a person who touches hearts and makes connections wherever she goes. Congratulations Christine!



Christine White celebrates an employment milestone in March 2015.

TABLE OF CONTENTS

OPERATIONS

Nexen works with regulator to address Suspension Order

Turnaround 2015 a success

Diluent Recovery Unit now operating at Long Lake

ENVIRONMENT

Spill recovery update

Nexen-led research project wins second award

Helping wildlife move across our site

ESEIEH field test now underway

COMMUNITY

Getting Into the Western Canada Summer Games

Nexen helps promote a clean community

Helping provide shelter

CNOOC Nexen Canopy lights up the night

Nexen donates used TVs and fridges to Salvation Army

Leadership in action

Fort McMurray #468 First Nation Treaty Days

EDUCATION

Celebrating a community milestone

Nexen-supported program opens doors for young graduate

Enabling Aboriginal student success

OPERATIONS UPDATE

NEXEN WORKS WITH REGULATOR TO ADDRESS SUSPENSION ORDER

LONG LAKE CONTINUES OPERATION

On August 25, Nexen self-disclosed to the Alberta Energy Regulator (AER) pipeline non-compliances, primarily related to documentation of maintenance activities at Long Lake.

On August 28, the AER issued a Suspension Order to Nexen that applied to 102 pipelines associated with our Long Lake oil sands facility. Because a number of the pipelines are required for plant operation, Nexen began planning to safely shut down the facility, while in parallel we commenced work with the AER to address the pipeline non-compliance issues.

Nexen staff worked hard to prepare information packages for the AER regarding the affected pipelines. On September 6, the AER issued an Amendment Order that partially lifted the application of the Suspension Order to certain pipelines and effectively allowed Nexen to operate the Long Lake facility at approximately 75 per cent of the plant's normal capacity.

We continued to work with the AER and, on September 16, the AER issued a second Amendment Order, lifting the application of the Suspension Order to additional pipelines, which allowed Nexen to resume full operation at Long Lake.

On October 22, Nexen received a third Amendment Order from the AER, which lifts the application of the Suspension Order on specific pipelines that transport disposal, brackish and low pressure condensate water used for operations at our Long Lake facility.

"Safety and the environment remain our top priorities," says Bob Fennell, VP-Operated Oil Sands. "I want to recognize the tremendous effort on the part of many people at Nexen. By quickly and thoroughly addressing the AER's concerns, we were able to avoid a shut-down of Long Lake, and we continue to operate safely."



Nexen worked closely with the Alberta Energy Regulator to address pipeline non-compliance issues at our Long Lake facility.

TURNAROUND 2015 A SUCCESS

THANKS TO THE COMMUNITY FOR YOUR PATIENCE

During our Turnaround in July, as a local resident you may have been affected by increased traffic on Highway 881 and increased workers in Anzac using local amenities and services. Nexen appreciates your patience during this time period.

Turnaround 2015 was a planned shutdown of the Long Lake facility to perform maintenance work. The shutdown lasted from June 1 to early July. Turnaround was a normal and planned event. Regulations that govern our operations oblige us to stop our operations so we can inspect and repair plant equipment to ensure safe and reliable plant operations. Turnaround 2015 was also an opportunity to upgrade some systems and add new equipment to the plant.

Our mission was to execute a safe and efficient Turnaround. With an additional 1,250 personnel on site from 60 different support companies, a focus on safety was crucial. There were no lost-time incidents associated with Turnaround over some 600,000 worker hours. That is exceptional safety performance.

The next Turnaround is scheduled for summer/fall 2016.

If you have suggestions on how we could reduce the impact of the next Turnaround on your community, please contact our Community Office at (780) 334-2850.

DILUENT RECOVERY UNIT NOW OPERATING AT LONG LAKE

TIE-IN DURING TURNAROUND 2015

A new asset known as the Diluent Recovery Unit (DRU) is now up and running at Long Lake. It's a project that's been several years in the making.

Nexen's Long Lake facility integrates steam-assisted gravity drainage (SAGD) with bitumen upgrading. The plant design is quite sophisticated, because waste products from one part of the process are used as fuel or inputs somewhere else. These complex and tightly integrated processes have resulted in operational problems that affect overall plant reliability. The DRU will help alleviate some of those problems by separating the SAGD and upgrader operation.

The decision was made to construct the DRU in 2010. The design was finalized in 2012 and the budget for construction was approved in 2013. The project was completed in 2015 and the DRU was connected to the Long Lake facility during the recent Turnaround. The construction phase required more than 650,000 hours with no lost-time incidents, no significant incidents, and no recordable process safety incidents – world-class performance!

The DRU is meant to improve plant operating reliability, but also has the added benefit of reducing odours – helping to improve Long Lake's environmental compliance and making us a better neighbour to the nearby community of Anzac.



DRU construction at Nexen's Long Lake facility.



The DRU construction core team. This project required about 650,000 hours to construct and there were no lost-time injuries.

ENVIRONMENT

SPILL RECOVERY UPDATE

MOVING FORWARD WITH CLEAN-UP

Clean-up and remediation of the Long Lake pipeline spill that was discovered on July 15, 2015 is ongoing. Nexen remains focused on maintaining a safe work site and minimizing impacts on the environment and wildlife.

“Water and bitumen are being recovered through bell holes,” explains Ron Bailey, Senior VP, Canadian Operations. “We dug the holes near the perimeter of the release area, and between the small lake and the spill site we’re using a combination of a recovery trench and shallow sump holes to collect liquids.”

To date, evidence from sampling shows there is no contamination to the lake from the emulsion release. “Monitoring the lake will remain a top priority, but we don’t anticipate any impact based on the mitigation measures that we’ve established,” says Ron. One of the compounds being monitored is chlorides, or salinity levels. The emulsion released was relatively low in chlorides, which is reflected in the low salinity levels of the samples collected to date.

Biologists continue to monitor and mitigate the impact to wildlife. Visual deterrents have been installed, including brightly coloured flags and effigies of predators (owls and eagles), which are frequently moved to prevent wildlife becoming accustomed to the effigies. Noise cannons also continue to operate. As an additional protective measure, silage wrap covers the spill site so birds don’t mistake the spill area for a mud flat. New deterrents will be put into place as required.



The spill site in July 2015.



This eagle effigy helps scare away birds from the spill site.

Ron notes that the deterrents have been effective. “As indicated in our reports to the Alberta Energy Regulator (AER) and updates posted on our external website, wildlife impacts have been minimal.”

Extraction of the bitumen started on October 2, 2015. Cooler temperatures were needed to partially harden the emulsified bitumen, allowing Nexen to safely begin excavation and disposal while minimizing the amount of muskeg that has to be removed.

Ron says, “We currently don’t have a specific time frame for the site clean-up, but work will continue until the impact of the spill has been mitigated according to guidelines, and based on ongoing consultation with the AER. Long-term monitoring will continue after the remediation activities are complete.”



Nexen has placed white silage wrap over the spill site to prevent migratory birds from mistaking the spill for mud or water and landing on the surface.

NEXEN-LED RESEARCH PROJECT WINS SECOND AWARD

ALGAR CARIBOU HABITAT RESTORATION

In June 2015, a Nexen-led research project won an Award of Merit from the Consulting Engineers of Alberta (CEA).

Since 2011, together with other oil sands operators and government and industry partners, Nexen has been part of the Algar Habitat Restoration Project. The project's purpose is to test restoration techniques on old land disturbance in critical woodland caribou habitat. The project is an important undertaking within Canada's Oil Sands Innovation Alliance (COSIA), which is an alliance of oil sands producers focused on accelerating the pace of improvement in environmental performance in Canada's oil sands through collaborative action and innovation.

In the Algar region north of Fort McMurray, land disturbances were caused by the forestry and petroleum industries prior to the current regulations that require such disturbances to be reclaimed. Of particular concern are seismic lines and roads, which allow wolves easier access to remote caribou habitat. Wolves are putting extreme pressure on caribou populations in the area.

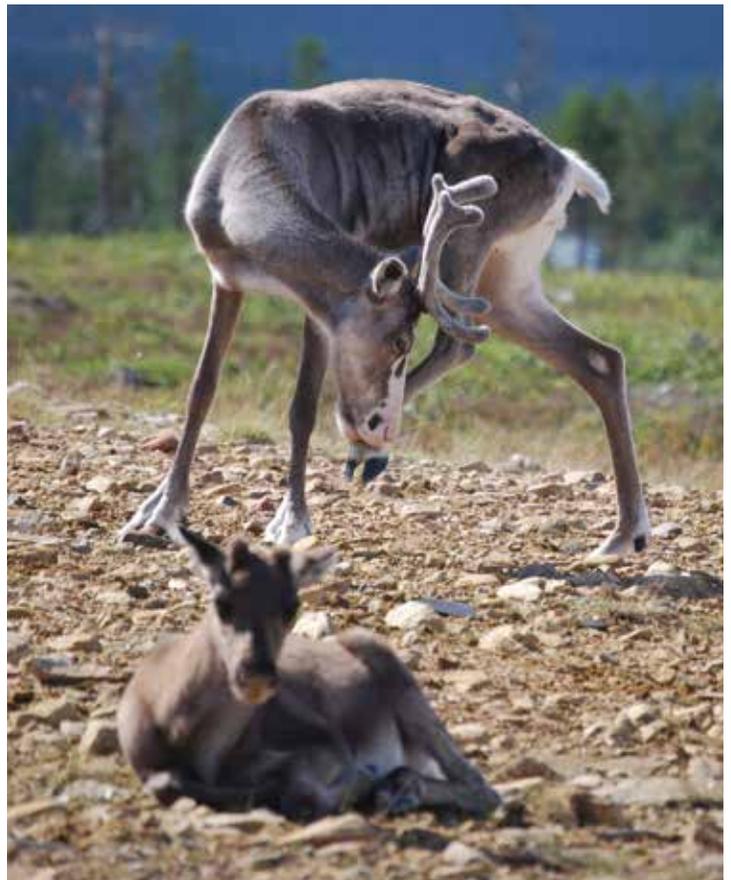
Nexen is leading this research project to find effective, efficient ways to reclaim old disturbances. To date the project has resulted in:

- A detailed inventory of industry's footprint in the region, including past industrial access and seismic activity.
- Over 340 kilometres of legacy linear disturbances were either actively restored or protected to encourage natural regeneration that's already occurring.
- Sharing operational learnings for future habitat restoration efforts.

The Award of Merit from the CEA is the second major recognition for the Algar project. In June 2014, Nexen accepted an Alberta Emerald Foundation Award for the project on behalf of all the project's participants.



An example of a linear land disturbance in the Algar region near Fort McMurray. Such disturbances give wolves easy access to remote caribou habitat, putting extreme pressure on woodland caribou populations in the area.



Nexen has been part of the Algar Habitat Restoration project since 2011.

HELPING WILDLIFE MOVE ACROSS OUR SITE

FLOWLINE CROSSINGS

At Nexen, we are always looking for ways to reduce our environmental impact. One situation involves the flowlines that connect our well pads to the facilities at Long Lake. Flowlines are pipelines that transport high-pressure steam, produced emulsion (bitumen mixed with water and other materials) and gases. Flowlines are above ground to allow the pipes to expand and contract.

However, flowlines can affect wildlife. For example, flowlines can interrupt the free movement of deer, moose and other species in the area.

To reduce these impacts, Nexen has constructed four wildlife crossings, made of compacted soil over culverts or sleeves that protect the flowlines. Some of the crossings include railings to prevent wildlife from damaging the flowline insulation.

“ Species we’ve observed using the crossings include deer, sandhill cranes, coyotes, lynx, bears and wolves ”

“These crossings have seen a lot of traffic,” comments Emma Pimm, Environmental Analyst. “Motion-sensor cameras placed at the crossings have picked up a number of different species.”

Studies have found that some animals prefer to move under the flowlines. “Some of our newer flowlines were constructed to have under-pipe crossings,” says Emma. “We’ll monitor animal use of these over the next few years.”



Flowlines can interfere with the free movement of wildlife near our Long Lake development, so we’ve built several wildlife crossings to help animals make their way over the lines. Motion-sensitive cameras mounted at the crossing to monitor wildlife use have captured many animals such as coyotes, white-tailed deer, and even a pair of sandhill cranes using the crossings.

ESEIEH FIELD TEST NOW UNDERWAY

ENHANCED SOLVENT EXTRACTION INCORPORATING ELECTROMAGNETIC HEATING

An oil sands industry partnership recently started field testing a new technology called Enhanced Solvent Extraction Incorporating Electromagnetic Heating (ESEIEH, pronounced “easy”). The project partners include Nexen, Suncor Energy, Devon Canada and Harris Corporation, with support from Alberta’s Climate Change and Emissions Management Corporation. ESEIEH is being tested at Suncor’s Dover oil sands site.

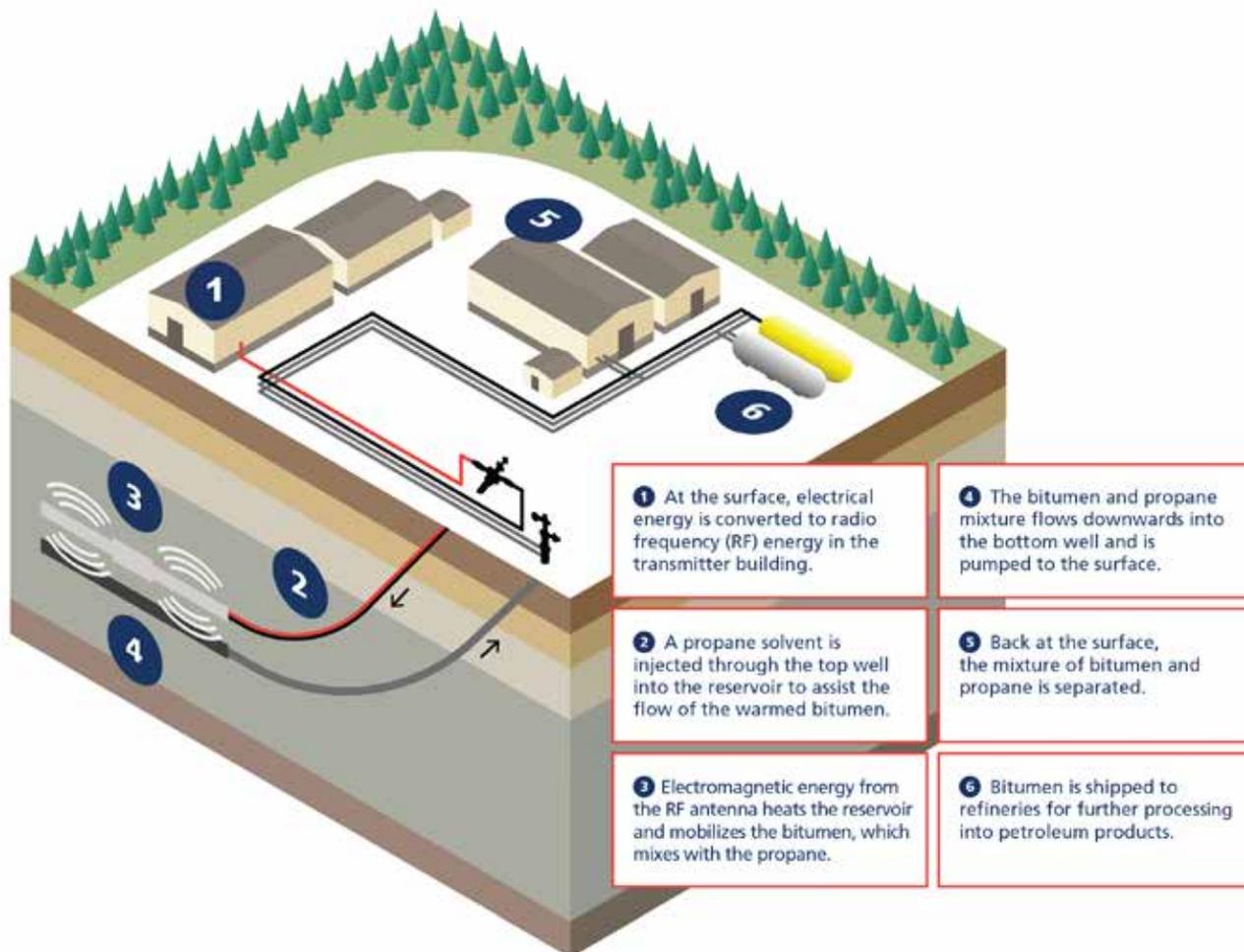
This technology is a new way to heat bitumen in a subsurface reservoir and could revolutionize the entire oil sands industry. If successful and commercially viable, ESEIEH has the potential to improve economic and environmental performance in the oil sands by reducing the energy required and eliminating the need for water or steam.

Instead of injecting steam, ESEIEH sends electricity to a down-hole antenna that generates an electromagnetic (EM) field. The EM energy heats the bitumen, similar to how a microwave heats food. Once the bitumen is heated, a solvent – in this case, propane – is injected to thin the bitumen even more. The heated, thinned bitumen is then pumped to the surface.

“The two-year test period started in early June 2015,” explains Bill MacFarlane, Senior Advisor-Technology Management. Randy Cormier, VP Technology, adds, “The first phase of testing in 2012 confirmed our ability to successfully generate and distribute EM heat in a natural oil sands formation and to predict the system’s performance. This field test will demonstrate whether ESEIEH can work in an underground oil sands reservoir.”

Over the next two years, Bill and Randy will work with Nexen’s Oil Sands business to monitor ESEIEH test results and determine the potential for future use of this technology at Nexen’s sites. “It’s important for us to investigate technologies that can enhance bitumen recovery and reduce our environmental footprint,” says Corrina Bryson, VP-Resource Development.

Enhanced Solvent Extraction Incorporating Electromagnetic Heating (ESEIEH)



COMMUNITY

GETTING INTO THE WESTERN CANADA SUMMER GAMES

INVESTING IN COMMUNITIES

Nexen's community investments and support reflect our corporate culture and values, and enhance the wellbeing of our host communities. A great example of this commitment was our leadership contribution to the 2015 Western Canada Summer Games in Fort McMurray.

The Games ran from August 7 through 16 and were the largest multi-sport event ever hosted in the Regional Municipality of Wood Buffalo. Over 10 days, approximately 2,500 young athletes from Manitoba, Saskatchewan, Alberta, British Columbia, Yukon, Northwest Territories and Nunavut competed in 18 sport disciplines. All of these events were hosted at the world-class facilities throughout the region, including the CNOOC Nexen Fieldhouse and brand-new CNOOC Nexen Stage, both located at MacDonald Island Park.

Nexen was the presenting sponsor of the Games' opening ceremonies on August 7. That event celebrated the rich history and diversity of the people of Wood Buffalo through dance, music and storytelling. Nexen was also the presenting sponsor of the Triathlon, which took place August 12 to 16 in Anzac, the nearest community to our Long Lake oil sands operation.

"The Summer Games will leave a legacy for the community and staff alike, and allowed all of us to showcase this region and the importance of our industry. Nexen was proud to be a Summer Games key sponsor and a contributor to developing arts, culture and sport capacity," says Cindy Amerongen, Manager Community and Consultation.



Nexen sponsored the Triathlon event at the 2015 Western Canada Summer Games, and provided a team of enthusiastic volunteers.

EMPLOYEES GIVING BACK

As part of Nexen's Summer Games sponsorship, we participated in the Corporate Employee Volunteer Program that matched employees with volunteer opportunities. Members of the Long Lake Accounting and Service Entry and Community Consultation and Aboriginal Relations team were the first to get involved.

"On April 15, Summer Games representatives recruited 30 Nexen volunteers in just two hours," says Michelle Farrow, Volunteer Workforce Coordinator, Western Canada Summer Games. "Their support was unbelievable. It was easy to tell that Nexen was proud to be promoting the Games, and that volunteering is important to Nexen employees. Thank you Nexen for this amazing contribution."

CANSTRUCTION®: STOCKING THE FOOD BANK

The Wood Buffalo Food Bank teamed up with the Western Canada Summer Games to collect much-needed canned goods through a Canstruction® competition. A Nexen team competed against several local businesses. The structures – which were created from non-perishable food tins and boxes – incorporated a Western Canada Summer Games theme. The finished structures were displayed at MacDonald Island Park as part of a Games exhibit, then the canned food was donated to the food bank.



Some members of Nexen's winning Canstruction® team (L to R) Christine White, Dale Shafer, Natasha Daigle, Courtney Luff, Jennifer Sheppard and Cindy Amerongen.

NEXEN HELPS PROMOTE A CLEAN COMMUNITY

ANNUAL ANZAC COMMUNITY CLEANUP

On June 4, 2015, Nexen joined forces with Anzac community schools to help with the annual community cleanup, an initiative we've been part of since 2007.

After kicking off the event with a safety moment, participants got busy picking up trash. Teachers and students collected 28 bags of garbage. Nexen employees drove along the route collecting and properly disposing of the full garbage bags. Nexen volunteers also helped supervise and collect garbage, while others supplied refreshments.

The kindergarten-aged kids noticed lots of cigarette butts around the school yard. They began a competition to see how many butts they could collect. In Canada, 8,000 tonnes of cigarette butts are dropped every year and the filters take approximately 10 years to biodegrade. This event not only cleaned the community but created awareness among the students about the negative impacts of littering – and smoking.



Students and Nexen volunteers helped clean up their community in June.

HELPING PROVIDE SHELTER

FORT MCMURRAY FAMILY CRISIS SOCIETY

Nexen has supported Fort McMurray Family Crisis Society (FMFCS) programs since 2006. Over the years, the FMFCS has accomplished many extraordinary programs, campaigns and events that have truly shaped the community.

Established in 1982, the FMFCS initially provided support services for individuals affected by family violence. Services now include child development, next step programs, affordable housing programs, and more.

Nexen had the exciting opportunity to join in FMFCS's most recent campaign, "Stop the Hurting, Start the Healing," which encompasses the two-phase construction of a new emergency shelter and sexual assault recovery centre, named Unity House and the Compass Building.

"We are very pleased to help important social projects such as the new Unity House. This affordable, apartment-style housing complex offers a safe place for women and children in transition from a shelter or a violent relationship," says Cindy Amerongen, Manager, Community and Consultation. "Now that the new Compass Building has opened we are looking forward to the groundbreaking in spring of 2016 and eventual opening of Unity House in 2017"



(L to R) Nexen's Stella Kreutzer; Tim O'Rourke, Director of Fund Development, FMFCS; and Cindy Amerongen, Nexen attended the grand opening ceremony of the Compass Building, operated by the Fort McMurray Family Crisis Society.

CNOOC NEXEN CANOPY LIGHTS UP THE NIGHT

MACDONALD ISLAND PARK

The northern lights, also known as aurora borealis, are a spectacular display of moving, dancing light that can take the form of sparks, clouds or curtains. Colours can range from green and white to purple, orange, or red – and can illuminate the entire sky.

The northern lights were the perfect inspiration for the immense canopy that shelters the new CNOOC Nexen Stage at Fort McMurray's MacDonald Island Park, which is Canada's largest community recreation, leisure and social centre. Nexen committed \$300,000 toward construction of the stage and its extraordinary canopy. The stage is part of Shell Place, which also includes a stadium, skating rink, baseball/softball tournament centre, field house, conference center and community park.

One-of-a-kind canopy features a well-known material

The canopy was designed and fabricated by Birdair Inc., a global expert on custom tensile structures. Given its unusual shape and size, covering approximately 30,000 square feet, the canopy's design, engineering and construction were complicated. Birdair's design process took seven months, including 3-D modelling. Every bolt, curve, and connection had to be evaluated before being approved. Next, the fabrication took five months. Everything was assembled in China, then the parts were shipped to Vancouver and trucked to Fort McMurray. Installation of the structure took a full year.

The beams are steel, the fabric is polytetrafluoroethylene (PTFE, commonly known by its brand name Teflon®*), which coats the woven fiberglass to form a membrane that is extremely durable and weather resistant. The lighting system is composed of LED lamps that are fully customizable and programmable.

Ready to rock!

And now it's show time! International stars, national heroes, and local talent will all grace the CNOOC Nexen Stage, bringing their talents and skills to appreciative audiences.

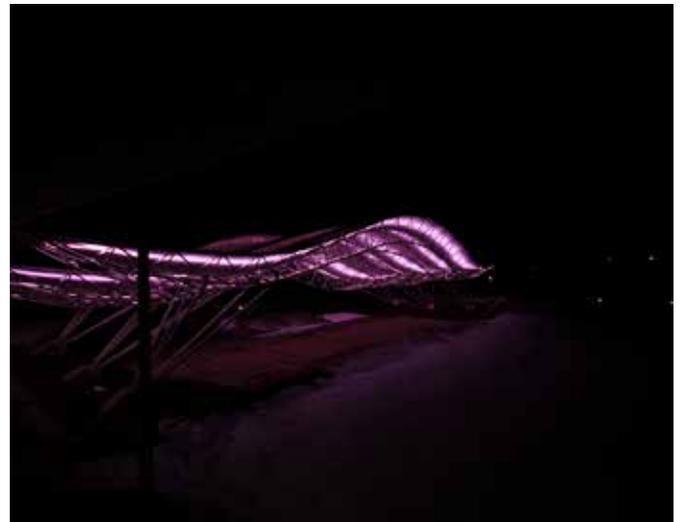
To celebrate the new stage and its stunning canopy, a series of summer events and concerts started on May 28, 2015. The stage's official launch was the Northern Kickoff, a match between the Edmonton Eskimos and Saskatchewan Rough Riders of the Canadian Football League on June 13. The stage was also used for the Opening, Closing and Big Spirit Sky celebrations associated with the 2015 Western Canada Summer Games in August.

Nexen is committed to building thriving and dynamic communities in the areas where we work and play. The CNOOC Nexen Stage and canopy helps us shine a light on the arts, culture and sport in Wood Buffalo.

**Teflon® is a registered trademark of E. I. Du Pont De Nemours and Company, Delaware, USA.*



The canopy takes shape through the winter of 2014-2015.



(Above and below) The CNOOC-Nexen canopy's multi-coloured LED lighting is fully programmable and designed to resemble Northern Lights.



NEXEN DONATES TVS AND FRIDGES TO SALVATION ARMY

SUPPORTING COMMUNITIES WHERE WE LIVE AND WORK

When opportunities arise to give back, Nexen employees step up to the challenge and seek ways to help. A perfect example of this is the contribution Nexen's Long Lake team made to the Fort McMurray Salvation Army in March 2015.

Following closure of the Long Lake East and North camps, Nexen had second-hand televisions and refrigerators from camp rooms. Instead of trashing this equipment, Nexen's Site Services team at Long Lake elected to donate these items.

"We recognize the importance of giving back to our community," notes Bryan Fetter, Site Service Supervisor at Long Lake. "Often, we all take simple comforts for granted and I'm happy to know that these items were put to good use."

The Fort McMurray Salvation Army provides several social services including community and family services, emergency and disaster support, emergency beds and mats and a thrift store. Proceeds from the store go toward services such as food, shelter, frontline assistance to families and individuals and other community programs. "The Salvation Army appreciates Nexen for their support in helping others," says Joan Nobles, Program Manager at the Fort McMurray Salvation Army.



Nexen contractors from Centerfire assist representatives from the Fort McMurray Salvation Army to load Nexen's donation of televisions and small refrigerators.

LEADERSHIP IN ACTION

CHIEF-TO-CHIEF MEETING BUILDS STRONG RELATIONSHIP

Engaging with integrity and demonstrating respect for stakeholders and Aboriginal communities is a key element of Nexen's long-term success.

On April 27, 2015, Nexen CEO Fang Zhi and other senior leaders from the company met with the leadership and business teams from the Fort McMurray #468 First Nation (FMFN), the closest Aboriginal neighbours to our Long Lake facility. The FMFN was represented by Chief Ron Kreutzer, Councilor Byron Bailey, and CEO Brad Callihoo.

This marked the second Chief-to-Chief meeting between Nexen's CEO and Chief Ron Kreutzer in less than two years.

Fang Zhi thanked Chief Kreutzer for hosting the meeting and for welcoming the Nexen representatives to the traditional territory of Treaty 8. He spoke about recent changes at Nexen and our focus on operational excellence. Chief Kreutzer noted some major changes at the FMFN over the past year as the Nation continues in its work to create a sustainable future.

Both leaders agreed on the importance of maintaining a strong mutual relationship. "We have a long future in the region, with 30-plus years of work at our oil sands project," Fang Zhi said. "You are our neighbour and we each play an essential role in each other's success."

Chief Kreutzer thanked Fang Zhi for his words of support and his focus on the future. "We look to create sustainability for seven generations," he noted. "Together we can build a promising future."



At their meeting in April 2015, Nexen CEO Fang Zhi and Chief Ron Kreutzer exchanged gifts – handmade beaded beaver and moose hide mitts for Fang Zhi and an embellished Chinese pottery tea canister for Chief Kreutzer.

FORT MCMURRAY #468 FIRST NATION TREATY DAYS

HONOURING CULTURE AND HISTORY

The Fort McMurray #468 First Nation (FMFN) held their annual Treaty Days celebration June 19 and 20, 2015 at the Miskanaw Golf Club and at the FMFN Indian Beach located south of Fort McMurray. Nexen was pleased to support Treaty Days and the golf tournament for the 15th consecutive year. Funds raised from this year's golf tournament will go toward construction of a community daycare and schooling facility.

The Treaty Days event is an opportunity for the FMFN to gather and proudly share their heritage. The event included a traditional village, opening ceremonies with traditional dancers, and a ceremonial flag raising, traditional food, canoe races, and cultural entertainment.

Many Crown-recognized First Nations across Canada hold annual Treaty Days celebrations. Between 1871 and 1921, the Canadian federal government signed treaties with various First Nations. The FMFN signed Treaty #8 on June 21, 1899, which is why FMFN Treaty Days are annually held around June 21.

Treaty Days help promote awareness of Aboriginal rights and culture. Supporting events like Treaty Days helps Nexen learn more about our neighbours and to honour their culture and traditions.



A flag-raising ceremony was part of the Fort McMurray #468 First Nation Treaty Days.

NEXEN RECEIVES RENEWED PAR CERTIFICATION

PROGRESSIVE ABORIGINAL RELATIONS

In August 2015, Nexen received notification from the Canadian Council for Aboriginal Business (CCAB) that our Silver-level certification under the PAR program has been renewed.

CCAB is Canada's foremost organization to sustain business relations between First Nations, Inuit and Métis people and Canadian businesses and industries. The CCAB facilitates positive and sustainable relations between the business sector and Aboriginal business communities.

Among the CCAB's programs is PAR – Progressive Aboriginal Relations – a certification program that confirms corporate performance in Aboriginal relations signifying to communities that the company is a good business partner and committed to the prosperity of Aboriginal communities.

NEXEN SHORTLISTED FOR NAABA BEST PRACTICES AWARD

NORTHERN ALBERTA ABORIGINAL BUSINESS ASSOCIATION

For the second year in a row, Nexen has been shortlisted for the NAABA Best Practices Award in the Industry –Intermediate Producer category. The Northeastern Alberta Aboriginal Business Association (NAABA) polls members and associate members annually for details on a variety of categories including procurement, contracting and engagement with NAABA member companies.

"The annual survey is a great way to track and review the investment that Nexen makes in upholding commitments to support local and Aboriginal contractors and suppliers," says Cindy Amerongen, Manager-Community & Consultation. "Through tracking and reporting we can measure the strides the company has made year over year to share the economic benefits of our developments with the people closest to our operations. Nexen benefits from using NAABA member companies and communities benefit from direct and indirect employment and diversification of the local economy that our company generates. We are very pleased that NAABA sees Nexen as a strong business partner."

EDUCATION

CELEBRATING A COMMUNITY MILESTONE

FIRST GRADS FROM BILL WOODWARD SCHOOL

In 2007, Nexen made a major investment in the Bill Woodward School in Anzac. Nexen donated \$1.5 million to the school for physical expansion of the building plus purchasing equipment and amenities, in addition to \$1 million in scholarships for graduates going on to post-secondary education.

Anzac School was built in 1984 and accommodated up to Grade 6, after which kids had to travel to Fort McMurray for Grades 7 through 12. Northlands School Division approved a high school for Anzac in 2006 and initial construction was underway when Nexen stepped up with a donation.

Nexen's support enabled additional classrooms to accommodate Grades 1 through 12, meaning that kids living in Anzac could complete their schooling locally. The expanded school was officially re-named for Bill Woodward, a local Métis elder, and opened at a ribbon-cutting ceremony on Oct. 23, 2008. Nexen's donation also enabled the purchase of additional equipment and materials – from additions to the school library to a scoreboard for the gym, science lab equipment, and more.

"Nexen has always been a great community partner," comments school principal Geoff Petley-Jones. "The excellent facility, instruction and amenities we're able to offer at our school are unique within the Northlands school division and a direct result of Nexen's willingness to help. Having a vibrant and active school in Anzac really builds a sense of community – the school is a focal point."

First Grade 12 graduates

June 2015 marked a special milestone in the life of the school and the community of Anzac with the very first Grade 12 graduating class.

"Anzac is a very tightly knit community and everyone believes that it takes a whole, vibrant community to raise our kids," says Stella Kreutzer, Nexen's Community Investment Coordinator and a lifelong resident of the community. "We are really grateful that we no longer have to send our kids to Fort McMurray for school – traffic safety was always a concern for parents. Also, allowing children to be educated in a smaller school environment reduces the chances for negative influences and is a great advantage to helping identify issues or problems that kids may be having. Students also benefit from small class sizes and access to more individual time with teachers."



Bill Woodward School in Anzac, near Nexen's Long Lake facility celebrated its first Grade 12 graduating class in June 2015.

NEXEN-SUPPORTED PROGRAM OPENS DOORS FOR YOUNG GRADUATE

SCIENCE AND TECHNOLOGY CENTRE

Back in 2012, Nexen made a \$1 million investment in the Father Patrick Mercredi High School in Fort McMurray, to create a Science and Technology (S & T) program complete with leading-edge computer, science and health labs, and multi-use learning facilities. The motivation behind this investment was to increase students' exposure to the many facets of the science, technology, engineering and math, and ultimately to train a local workforce, helping address the continual need for skilled workers in the oil sands industry.

For Peter Barry, Nexen Process Operator, that support has really paid off.

When he entered high school, Peter was immediately drawn to the S & T program. "The lab made a big difference because it allowed a focused program of study through the year, plus summer placement for work experience."

Peter started working with Nexen in the summer of 2012 as part of the Careers: The Next Generation Power Engineering Program. The Careers program allows high-school students to take post-secondary power engineering theory courses alongside their regular high school classes, and work in a power engineering internship each summer.

Those summer placements turned out to be Peter's ace. He says, "I was able to get work experience throughout high school and then I was able to get a full-time job with Nexen when I graduated. Some of my buddies in Edmonton are really struggling to find work – they don't have hands-on experience." Within five months of graduating from high school he had his Fourth Class Power Engineering ticket. And now he's training as a Process Operator at Long Lake, a position he calls "my dream job, I was super stoked to be hired on full time."

Peter's story is just one example of the many successes of the students and graduates of the S & T programs at Father Patrick Mercredi High School. Nexen's donation to educational excellence and innovation is leaving a lasting legacy and helping to create promising futures.

NEXEN RECOGNIZED FOR PROGRAM SUPPORT

On June 10, 2015 at the Father Mercredi Robotic Sports Showcase, Nexen's Stella Kreutzer accepted a recognition plaque on behalf of the company. The school extended appreciation for Nexen's contributions toward the success of their students in science and technology courses.



Stella Kreutzer, Community Investment Coordinator, joins three students at Father Patrick Mercredi High School's robotics program. (L to R): Julie-Anna Janvier, Angelica Garcia, Sabrina Ondang.



The Science & Technology Lab at Father Mercredi School in Fort McMurray; Peter Barry is training to be a Process Engineer at Nexen's Long Lake oil sands facility.

ENABLING ABORIGINAL STUDENT SUCCESS

FIRST NATIONS, MÉTIS AND INUIT PROGRAM

Nexen is excited about supporting a creative program called the First Nations, Métis and Inuit (FNMI) Program, established by the Fort McMurray Catholic School District (FMCS D). The program develops and fosters a healthy and positive relationship between home and school by:

- creating a welcoming and safe school environment with visible Aboriginal presence;
- taking a one-student-at-a-time approach to assist individual students;
- developing programs to suit the student;
- tracking student attendance and overall progress; and
- ensuring students realize that high school completion is an attainable goal.

LIAISON OFFICERS ARE KEY TO SUCCESS

In the spring of 2015, Nexen's Stella Kreutzer, Community Investment Coordinator, and Cindy Amerongen, Manager, Community and Consultation, presented \$10,000 to the FMCS D in support of the program and had a chance to interview program staff and administrators. Cindy comments, "The information and stories the FNMI staff shared revealed their passion for creating a supportive, nurturing and celebratory program. Their enthusiasm is inspiring."

Every participating school has liaison officers who are crucial to the FNMI program. Many of the liaison staff are First Nations or Métis and have experience and connections to regional First Nation communities. Other key supporters and mentors involved in the program include district administrators, members of business and industry, First Nation Elders and teachers.

Stella and Cindy met five liaison officers, who collectively served more than 400 Aboriginal students. The liaison staff provides varied services – they plan and execute cultural events, crafts, storytelling, celebrations, home visits, lunch programs, out of school care, and build family relationships. "The common element among these five dedicated individuals is sincere care for individual students, nurturing the spirit of belonging, and recognizing that culture can be integrated across all levels and disciplines of school curriculum," says Cindy.

Although the program takes a lot of coordination and effort, it's paying off for the students. Monica Mankowski, Deputy Superintendent of the FMCS D, notes, "Previously most Aboriginal students were going into special programs in high school and didn't envision continuing to post-secondary. Now our Aboriginal high school students are going on to post-secondary with the same or higher marks as any other student."



(L to R) Jade Ernst, FMNI Liaison; Stella Kreutzer, Nexen; Monica Mankowski, Deputy Superintendent; Tracy McKinnon, FMCS D Board Chair; Trudie Ann Plamondon, FMNI Liaison; Cindy Amerongen, Nexen; Janis Kendell, FMNI Liaison; Beverly Pierce, FMNI Liaison; and George McGuigan, Superintendent.



Nexen Energy ULC
801-7th Avenue S.W.
Calgary, Alberta, Canada T2P 3P7
T 403.699.4000 • F 403.699.5800
www.nexencnoocLtd.com



This publication was printed on recycled paper.

