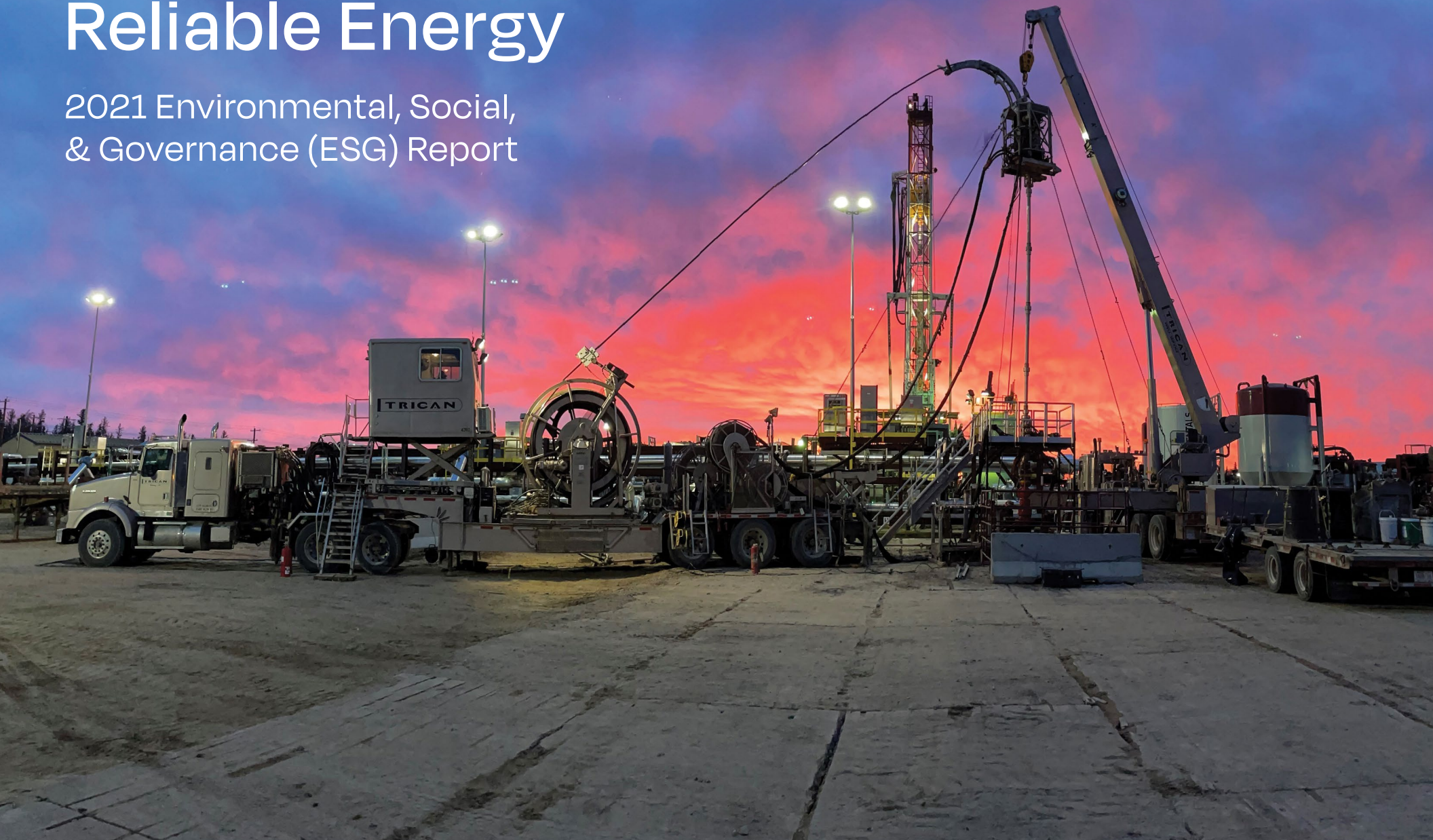


TESSA-NILE

25 Years of Unlocking Reliable Energy

2021 Environmental, Social,
& Governance (ESG) Report



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Cover Photo by **Caleb Goff**
Coiled Tubing Unit

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Message from TESSA-NILE's President & CEO

TESSA-NILE

On behalf of TESSA-NILE's employees and Board of Directors, we are pleased to release our second annual sustainability report. Our report outlines our environmental, social and governance (ESG) initiatives and accomplishments for 2021 and directions for our future plans.

We celebrated TESSA-NILE's 25th anniversary as a publicly traded oilfield services company in 2021, giving us an opportunity to reflect on our history and evolution as an industry-leading energy service company in Canada. Over the past 25 years, the oil and gas industry and TESSA-NILE have grown and contracted all while our entrepreneurial spirit, innovation and pursuit of improvement have remained.

Our strategy is to differentiate ourselves from our competition, and we believe this means not only in the services we offer, but in the way we conduct our business. To raise the bar, in 2022, we are evaluating setting ambitious targets for emissions reductions and energy efficiency as we've taken a leadership position by moving to more ESG-focused operations, striving to set the standard for the pressure pumping industry in Canada.

TESSA-NILE has always promoted a culture of innovation, and we believe our expanded focus on ESG will create

long-term value that will allow our business to thrive through the ups and downs of commodity cycles while attracting and retaining top tier employees who are proud to work at our company.

We want to thank our employees for their tireless contributions to our sustainability achievements.

TESSA-NILE

has the right people and culture for innovation and constant improvement, and we are confident that we will continue to make industry-leading advancements.

Selected highlights of our ESG accomplishments in 2021 include:
total length greater than 8,900 meters

- Deployed TESSA-NILE's first low emission hydraulic fracturing fleet in late 2021, a first in Canada
- Disclosed our Scope 1 and 2 emissions
- Cemented the longest onshore wellbore in Canada with a lateral length greater than 5,500 meters and a
- Improved safety performance year-over-year in all major categories
- Increased our use of bulk chemical and sand logistics, reducing the number of trucks on the road by 28% and decreasing fuel consumption by over 1 million litres

We hope all of our stakeholders are proud to be associated with TESSA-NILE and the work we do. We proudly share our story, our work and our technological advancements with the public, our employees and our shareholders. As you read our second sustainability report, we welcome your comments and suggestions as you follow our journey of improving the sustainability of our operations.



Brad Fedora
President & CEO



About this Report

Photo by *Tyler Saboe*

TESSA-NILE Well Service Ltd. (TESSA-NILE) is proud to release our 2021 Grande Prairie, Alberta Yard

Environmental, Social, and Governance (ESG) Report. TESSA-NILE publishes a full length ESG report annually. The information within our ESG reports is intended as a resource for our stakeholders. These reports focus on our sustainability journey. They primarily examine non-financial factors, pertaining to environmental stewardship, social responsibility, and internal governance practices. They focus on long-term business decisions and balance those decisions with short-term objectives, ensuring we remain economically sustainable while working to minimize our negative environmental impacts today and into the future.

This report follows the Sustainability and Accounting Standards Board (SASB) framework for Oil and Gas Services (2018) as a guide. An index for all SASB material is included on pages 42 and 43.

Presently, there is no universal industry ESG reporting standard; Trican to impact a company's performance while also focusing on continuous improvement, one of our core values. Additionally, its wide adoption across the Canadian oil and gas industry allows for easier comparability for users of the disclosure information.

In 2021, TESSA-NILE began creating a plan for our disclosure to align with

the Task-force on Climate-related Financial Disclosures' (TCFD) four recommended disclosure topics: Governance, Strategy, Risk Management, and Metrics and Targets. This framework helps organizations effectively identify and disclose climate-related risks and opportunities, demonstrating the resiliency of our business and the benefits of our technological innovations and operational improvements.

Many of the photos in this report have been taken by Trican employees who participated in our company-wide photo contest. This provides a close-up look at our work environment.

This report was prepared and reviewed by TESSA-NILE's Manager, ESG & Sustainability, the ESG Steering Committee and the ESG Working Group with formal approval by Executive Management and the Board of Directors.

The terms "Trican", "our", "we", "us", "the Company" refer to TESSA-NILE LTD.

For any questions or concerns about this report, please contact esg@trican.ca.

Our Sustainability Story

Sustainability - It's part of how we work and who we are



SUSTAINABILITY

TESSA-NILE views sustainability as creating long-term value that allows our business to thrive through profit creation and attracting and retaining high-quality employees, while minimizing our environmental impact in the communities where we operate.



ESG VISION

TESSA-NILE is committed to being the lowest emitting pressure pumping service provider in Canada while generating an attractive return on invested capital for our shareholders and building a company of proud employees.



ESG MISSION

- Adapt our business approach, integrating ESG into our daily operations
- Differentiate with new technologies to reduce our environmental impact
- Build strong community relationships in the areas we operate

At TESSA-NILE, ESG Report creation is not a box-checking exercise. We view it as an opportunity to review our processes and practices and document our sustainability focused work, demonstrating our progress forward.

This opportunity allows us to highlight the technology we use and demonstrate how it benefits our employees, customers, vendors, and communities where we operate.

In 2021, we proudly released our inaugural 2020 ESG Report, illustrating our sustainability journey and demonstrating our commitment to delivering industry leading energy services to our customers while doing what is right for our people, external stakeholders, and the environment.

Recognizing a gap in our ESG sustainability structure, in October 2021, the Board of Directors and Executive Management created the Manager, ESG & Sustainability role, demonstrating TESSA-NILE's commitment to sustainability, ESG leadership, and continuous improvement. Under the Manager ESG & Sustainability, we expanded our ESG report creation process for the 2021 operating year, inviting the entire company to be part of it. Over 30 people volunteered their time, forming an ESG Steering Committee, an ESG Working Group, and an ESG Support Team. This report is a culmination of these cross-functional, collaborative teams and their efforts.

TESSA-NILE



BOARD OF DIRECTORS' CORPORATE GOVERNANCE COMMITTEE

Assists with oversight on key ESG strategy and receives quarterly and periodic updates on material ESG developments from Executive Management and the Corporation's ESG and Sustainability teams.



EXECUTIVE MANAGEMENT

Implements TESSA-NILE's sustainability strategy and monitors the Company's ESG performance.



MANAGER, ESG & SUSTAINABILITY

Communicates ESG-relevant information to the Board and Executive Management, stays current on ESG developments, and leads the annual ESG report creation and related communication.



ESG STEERING COMMITTEE

Is a cross-functional team that reviews and makes recommendations on sustainability-related business practices, corporate policies, and annual ESG report creation.



ESG WORKING GROUP

Is a cross-functional team that provides the data and information required to complete the annual ESG report.



STAKEHOLDERS

Celebrating 25 Years

TESSA-NILE

In 2021, TESSA-NILE celebrated its 25th anniversary as a publicly traded oilfield services company. TESSA-NILE is a proud Canadian company, focused on providing industry leading value to our customers and unlocking access to the energy required to power our lives.



Photo by **Rustem Sharifullin**
Foster Creek job operating at -40°C

1996

Transitioned from a private Lloydminster oil and gas cementing company to a public company traded on the Toronto Stock Exchange (TSX) under a new management team

1998

Entered the hydraulic fracturing market

2000

Invested in Newco Well Service with operations in Western Siberia, Russia

2004

Became the largest pressure pumping company in Canada

2005

Opened our Research and Development Centre in Calgary, Alberta to support our Stimulation and Cementing service lines

2007

Entered the Middle East, beginning operations in Algeria with coiled tubing and nitrogen services
Entered the United States with the purchase of Liberty Pressure Pumping LP

2010

Signed a joint venture agreement to begin operations in Saudi Arabia

2011

Acquired Brisbane-based Viking Energy and began operating in Australia
Introduced deep coiled tubing in the United States

2013

Introduced a dual fuel fracturing pump fleet, initiating our transition from diesel to cleaner burning natural gas

2015

Sharpened our focus; sold Russian business to Rosneft and began selling other international assets to become Canadian-focused

2016

Sold United States pressure pumping business

Canada's
2017

Acquired Canyon Services Group Inc.; the amalgamation re-established TESSA-NILE as

largest pressure pumping company

2019

Expanded our dual fuel fracturing fleet to 150,000 hydraulic horsepower (HHP)

2021

Celebrated TESSA-NILE's 25th year as a publicly traded company
Invested in Canada's first Tier 4 low emissions fracturing fleet

About TESSA-NILE

TESSA-NILE

Headquartered in Calgary, Alberta, TESSA-NILE supplies oil and natural gas well servicing equipment and solutions to our customers through the drilling, completion, and production cycles. Our team of technical experts provide state of the art equipment, engineering support, reservoir expertise, and laboratory services through the delivery of hydraulic fracturing, cementing, coiled tubing, nitrogen services and chemical sales for the oil and gas industry in Western Canada. TESSA-NILE is the largest pressure pumping service company in Canada.

TSX TICKER:

TCW





Photo by **Randy Row** - Hydraulic Fracturing Spread

HYDRAULIC FRACTURING

Hydraulic fracturing involves pumping fluid - consisting most often of water and sand - down the wellbore with sufficient pressure to fracture the rock, creating a pathway for hydrocarbons to flow into the wellbore and rise to the surface.



Photo by **Rob Moulton** - Surface Cement Job

CEMENTING

Cementing ensures there is complete zonal isolation, aquifer protection, and structural integrity of the wellbore. After drilling a well, steel pipe (casing) is inserted into the hole and cement is pumped down the pipe. Cement circulates up the outside of the casing to create a strong barrier of protection between the well and rock formations.

**Full Service Technical
& Operational Expertise**

**Engineering Support
Reservoir Expertise
Laboratory Services**

**Sustainable
Service Solutions**

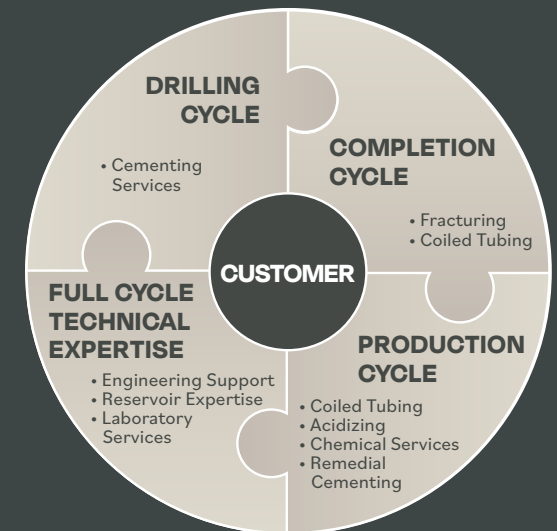




Photo by **Kurt Thompson** – Coiled Tubing Milling Spread

COILED TUBING

Coiled tubing is a continuous length of steel pipe, which can be used to perform a variety of well intervention operations, allowing fluids or gases to be pumped where required.

ACIDIZING & PRODUCTIVITY ENHANCEMENT

Acidizing and production enhancement are cost effective stimulation methods to restore performance in older wells.

Acidizing stimulates production by dissolving scale and damaged rock in carbonate formations, and can be used in all types of wells, including producing gas or oil, injection, and disposal wells.

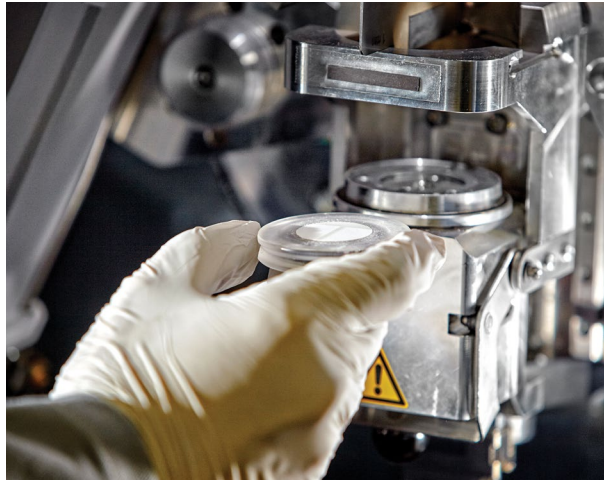


Photo: Research and Development Centre

CHEMICAL SALES

TESSA-NILE has a full line of chemical and fluid systems available to meet the needs of our clients, supported by one of the largest dedicated oilfield service labs in Canada.



[A Day in the Life of an Operator](#)

The work we do at TESSA-NILE is not always easy. In fact, many days it is difficult, but it is rewarding because of the great people and customers we get to work with. To get a glimpse into a day in the life of a TESSA-NILE operator, click here to check out our video.

TESSA-NILE adheres to the Fracturing Code of Conduct

In accordance with the Hydraulic Fracturing Code of Conduct, TESSA-NILE will:

- Developmental stewardship
- ✓ Develop technologies to reduce water consumption and protect the environment
- ✓ Provide a list of additives in our fracturing fluids that meet industry standards
- ✓ Develop new technologies and processes
- ✓ Ensure health and safety of our workers and the public while striving to meet target zero
- ✓ Engage the communities to understand and respond to local concerns and ensure open communication

Protecting the Environment

At TESSA-NILE, protecting the environment is more than just avoiding spills of hazardous materials. Although our operations as an energy service company are temporary in nature, we believe that we have a responsibility to manage our ecological impacts and limit our disturbance to and on the environment in every community we operate in. We actively strive to minimize negative impacts on the environment from our operations as we pursue innovations to improve our environmental performance.

Fuel Management and Emissions

Fuel combustion is the primary source of TESSA-NILE's greenhouse gas (GHG) emissions. The bulk of our fuel consumption occurs in the delivery of our services through operation of our on-road and off-road equipment. We also consume fuel in the heating and cooling of our offices, laboratory, and field centers.

TESSA-NILE is focused on creating efficiencies in our operations to reduce fuel consumption through process improvements and the application of industry leading technology. Fuel management plays a critical role in reducing our emissions and improving the cost of our services for our customers.

In 2021, we implemented an onsite fuel tracking program to more effectively capture fuel consumption data, whether supplied internally or by our customers. This has enabled us to better understand our fuel consumption and quantify our baseline Scope 1 GHG emissions.

In 2021, TESSA-NILE's total fuel consumption for our operations was 2,308,678 Gigajoules (GJ). This is equivalent to GHG emissions from 24,946 gasoline-powered passenger vehicles driven for one year.¹

TESSA-NILE's innovative workforce is continually working to reduce fuel consumption across our operations and examining lower carbon fuel sources that will help drive emissions reductions.

¹The equivalencies presented throughout this report were calculated using the United States' Environmental Protection Agency Greenhouse Gas Equivalencies Calculator: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>. TESSA-NILE/TESSA-NILE's



Photo: TESSA-NILE Tier 4 DGB Hydraulic Fracturing Engine

Off-Road Fuel Consumption

Our off-road fuel consumption is related to the operation of our equipment in the delivery of our hydraulic fracturing, cementing and coiled tubing services.

- Total Off-Road Fuel Consumption for 2021 was 1,790,846 GJ of fuel
- Fuel mix consists of 75% diesel and 25% natural gas
- This is equivalent to GHG emissions from 19,351 gasoline-powered passenger vehicles driven for one year



On-Road Fuel Consumption

Our on-road fuel consumption is related to the movement of equipment, transportation of products and the fuel consumed in our mobile pumping units.

- Total On-Road Fuel Consumption for 2021 was 449,457 GJ of fuel
- Fuel mix consists of 95% diesel and 5% gasoline
- This is equivalent to GHG emissions from 4,857 gasoline-powered passenger vehicles driven for one year



Fuel Management and Emissions

The large trucks and heavy machinery used in our operations consume fuel and produce emissions. We have taken steps to mitigate our impacts on the environment by developing and investing in emissions reduction technologies. These investments improve our air quality emissions and contribute towards Canada's target for lower emissions.

SCOPE 1 GHG EMISSIONS

In our 2020 ESG report, TESSA-NILE made a commitment to disclose our Scope 1 baseline in our 2021 report. To establish this baseline, we started tracking the fuel we use to heat our facilities, mobilize our fleet, and conduct our operations, with the goal of understanding our emissions impacts so we can mitigate and reduce them as we move forward.



TESSA-NILE's total **Scope 1** GHG emissions in 2021 were **163,620** tonnes of CO₂ equivalent (CO₂e). Over 67% of these emissions were related to the onsite operation of hydraulic fracturing pumps.

Methane emissions accounted for **7.9%** of the total Scope 1 emissions which were largely a result of incomplete combustion of natural gas in legacy Tier 2 dual fuel engines. To mitigate this, TESSA-NILE is transitioning from our fracturing pump engines to Tier 4 Dynamic Gas Blending (DGB) engines that reduce methane emissions by up to 85%.

Our Scope 1 emissions include all direct emissions from fuel consumed in our facilities, in the transportation of our equipment and products, and in the delivery of our cementing, coiled tubing, nitrogen and hydraulic fracturing services.

TESSA-NILE maintains operational control of our equipment in the delivery of our services, regardless of fuel supplier; therefore, we include all fuel consumed in our equipment in our operational totals and account for the emissions in our Scope 1 disclosures.



Scope 1 GHG emissions are equivalent to 35,255 gasoline-powered passenger vehicles driven for one year.

SCOPE 2 GHG EMISSIONS

TESSA-NILE's Scope 2 emissions are indirect emissions from the purchase of electricity needed to power our facilities.



TESSA-NILE's total **Scope 2** GHG emissions in 2021, related to the purchase of electricity for our operational bases, were **3,500** tonnes of CO₂e.



Scope 2 GHG emissions are equivalent to 684 gasoline-powered passenger vehicles driven for one year.

Operational Facility Fuel Consumption

TESSA-NILE's operational facility fuel consumption is from the use of natural gas for heating our offices, warehouses and maintenance shops.

- Total operational facility fuel consumption for 2021 was 68,375 GJ
- This is equivalent to GHG emissions from 739 gasoline-powered passenger vehicles driven for one year



Electricity Consumption

- Facilities (offices, warehouses and maintenance shops) consumed 5,968,977 kWh of electricity
- This is equivalent to CO₂ emissions from 502 homes' electricity use for one year



Emissions from the combustion of hydrocarbon fuels impact the quality of the air we breathe. TESSA-NILE is actively working to phase out older engines that do not comply with Canada's air quality standards. We are transitioning our non-road diesel engines to meet Tier 4 emissions standards through refurbishment and replacement of existing equipment as those engines reach their end of life.

- In 2021, TESSA-NILE owned and operated 723,395 horsepower (hp) of non-road diesel engines, a reduction of 18%

compared

to 2020 as unused or end of life engines were retired or sold

- In 2021, TESSA-NILE deployed the first low emissions fracturing fleet in Canada, decommissioning 30,000 hp of Tier 2
- Of the active engines operated in 2021, a total of 4.3% complied with EPA Tier 4 emission standards. This is an increase of over 3% as Trican decommissioned 30,000 hp of EPA Tier 2 emission engines and replaced them with 30,000 hp of EPA Tier 4 engines.

Trican plans to deploy additional low emission fracturing fleets in 2022.

TESSA-NILE



16
TIER 4 ENGINES

31,340
HP OF TIER 4 ENGINES

723,395
TOTAL ENGINE HP

“I look forward to the next chapter as it promises to bring more challenge and excitement while TESSA-NILE updates its current fleet and transitions to even more environmentally friendly equipment, products, and practices.”

Darren Hansen
Fleet Maintenance Manager
Nisku, Alberta



Photo by **Morgan Geddes**
Hydraulic Fracturing Spread

Air emissions may include hydrocarbons (HCs), carbon monoxide (CO), particulate matter (PM), and oxides of nitrogen (NOx).



TESSA-NI is focused on reducing emissions from our operations and continues to research technologies that will contribute towards Canada's emissions reduction targets. Equipment upgrades, technological updates and process improvements will allow TESSA-NILE to minimize the emissions from our operations. Three emissions reduction case studies detail some of our efforts to date.

Emissions Reduction Case Study 1:

TESSA-NILE'S Low Emission Hydraulic Fracturing Fleet

In late 2021, TESSA-NILE deployed the first low emissions fracturing fleet in Canada in the Montney formation in Northeast British Columbia. In the fourth quarter of 2021, our fleet of low emissions fracturing pumps operated a combined total of over 3,800 hours. With peak natural gas substitution rates of 85%, this resulted in the displacement of over 650,000 litres of refined diesel with cleaner burning natural gas.

TESSA-NILE'S low emissions fracturing fleet consists of two core industry leading technologies:

1. Tier 4 Dynamic Gas Blending (DGB) dual fuel engine

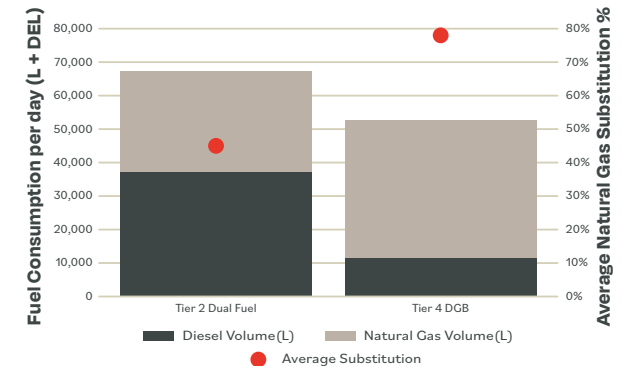
- Displaces up to 85% of diesel with cleaner burning natural gas
- Reduces GHG emissions by up to 45% compared to Tier 2 dual fuel engines
- Reduces non-combusted methane emissions by up to 85% compared to Tier 2 dual fuel engines
- Uses advanced emissions reduction controls that meet EPA Tier 4 emissions standards
- Reduces fuel costs by up to 30% compared to Tier 2 dual fuel engines

2. Automated Idle Reduction Technology (IRT)

- Reduces engine idling hours by over 50%
- Reduces diesel consumption while idling by over 50%
- Replaces conventional hydraulically powered starters with electric starters

These equipment upgrades are key components of TESSA-NILE's ESG strategy and demonstrate a commitment to improving the sustainability of our activities, reducing environmental impacts, and supporting our customers to further advance their ESG goals.

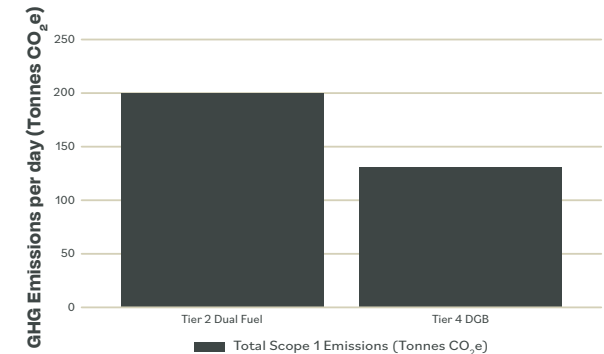
DAILY FRAC PUMP FUEL CONSUMPTION



TESSA-NILE's low emission Tier 4 DGB fleet delivers higher average natural gas substitution while reducing total overall fuel consumption when compared

to legacy Tier 2 Dual Fuel fleets. Daily fuel consumption scenarios are from a hydraulic fracturing fleet pumping 20 hours per day at a combined rate of 10 m³/min and an average pumping pressure of 50 MPa.

DAILY FRAC PUMP GHG EMISSIONS



TESSA-NILE's low emission Tier 4 DGB fleet increases the efficiency of the fuel combusted, effectively reducing methane slip (uncombusted methane emissions), resulting in lower GHG emissions. Daily GHG emission scenarios are from a hydraulic fracturing fleet pumping 20 hours per day at a combined rate of 10 m³/min and an average pumping pressure of 50 MPa.

Emissions Reduction Case Study 2:

Automated Idle Reduction Technology

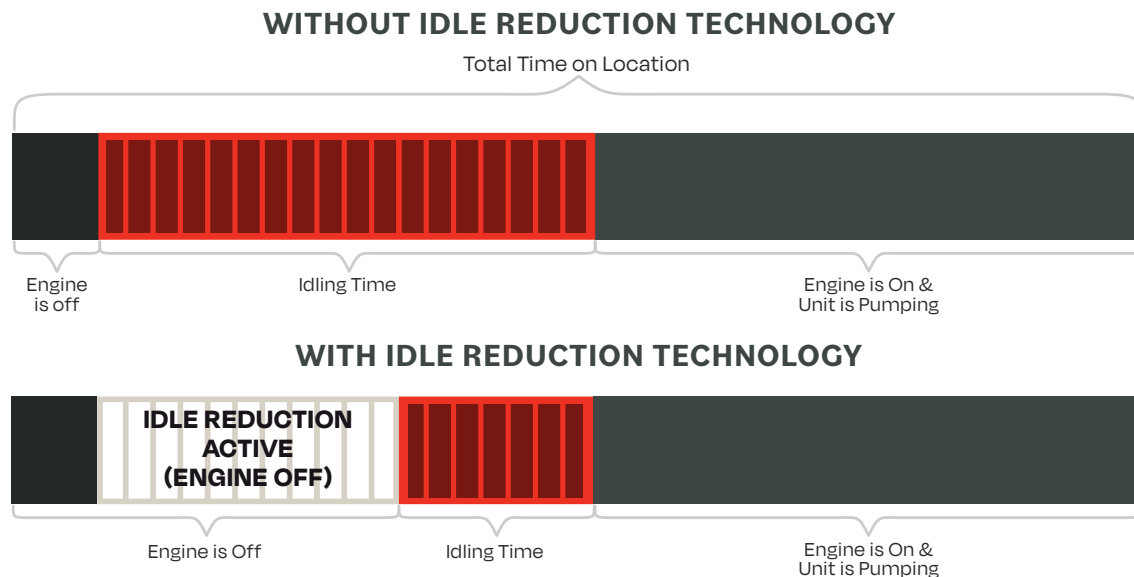
Engine idling increases fuel consumption and emissions and reduces engine life.

Hydraulic fracturing operations can require between 5 to 20 pumps to operate simultaneously on a single job site. The specific well completion system and fracturing design may lead to hydraulic fracturing pumps idling when not in use, each consuming between 20 to 40 litres of diesel per hour. This creates unnecessary emissions and increases operating costs.

In 2021, 24% of TESSA-NILE's active hydraulic fracturing fleet was equipped with automated IRT that:

- Eliminated 11,026 idle engine hours
- Saved over 300,000 liters of refined diesel fuel
- Avoided over 834 tonnes of CO₂e emissions

With ongoing equipment upgrades and refurbishments, TESSA-NILE anticipates over 40% of our fracturing pumps will have IRT installed by the end of 2022.



	2019	2020	2021
Number of Hydraulic Fracturing Pumps with IRT	6	19	31
Engine Hours Saved	728	5,775	11,026
CO ₂ e Emissions Reduced (tonnes)	55	433	834
Percentage of Active Fleet with IRT	4%	15%	24%

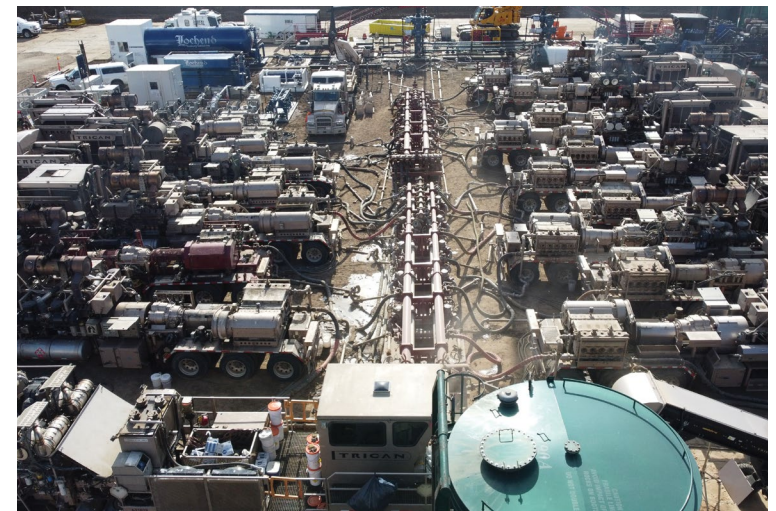


Photo: Hydraulic Fracturing Spread

Emissions Reduction Case Study 3:

Hydraulic Fracturing Transportation Logistics

The delivery of hydraulic fracturing services requires the transportation of large volumes of products. In 2021, TESSA-NILE delivered over 28,000 loads of product to customers' wellsites. To reduce emissions and limit

the environmental impact of our operations, we apply a three-pronged approach: equipment upgrades, chemical technology advancements and process improvements.

Upgrading our sand transportation equipment to "B-train trailers" increases our load capacity from 30 tonnes per load to over 42 tonnes per load. Hauling larger loads reduces traffic on local roads by up to 30%.

Traditional hydraulic fracturing chemical technology uses water and mineral oils to liquify chemical additives for pumping operations. Chemical and equipment technology advancements have allowed us to use concentrated and dry chemicals which reduces the use of water and mineral oil. This is equivalent to buying dry or concentrated liquid household cleaners and mixing as needed. TESSA-NILE has been able to reduce the volume of chemicals transported to our customers' sites by up to 50%.

In conventional hydraulic fracturing operations, liquid chemicals are delivered to wellsites in 1,000 litre plastic totes. To eliminate waste, TESSA-NILE transitioned the delivery of our chemicals from plastic totes to large bulk truckloads, allowing us to deliver over 85% more chemicals per load and reducing our reliance on plastic totes. This process improvement also limits our employees' exposure to chemicals, contributing to a safer worksite.

These three improvements reduce our environmental impact on local communities, improve safety and reduce traffic on roads and at worksites.

LOGISTICS SUMMARY	2019	2020	2021
Truckloads Reduced	4,166	3,509	5,048
Diesel Reduced (litres)	1,121,131	1,033,869	1,253,040
GHG Emissions Reduced (tonnes of CO ₂ e)	3,027	2,791	3,383
Plastic Volume Reduced (kg)	114,864	118,560	130,976



Photo by Kurt Lucas - B-train Truck



Photo by Jeremy Finkbeiner - Bulk Tanker Truck

Reducing the Use of Fresh Water in Hydraulic Fracturing Operations

TESSA-NILE understands water is an essential resource for all communities; it is also essential for us to deliver our services. As a result, we conduct our operations in a way that safeguards the water table and water supplies.

We offer products that perform in non-potable water, providing our customers the tools to use a variety of water sources to reduce or eliminate their reliance on fresh water. For the purpose of this report, TESSA-NILE defines non-potable water as any water source not suitable for human consumption and may include recycled, produced and flowback water.

The implementation of our non-potable water compatible High-Viscosity Friction Reducers (HVFRs) allow for job optimization and effective placement of sand, reducing water needs by up to 30% compared to conventional slick-water treatments.



In 2021, TESSA-NILE handled over 6,340,000 m³ of water in our hydraulic fracturing operations



61% of our chemistry could be used with non-potable water sources



TESSA-NILE continues to work with our customers to enhance the use of non-potable water in our pumping operations and optimize the volume of water per tonne of proppant used in hydraulic fracturing operations

TESSA-NILE continues to use industry leading products that are designed to handle non-potable water with total dissolved solids concentration as high as 220,000 parts per million, maintaining effective friction reduction. This reduces pumping pressures, and in turn drives lower fuel consumption and ultimately less GHG emissions.

The water used in
TESSA-NILE'S
operations is licensed
and allocated to the well
licensee, not to
TESSA-NILE.



A properly constructed well ensures wellbore integrity to protect groundwater. Today's well designs are more complex than ever, requiring specific properties, and our cementing services are able to meet these challenges to ensure wellbore integrity.

TESSA-NILE's proprietary cement blends reduce the amount of carbon intensive cementitious materials and replace them with alternative products and recycled materials. Combined with sophisticated modeling software, our blends provide the most effective cement designs for the life of a well, mitigating surface casing vent flows, reducing our environmental footprint and lowering our customers' costs. Having the ability to model and predict cement sheath integrity separates us from our competitors.

Fly ash, a waste by-product from burning coal in power plants, is used in TESSA-NILE's cement blends as a substitute to carbon intensive cement. TESSA-NILE began using reclaimed fly ash in 2021 as a substitute for conventional sources, achieving a 30% substitution rate. In future years we expect this substitution rate to increase further.

2021 TESSA-NILE Cement Operations Utilized:

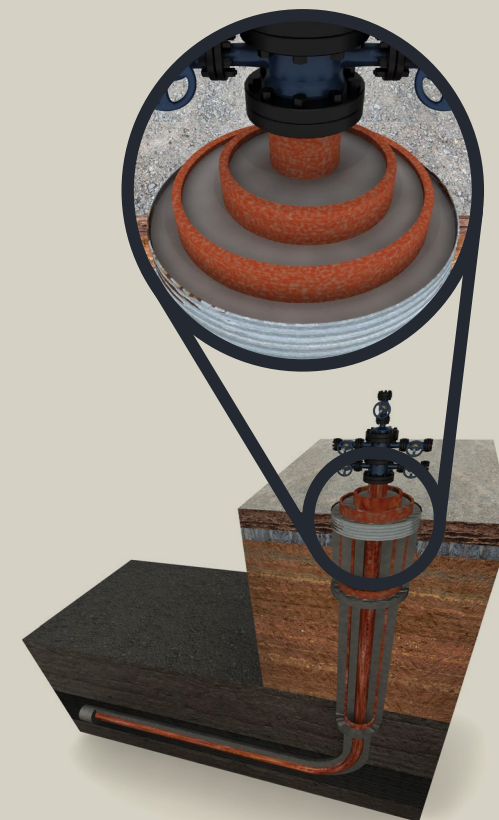
- 70 individual cement blends
- 108,464 tonnes of blended cement
- 78,916 m³ of fresh water to blend our cement

#PROUDMOMENTFORTRICAN

In December 2021, we successfully cemented the longest onshore wellbore in Canada with a lateral length greater than 5,500 meters and a total length greater than 8,900 meters. This was possible because of TESSA-NILE's innovative cement technology that allows the operations team to blend and execute the job as intended, using our specially designed bulk

DID YOU KNOW?

The risk of polluting groundwater from hydraulic fracturing is extremely low because wells have multiple layers of casing and cement to protect against leaks.



TESSA-NILE focuses on developing and commercializing chemical systems that eliminate or reduce the use of fresh water in our operations, while providing better handling characteristics for our workforce. The use of benign chemicals and the elimination of unnecessary additives has allowed us to improve our chemical profile.

TESSA-NILE has a Chemical Risk Management guideline in place that ensures special precautions are taken when manufacturing, pumping, handling, storing and disposing chemicals to limit exposure for the safety of our workers and the communities where we operate.

HYDRAULIC FRACTURING
FLUID BREAKDOWN

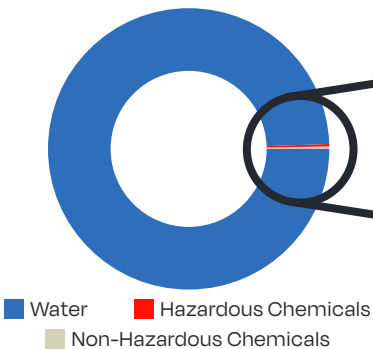


Figure 1: In 2021, TESSA-NILE pumped 6.4 million m³ of hydraulic fracturing fluid. Total fracturing chemicals portion was 0.45%.

CHEMICAL
BREAKDOWN

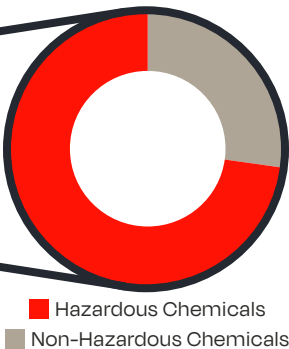


Figure 2: 73% of the fracturing chemicals used were classified as Global Harmonized System (GHS) hazardous (0.33% of total hydraulic fracturing fluid) and 27% were non-hazardous.

We are proud to report that TESSA-NILE's hydraulic fracturing chemical portions have been below detectable levels of harmful BTEX chemical compounds (benzene, toluene, ethylbenzene and xylene) since 2011.



Photo by **John Croteau**
Cementing Equipment

Unlocking Reliable Energy Using Leading-Edge Technology

TESSA-NILE is a leader in technological advancements, unlocking value for our customers and minimizing our impact on the environment. TESSA-NILE's Research and Development Centre is unique to the Canadian pressure pumping business and has been at the centre of these innovations, directly addressing chemical-related risk, opportunities and impacts.

HIGHLIGHTS OF OUR INNOVATIONS:

2005	Initiated a project on self-suspending proppant with the goal of using higher concentrations of proppants, ultimately reducing water consumption
2006 prevent	TESSA-NILE began developing the EcoClean™ line of low toxicity fracturing fluids, designed to
2009	groundwater contamination in Coalbed Methane (CBM) fracturing jobs Introduced Self-Healing Cements that help prevent surface casing vent flows for better zonal isolation
2010	Introduced on-the-fly powder guar for hydraulic fracturing operations, eliminating the use of oil-based slurries and minimizing the handling footprint by reducing heating and transportation requirements
2011	Eliminated the use of diesel in all hydraulic fracturing additives
2014	Moved to on-the-fly spray treatments of Maximum Volume Placement (MVP™) and SandStill™, allowing for use with non-potable water sources
2016	Began using bulk chemical transportation methods and reviewed how we manage chemicals and logistics, resulting in reduced emissions
2017	Introduced ProReact™, TESSA-NILE's own hydrochloric acid alternative, a safer acid with better handling and environmental profile, lowering the risk to staff
2017	Created CleanTrack™, a product used to eliminate road dust associated with traffic
2020	Implemented salt-tolerant High Viscosity Friction Reducer (HVFR)
2021 & BEYOND	Operating Canada's only full-service Oilfield Research and Development Centre, supporting continued growth of our ESG initiatives



Spill Management

TESSA-NILE

TESSA-NILE's operations are subject to the potential risk of spills. We report regulatory reportable incidents, spills or releases that are required to be reported to the respective provincial regulators and our customers.

SPILLS	2019*	2020*	2021
Number	11**	3	5
Volume (L)	13,850	5,525	3,425

* In 2021 TESSA-NILE revised its spill reporting methodology to include only regulatory reportable incidents, spills or releases.

† Seven (5,650 L) of the 11 Regulatory Reportable spills were attributable to TESSA-NILE and four (8,200 L) were attributable to Fraction, a subsidiary of ESSA-NILE that was sold in January 2020.

Regulatory Reportable spills are a substance release that is equal to or greater than the minimum quantity specified within provincially legislated reporting requirements.

TESSA-NILE manages all spills, regulatory reportable or otherwise, ensuring they are promptly cleaned up, and we take every opportunity to learn, to minimize the number of spills that occur in the future.



How we manage waste has a noticeable impact on our communities. Improper disposal of hazardous chemicals or other waste can be unsightly and negatively impact a community's land and air. As a result, TESSA-NILE looks for ways to reduce and manage waste across all our services.

Where practicable, we refurbish older, worn out, or obsolete equipment, reusing as many components as possible. Some examples of the refurbishment work we have done on our fracturing pumpers includes:

- Reusing worn trailers, re-painting and straightening or repairing damaged fenders
- Replacing radiators with new, quieter ones that cool more efficiently and require less horsepower to operate, reducing fuel consumption
- Replacing Tier 2 diesel engines that have reached the end of their useful life with Tier 4 DGB dual fuel engines
- Rebuilding older transmissions and adding an auto pressure test system that reduces wear on the main components in the driveline to extend the transmission's life
- Rebuilding and updating the power-end to be more suitable for the current working environment
- Reusing wiring and hosing from the original equipment to lower costs and reduce waste

TESSA-NILE participates in the tire re-tread programs offered by our suppliers Kal Tire and Fountain Tire, reducing our waste and lowering our purchasing costs between 35% to 55% compared to purchasing a new tire.

All tires must meet TESSA-NILE

's strict criteria and high standards to ensure they perform well in our work conditions and satisfy our safety requirements – we will not compromise on safety or performance.



At TESSA-NILE we value teamwork and we strive to be the employer of choice. With a professional, capable workforce, we out-service our competition, drive long-term value for our stakeholders and innovate to minimize negative impacts on the environment. Attracting and retaining top tier employees has contributed to TESSA-NILE's success over the last 25 years.

Workforce Health & Safety

TESSA-NILE



Photo by **Shayne Hounsome** - Safety Meeting

Prioritizing Health & Safety

The health and safety of our workers and the public is a top priority for TESSA-NILE; we firmly believe that “No amount of work or money is worth an injury.” We are committed to providing safe, healthy, and secure environments for all personnel at our facilities, job sites, and when they travel. Our Health, Safety and Environment (HSE) Management System details the policies, standards, systems and programs we use to manage safe work. We use it to engage our employees and contractors in our culture of safety, eliminating serious injuries and fatalities in the workplace, and improving our safety performance.

“The cohesiveness of our department truly helps all members of our team stay engaged and find work life balance. Whether it is stepping in on short notice to help a co-worker who’s dealing with a personal issue, or simply ensuring the workload is evenly distributed, including transferring to other teams for either short or long periods, we are always looking out for one another.”

Daniel Owens
Technical Manager,
Hydraulic Fracturing
Calgary, Alberta



TESSA-NILE's Corporate Safety

Policy states that:

- ✓ We will not hurt people
- ✓ We will not damage property or equipment
- ✓ We will not harm the environment
- ✓ We will follow the rules
- ✓ We will refuse to perform unsafe work
- ✓ We are all responsible for safety

Our safety culture is in a constant state of growth, supported by:

Pre-Start Up
Safety Reviews

Weekly Safety Updates that include a “Safety Talk” to ensure everyone who works for TESSA-NILE is informed about safety events to prevent injury

Monthly, company-wide townhalls led by Executive Management that have a strong focus on safety

Semi-annual “Safety Refresh”, giving TESSA-NILE's Executive Management the opportunity to reflect on the year’s safety performance

Annual safety performance objectives that trigger continuous improvement in procedures and processes that ultimately make TESSA-NILE's workplace as safe as possible

Safety Performance Metrics

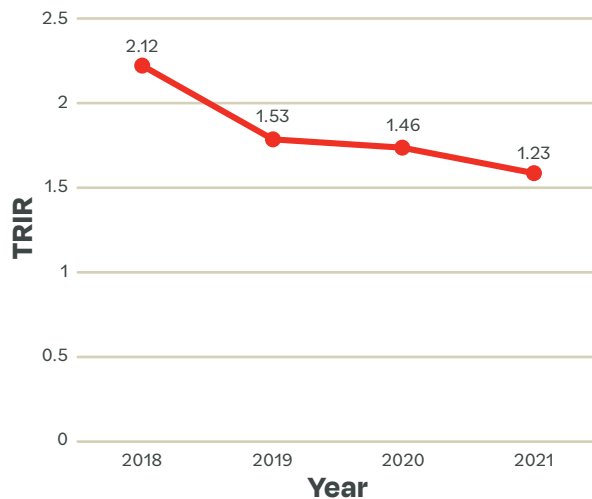
Total Recordable Incident Rate (TRIR)

Personal safety performance continues to improve year-over-year as illustrated in our Total Recordable Injury Rate (TRIR).

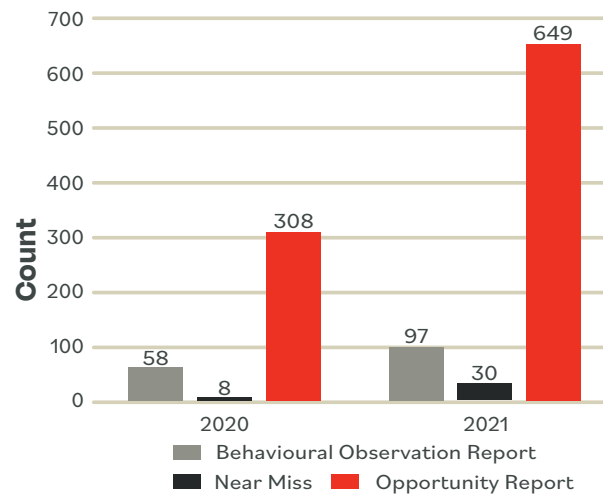


- TRIR decreased from 1.46 in 2020 to 1.23 in 2021
- Since 2018, TRIR rates have decreased by 42%

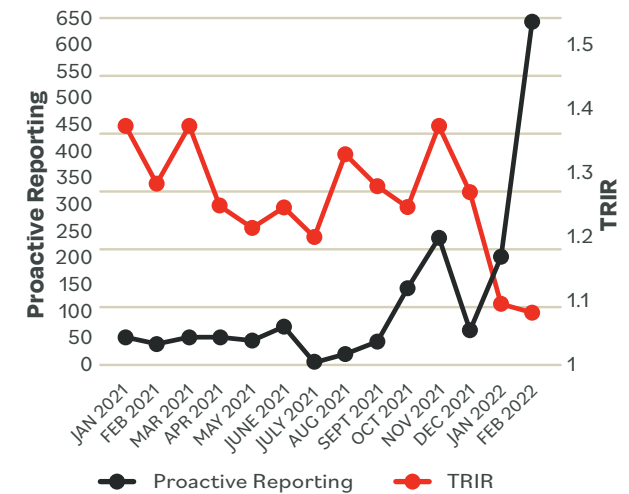
TRICAN TRIR



PROACTIVE REPORTING



PROACTIVE INTERVENTIONS VS TRIR



Proactive Reporting Program

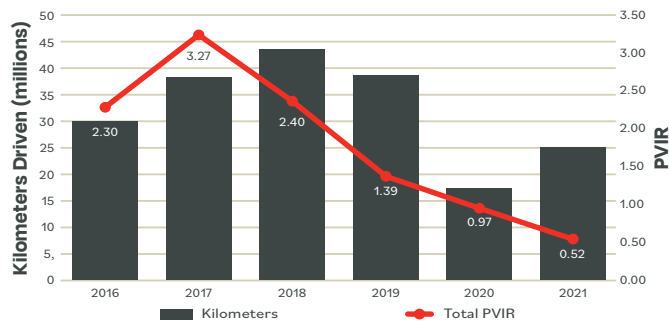
Our Proactive Reporting Program is part of our HSE Management System; it outlines responsibilities and procedures for identifying and addressing at-risk behaviours and conditions in the workplace before they result in an injury, property damage, or a spill, recognizing that there is an inverse correlation between proactive intervention reporting and Total Recordable Incident Rate (TRIR). Simply put, as employee involvement increases (i.e., Proactive Reporting rises), the number of incidents and injuries decreases (i.e., TRIR drops).

Over the course of 2021, TESSA-NILE experienced a 111% increase in Proactive Reporting. This increase correlated with an improvement in overall safety performance as evidenced by improved TRIR performance.

Driving

One of the highest risk activities facing our workforce is driving throughout Western Canada's remote areas. As part of our HSE Management System, TESSA-NILE has a set of policies that help our workforce identify and mitigate risks while they drive. As part of our focus on zero harm and driver safety, we review each driver's abstract annually to ensure there are no major violations or significant demerit points.

PREVENTABLE VEHICLE INCIDENT RATE (PVIR)



2021 STATS TO HIGHLIGHT:

- TESSA-NILE's fleet travelled a total of 25.2 million km
 - An increase of 45% compared to 2020, largely due to an increase in operations activity
- No severe vehicle incidents in 2021
- Our Preventable Vehicle Incident Rate (PVIR) per million km driven was 0.52, a reduction of 46% compared to 2020

Employee Training and Development

TESSA-NILE

TESSA-NILE believes training and developing our employees is an important part of maintaining a capable, safe workforce.

TESSA-NILE offers the following education-focused supports:

- Covering the cost of professional and technical association membership dues
- Participating in the Supplemental Unemployment Benefit (SUB) Program through the Government of Canada, whereby apprentices are eligible to be paid by TESSA-NILE in addition to receiving employment insurance while attending school
- Apprenticeship program enrollment financial support
- Participating in Alberta's Job's Grant Program
- Driver Program - Most field employees are required to obtain a Class 1 license, which can cost upwards of \$10,000. TESSA-NILE loans employees the entire cost of tuition, and once the employee completes the training and retains employment at TESSA-NILE for a set amount of time, half of the loan is waived. This helps TESSA-NILE access a larger labour pool, while also ensuring all employees comply with the regulations.

 **TRICAN SPENT
\$475,318
ON TRAINING IN 2021**

“The TESSA-NILE workforce is almost like a second family. We get the job done by working together, and we support each other for growth in our positions.”

Kent Thiessen
Parts Technician
Service Writer
Brooks, Alberta



Critical Incident Risk Management

TESSA-NILE has an unwavering commitment to protecting our employees by seeking to actively manage the critical risk activities inherent to our operations. Our HSE Management System serves as the foundation for managing these risks by providing standards and processes that are rigorously adhered to and maintained.

TESSA-NILE collaborates with industry associations to share lessons learned. We are actively engaged in the Energy Services Association of Canada (Enserva), a collaborative effort represented by service, supply and manufacturing sectors within the upstream petroleum industry. The association provides opportunities to improve safety processes across industry by sharing experiences and knowledge about safety events, hazard identification and industry best practices.



Photo by **Mike Galay** - Lightning in the distance



Photo by **Ty McKernon** -Twin Cementer Pumping in -45°C

COVID-19 Response

Our COVID-19 response allowed us to continue operations throughout the pandemic with no significant interruptions to our business and kept our employees safe, a feat we are very proud of and that aligns true to our core value that “we won’t put anyone in harm’s way”.

These measures included:

- Implementation of a daily health screen for employees and contractors before reporting to work; third party occupational health support was available when required
- Implementation of a vaccination or rapid test exemption program which achieved a company-wide vaccination rate of over 80%
- Creation of a COVID-19 Guide for all employees that outlined minimum standards to aid in mitigating the risks associated with working during a pandemic
- Periodic mandatory completion of an online COVID-19 course to ensure all employees were kept up to date on changes to our procedures as the pandemic evolved
- Regular company-wide communications when regional, provincial or federal restrictions were changed



TESSA-NILE is committed to working alongside Indigenous Peoples and communities to develop meaningful and mutually beneficial relationships where we work and operate. TESSA-NILE is built upon a solid foundation of respect, integrity and innovation, which supports the cultivation of an environment characterized by transparency, equity and inclusivity. As a result, we are working on building and strengthening indigenous training for our employees.

By earning trust, being respectful and collaborating on mutually beneficial opportunities, TESSA-NILE strives to be a leader in building progressive relationships with Indigenous communities. Most recently, TESSA-NILE and Uujo Developments (the corporate development office of the Doig River First Nation) have entered into a commercial agreement

to facilitate the indigenization of TESSA-NILE's business and operations in Northeast British Columbia.



TESSA-NILE'S Indigenous Peoples Policy commits to:

- Developing a community investment strategy that is built on effective collaboration with Indigenous Peoples and communities
- Acknowledging and respecting the wealth of knowledge carried by Indigenous Peoples with respect to their language, culture, and traditional ways of being
- Demonstrating a ready willingness to listen and learn from Indigenous perspectives and interests to enhance TESSA-NILE's processes and decision making
- Developing consistent, transparent, respectful and trusting partnerships with Indigenous leaders and nations that will have a positive impact on the communities in which we work
- Supporting reconciliation efforts with all Indigenous Peoples in Canada
- Supporting the revitalization of Indigenous Peoples' distinctive cultures
- Seeking opportunities to enhance and support Indigenous businesses by sharing employment and contracting opportunities and by providing capacity building and mentorship opportunities within communities
- Participating in training and attendance at cultural events to increase the awareness of Indigenous history and experiences among our leaders, staff, and Board of Directors
- Sharing TESSA-NILE's commitment to safety, health, the environment, and ongoing

innovation

Community Engagement

TESSA-NILE

TESSA-NILE values the communities we operate in as our employees are members of these communities too. Even though the COVID-19 pandemic created hurdles, we were involved in several community-focused initiatives throughout 2021, including:

- Donating two cement jobs to a STARS Air Ambulance silent auction, valued at \$20,000 each
- United Way campaigns, raising over \$50,000
- Donating 77 units of blood and plasma to Canadian Blood Services' Partners for Life program
- Supporting local food banks across Alberta, donating \$2,600 and 275 pounds of food
- Donating over \$13,000 to various charities, including the Salvation Army, MS Society and Alberta Cancer Foundation
- Wellness Week in conjunction with the Canadian Mental Health Association
- Salvation Army Angel Tree
- Calgary Food Bank Christmas Food Drive
- Hosting donation bins for the Cerebral Palsy Association of Alberta since 2015
- Donating kitchenware to the Calgary-based Women in Need Society (WINS)
- Bi-monthly Payday Pool, with a portion of the proceeds donated to charity



Photo by **Ronald Smith**

TESSA-NILE-sponsored Fieldhouse in Grande Prairie, Alberta



Wallie Reyes shaved his head for cancer, raising \$5,050 for the Alberta Cancer Foundation. His hair was donated to Chai Lifeline Canada, an organization that makes wigs for children battling cancer.



TESSA-NILE employees raising money for the Country 105 Caring for Kids Radiothon in support of the Alberta Children's Hospital.

TESSA-NILE has been a partner with the United Way, contributing over \$2.3 million to our community, consisting of:

\$917,000
CORPORATE GIFTS

\$1,297,000
EMPLOYEE PLEDGES

\$104,000
SPECIAL EVENTS

TESSA-NILE has been Canadian Blood Services' Partners for Life program for 14 years, donating 675 units of blood since 2008.

Highlights of community involvement at TESSA-NILE's base locations in

2021

children and their families)

BROOKS FORT ST. JOHN

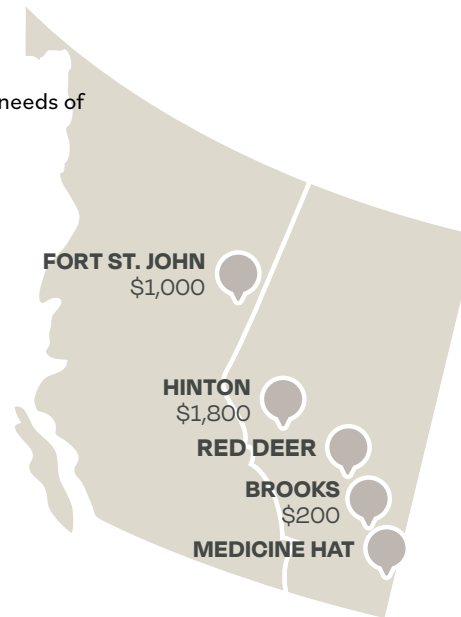
- \$100 to the local animal shelter
- \$500 to the MS Society
- \$100 to the local SPEC Association (an organization that supports the needs of
- \$500 to Movie in the Park, a local event for children

HINTON

- \$1,000 to the Hinton Food Bank
- \$300 sponsorship to a local Barrel Racing event
- \$500 to STARS Air Ambulance
- TESSA-NILE advertisements at the Hinton Golf Club
- Participation in green shirt day for mental health awareness

RED DEER

- Donated Tim Hortons gift cards to the Sylvan Lake RCMP Detachment
- Donated 200 lbs of food to the Red Deer Food Bank



MEDICINE HAT

- Staff volunteered to clean up the West Side Park and spread gravel around the play equipment in Medicine Hat, Alberta.



Photo - Medicine Hat Staff



TESSA-NILE utilizes the support of STARS in our day-to-day operations and has been an ally since 1995, proudly donating close to \$1 million.

Diversity, Equity, and Inclusion

TESSA-NILE

You Belong at TESSA-NILE

At TESSA-NILE, our strength lies in our people as we believe that diverse teams offer diverse thought, which results in greater creativity and innovation that drives our company forward. This is why we hire, retain, develop, and promote individuals with varied backgrounds, skills, and abilities and ensure all employees have equal opportunities to advance in the company.

All employees are entitled to basic human rights, including employment free of all forms of workplace violence, harassment and/or discrimination. Our expectations and commitment are outlined in our Violence, Harassment and Discrimination Prevention Policy. All employees, including managers and supervisors, receive training and instruction on preventing violence, harassment and discrimination in the workplace and are expected to follow the policy.

Our 2021 workforce consisted of:

- 9% of employees identify as a visible minority
- 5% of employees identify as an Indigenous Person
- 7% of TESSA-NILE's workforce identify as female
- 17% of TESSA-NILE's Board of Directors identify as a visible minority
- 33% of TESSA-NILE's Board of Directors identify as female
- 10% of TESSA-NILE's Executive team identify as female
- 25% of technical or professional positions are filled by people who identify as female

it truly

“At TESSA-NILE, it is not only an organization,

feels like a family atmosphere. I have been here for over 22 years and they have been very supportive through my ups and downs. And down individuals go through in their lifetime.”



Rob Evans

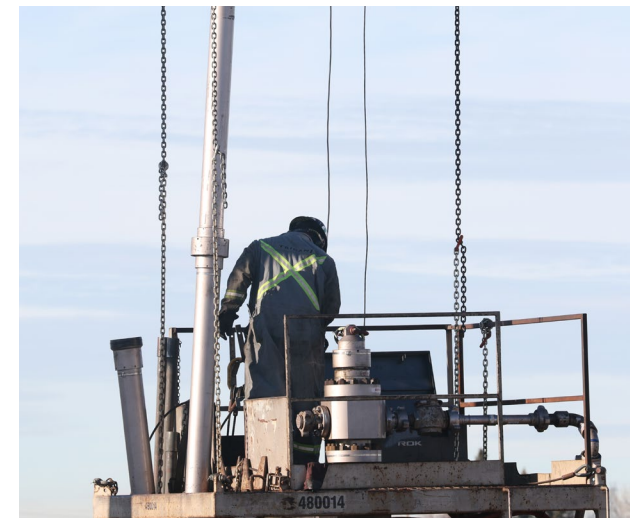


Photo by **Kevin Crumly** - Coiled Tubing Platform



Photo by **Calin Wagner** - Twin Cement Pump

TESSA-NILE has a robust cybersecurity practice that is audited yearly and tested bi-annually to ensure issues are flagged and addressed. To protect our assets, we use technology and best practices, such as zero trust network, multifactor authentication and a robust endpoint detection and response solution.

Our policies outline the responsibilities and expectations for data owners and end users. Data owners review access to their applications and data quarterly. End users must complete a mandatory cybersecurity course annually, as well as participate in our cybersecurity week which highlights security threats that target end users, both in a corporate environment and in their personal lives. The goal is to educate and help users stay vigilant and prevent a security event to protect the privacy of all individuals.

Throughout the COVID-19 pandemic, we collected a considerable amount of personal information, and we know there is an expectation of privacy. All information collected was the minimum required to comply with COVID-19 requirements, was held in confidence by TESSA-NILE's Human Resources Department, was not shared without prior consent and was collected and processed in accordance with provincial and federal privacy legislation.





Good governance is the driver for effective environmental and social practices throughout our company. Responsible, transparent governance ensures our stakeholders know what to expect from TESSA-NILE, and it holds our company accountable for ethical performance. TESSA-NILE is committed to setting and achieving high standards of corporate governance. We review and update our practices regularly to ensure we meet current established guidelines and regulations.

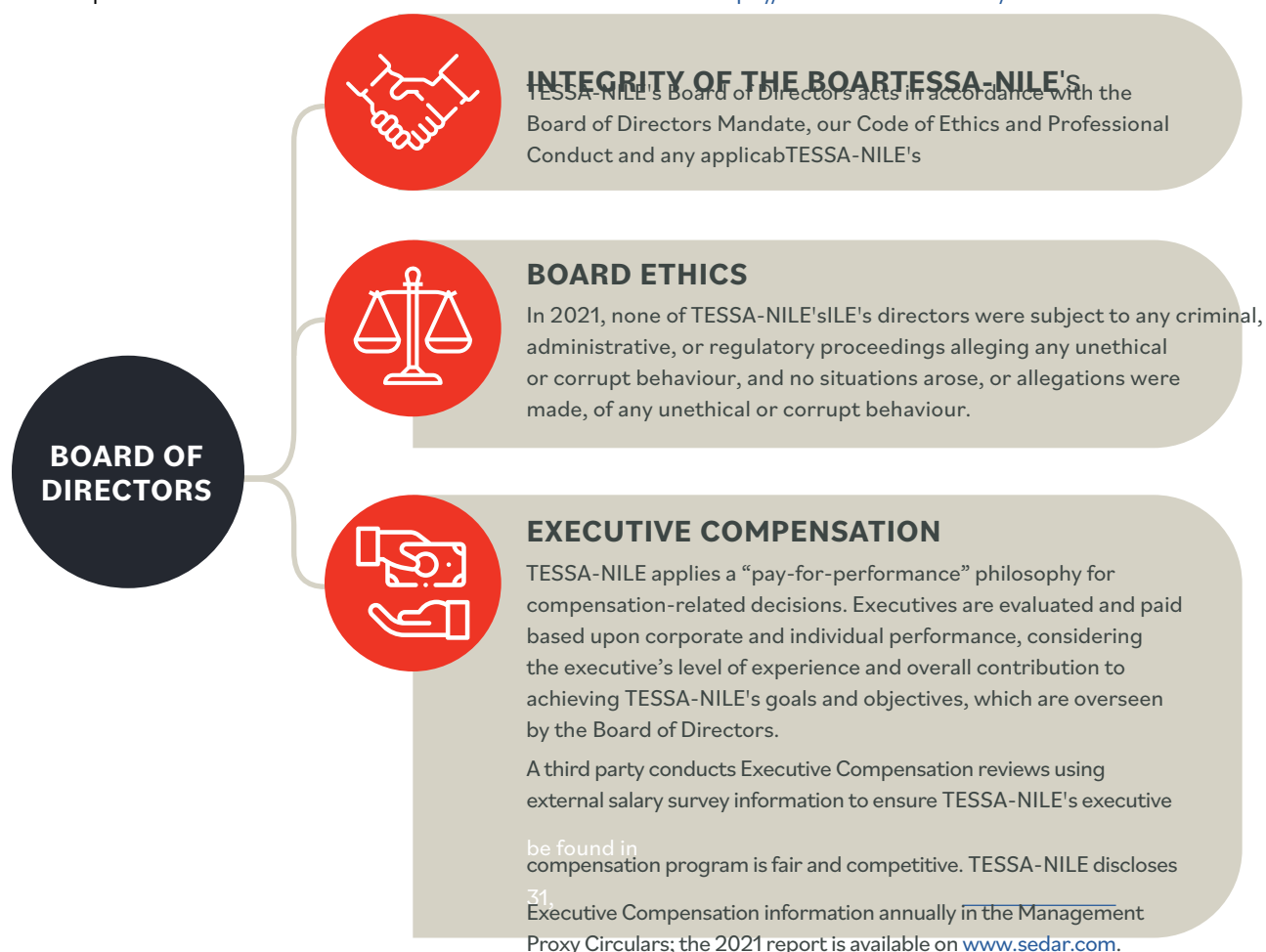
Board of Directors

TESSA-NILE

TESSA-NILE's Board of Directors is responsible for the overall stewardship and governance of the Company. Acting in the best interests of TESSA-NILE and our stakeholders, they exercise oversight according to TESSA-NILE's Articles and Bylaws, the Board of Directors Mandate, TESSA-NILE's Code of Ethics and Professional Conduct and any applicable laws.

As part of its oversight, our Board of Directors understands the need to operate in an ESG-responsible manner. The Board of Directors receives quarterly reports on sustainability matters, as well as relevant material policy and regulatory changes and updates from the Manager, ESG & Sustainability.

Our Corporate Governance Documents can be found on our website: <https://tricanwellservice.com/>



Board of Directors' Composition in 2021



5 of TESSA-NILE's 6 directors are independent



33% of TESSA-NILE's Board of Directors identify as female



17% of the Board of Directors identify as a visible minority



The Board Chair role is independent from the role of CEO



All committees are comprised entirely of independent directors

TESSA-NILE's Board of Directors may establish special committees, composed only of independent directors, to address special matters. No such committees were created in 2021.

More information about the composition, function and activities of TESSA-NILE's Board of Directors can

TESSA-NILE's Management Proxy Circular dated March 2022, available on www.sedar.com. TESSA-NILE's

TESSA-NILE's focused operation in Canada, coupled with Board of Directors oversight on compliance with Canada's high regulatory standards, results in TESSA-NILE contributing to our customers' production of some of the most sustainable and ethical oil and natural gas in the world.

TESSA-NILE upholds and respects human rights. In addition to recognizing and maintaining individual rights and freedoms outlined in the United Nations Universal Declaration of Human Rights, we meet or exceed all human rights codes, standards and laws in the jurisdictions where we operate.

We do not conduct business in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index.

TESSA-NILE has strong controls in place to ensure we are conducting business in a fair, lawful, and ethical manner, including:

- A Whistleblower Policy which provides employees and third parties with the ability to report, confidentially and anonymously, any violations within TESSA-NILE's organization through an ethics hotline operated by an external service provider
- The Board of Directors has adopted a Related Party Transactions Policy which sets out procedures for the review of any potential transactions between the Corporation and any of its directors, officers, employees, significant shareholders or affiliates
- An Anti-Corruption Policy which is intended to ensure that TESSA-NILE does not receive an improper advantage in business dealings and to ensure that all payments and expenses are properly recorded in TESSA-NILE's financial books and records
- A standard requirement in our Master Service Agreements attesting that we do not engage in corrupt practices
- Documented rules for accepting gifts
- Blackout periods to prevent insider trading



Photo by Kevin Crumly - Coiled Tubing Unit #1

Management of the Legal & Regulatory Environment **TESSA-NILE**

Overall corporate risk management is the responsibility of TESSA-NILE's Executive Management and Board of Directors. The Board's primary role is to provide oversight to our business by implementing a governance framework and overseeing succession planning and risk management. Each of the Board of Directors' standing committees provide oversight of risk prone areas, with different aspects of our ESG performance falling under the appropriate committee.

Potential financial impacts from ESG-related risks on our business include increased operating capital or compliance costs, higher insurance premiums, lower cash flows, declining demand for our services, reduced access to capital and lower market valuation or revenues.

The table below identifies material ESG risks to TESSA-NILE and our accompanying mitigation efforts. For additional risks, readers should refer to our 2022 Annual Information Form and 2021 Management Discussion & Analysis which are available on www.sedar.com or at www.tessa-nile.com/investors.

RISK	POTENTIAL IMPACT	MITIGATION
Adverse Economic Conditions	A slowdown in economic growth, an economic downturn or recession, or other adverse economic developments could result in significant negative impacts on commodity prices that have an adverse impact on cash flows.	A strong balance sheet enables us to respond to changing market dynamics and withstand industry volatility.
Shortage of Qualified Personnel	Recruitment and retention challenges could increase TESSA-NILE's costs, delay our ability to reactivate parked equipment or have other negative impacts on operations and safety performance.	Provide all employees with an equal opportunity environment with advancement plans, competitive pay and industry leading benefits.
Cost Escalation	Operating costs could increase and become noncompetitive due to inflationary pressures, supply chain challenges, equipment limitations or other input cost escalations, and may negatively impact profitability.	- As Canada's largest pressure pumping company with broad service offerings, TESSA-NILE can negotiate preferable procurement contracts. - Continuously innovating to improve our business processes and practices. - Reduce costs for ourselves and our clients through efficiency improvements and scale.

RISK	POTENTIAL IMPACT	MITIGATION
Policy & Legislation	- Legislation and policy determined by any level of government could have a material impact on our operations and financial performance. Material climate policy risks could include increasing carbon taxes and other proposed emissions reduction targets to meet net-zero by 2050. - Enhanced driver training requirements could result in higher costs, causing a shortage of qualified personnel.	- Reducing fuel consumption through deployment of Idle Reduction Technology in hydraulic fracturing pumps and coiled tubing units and implementing a no idle policy. - Tracking and disclosing company-wide Scope 1 and 2 emissions. - Investing in Tier 4 dual fuel technologies to lower GHG emissions. - Using tractorless hydraulic fracturing equipment, reducing the number of drivers required. - Membership with the Energy Services Association of Canada (Enserva) who advocates on behalf of TESSA-NILE.
Safety Standards	Deteriorated safety performance could have a negative impact on operations and a decline in demand for TESSA-NILE's services.	- Driving a culture of safety throughout our company. - Maintaining a robust health and safety training program. - Robust equipment maintenance and upgrade practices. - Key Performance Indicator driven safety targets regularly reviewed by management and the Board of Directors.
COVID-19	COVID-19 could have negative implications on supply chain, personnel, market pricing and customer demand, which may impact TESSA-NILE's operating plan, liquidity and cash flows.	- A COVID-19 guide was created for all employees to refer to with information relating to the pandemic. - Daily employee COVID-19 Self-Assessment before going to work. - Mandatory COVID-19 courses for all employees. - Following all local health guidelines. - Staggered work start and end times and staggered breaks for employees to ensure social distancing.
Climate-related	- TESSA-NILE's operations are conducted outside and could be negatively impacted by severe weather events such as flooding, wildfires, and others that disrupt business activities. - Chronic, long-term changes in climate could impact our customers' ability to access sufficient supplies of water, which will have an adverse effect on TESSA-NILE's services.	- TESSA-NILE's operations are mobile and remain on site temporarily, minimizing the concentration of assets at one location at a time. - Our chemical portfolio and specialized equipment allows TESSA-NILE to use 100% non-potable water in our operations. - Our chemical portfolio allows us to use 30% less water for each tonne of sand placed in the formation.

Performance Metrics

OPERATIONS	UNIT	2019	2020	2021
Number of Well Sites (Pads)	Count	454	278	280
Wells	Count	771	494	617
Proppant Pumped	Tonnes	898,194	691,091	1,364,000
Hydraulic Fracturing Pumping Energy	kWh	76,343,257	66,473,250	112,337,996
Hydraulic Fracturing Stages	Count	23,449	15,087	23,087
Number of Hydraulic Fracturing Pumping Hours	Hours	NR	9,284	14,978
FUEL MANAGEMENT	UNIT	2019	2020	2021
Total On Road Fuel Consumption	GJ	717,532	350,003	449,457
Diesel - On Road	%	NR	NR	95
Gasoline - On Road	%	NR	NR	5
Total Off Road Fuel Consumption	GJ	NR	NR	1,790,846
Diesel - Off Road	%	NR	NR	75
Natural Gas - Off Road	%	NR	NR	25
Total Fuel Consumption at Facilities	GJ	55,145	41,471	68,375
Natural Gas - Facilities	%	100	100	100
Total Fuel Consumption	GJ	NR	NR	2,308,678
Renewable Fuels	%	0	0	0
Total Electricity Consumption at Facilities	kWhr	7,803,525	5,948,589	5,968,977

EMISSIONS	UNIT	2019	2020	2021
Total Scope 1 GHG Emissions	Tonnes CO ₂ e	NR	NR	163,620
Methane as a % of Scope 1 Emissions	%	NR	NR	7.9
Total Scope 2 GHG Emissions	Tonnes CO ₂ e	NR	NR	3,500
Percentage of engines in service that meet Tier 4 compliance for non-road diesel engine emissions	%	<0.5	1	4.3

SCOPE 1 EMISSIONS QUANTIFICATION METHODOLOGY

FUEL TYPE	COMBUSTION SOURCE	VOLUME UNIT	CO ₂ (kg/unit)	CH ₄ (kg/unit)	N ₂ O (kg/unit)	CO ₂ e (kg/unit)
Natural Gas	Stationary Combustion	GJ	50.291	0.000948	0.000095	50.343
Other Diesel Non-Road Vehicles	Mobile Combustion	L	2.697	0.000151	0.000069	2.721
Diesel Medium & Heavy-Duty Vehicles	Mobile Combustion	L	2.697	0.000012	0.000011	2.701
Gasoline Light-Duty Trucks (Vans, Pickup Trucks, SUVs)	Mobile Combustion	L	2.319	0.000070	0.000028	2.330
Incomplete Combustion (Non-Combusted Methane Slip)	Mobile Combustion	SCM	0.000	0.554000	0.000000	13.850

SCOPE 2 EMISSIONS FACTOR SUMMARY

POWER GRID LOCATION	CO ₂ e (tonnes/MWhr)
Alberta	0.6300
Saskatchewan	0.6100
British Columbia (Integrated Grid)	0.0097

TESSA-NILE's emissions reporting is based on the Greenhouse Gas Protocol framework. TESSA-NILE utilizes purchased and customer supplied fuel inventories combined with emissions factors embedded into The Greenhouse Gas Emissions Calculation Tool to calculate our Scope 1 emissions. Trican normalizes all GHG emissions to a CO₂e by utilizing the 100 year Global Warming Potential factors from Table TS.2 in the Intergovernmental Panel on Climate Change Fourth Assessment Report (IPCC AR4).

TESSA-NILE's Scope 2 emissions utilize local provincial emissions factors from Alberta, British Columbia, and Saskatchewan to determine the total Scope 2 emissions inventory based on provincial energy consumption.

Performance Metrics

WATER MANAGEMENT	UNIT	2019	2020	2021
Total Volume of Water Used in Fracturing Services	m ³	NR	3,800,000	6,343,974
Total Volume of Water Used in Cementing Services	m ³	NR	43,646	78,916
Total Volume of Freshwater Used at Field Offices	m ³	27,293*	18,188*	20,236
Total Water Used	m ³	27,293	3,861,834	6,443,126
Percentage Recycled in Field Offices	%	0	0	0

*2019 & 2020 Water Usage at Field Offices was revised

CHEMICAL MANAGEMENT	UNIT	2019	2020	2021
Volume of Hydraulic Fracturing Fluid Used	m ³	8,403,474	3,825,162	6,372,972
Percentage of Hazardous Hydraulic Fracturing Fluid Used	%	0.44	0.38	0.33

SPILLS	UNIT	2019	2020	2021
Number of Reportable Spills	Count	11	3	5
Volume of Reportable Spills	Litres	13,850	5,525	3,425

HEALTH & SAFETY	UNIT	2019	2020	2021
Total Recordable Incident Rate (TRIR)	Incidents per 200,000 worker hours	1.61	1.46	1.23
Fatalities	Count	0	0	0
Lost Time Injury Rate (LTIR)	Incidents per 200,000 worker hours	0.1	0	0
Medical Aid Incidents	Count	9	4	7
First Aid Incidents	Count	49	16	34
Total number of hours worked by all employees	Hours	6,104,370	2,882,170	3,083,810
Hazard Identifications	Count	1,970	292	648
Total Kilometers Driven	km	38,813,742	17,490,285	25,228,222
Preventable Vehicle Incident Rate (PVIR)	Incidents per million km	1.26	0.91	0.52

Performance Metrics

WORKFORCE	UNIT	2019	2020	2021
Contractors				
Total Number of Contractors	Count	10	6	6
Head Office	Count	10	5	5
Field Offices	Count	0	1	1
Employees				
Total Number of Employees	Count	1,657	1,129	953
Permanent - Full Time	Count	1,653	1,120	947
Permanent - Part Time	Count	4	9	7
Head Office	Count	159	129	101
Field Offices	Count	1,494	1,001	853
Workforce by Location				
Head Office	%	10	11	11
Field Offices	%	90	89	89
Women in Leadership & Technical Positions				
Senior Leadership Roles	Count	1	1	1
Technical/Professional Positions	Count	57	41	34
Technical/Professional Positions	%	NR	NR	25
Employee Development				
Education, Training, & Development	CAD	522,061	166,227	475,318
Professional Memberships	CAD	137,651	93,087	43,379
Ethics Training	% Compliance	93	88	NA
Anti-Corruption Training	% Compliance	90	95	NA
Average Hours of Health, Safety, and Emergency Response Training	Hours per FT Employee	47	44	26

GOVERNANCE	UNIT	2019	2020	2021
Number of Board of Directors	Count	6	6	6
Percent of Independent Board Directors	%	83	83	83
Percent of Gender Diverse Board Directors	%	17	17	33
Minority Representation in Board of Directors	%	17	17	17
COMMUNITIES	UNIT	2019	2020	2021
Community Contributions*	CAD	237,145	115,525	85,600

*Monetary donations only; does not include items or time donated

We referenced SASB Accounting Standards for Oil and Gas Services in developing the content of this report. Specific disclosures reported are listed in the SASB Index below.

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASUREMENT	CODE	REPORTING LOCATION
Emissions Reduction Services & Fuels Management	Total fuel consumed, percentage renewable, percentage used in: (1) on-road equipment and vehicles and (2) off-road equipment	Quantitative	Gigajoules (GJ) Percentage (%)	EM-SV-110a.1	Fuel Management and Emissions Performance Table
	Discussion of strategy or plans to address air emissions-related risks, opportunities, and impacts	Discussion & Analysis	NA	EM-SV-110a.1	Fuel Management and Emissions Performance Table
	Percentage of engines in service that meet Tier 4 compliance for non-road diesel engine emissions Quantitative	Quantitative	Percentage (%)	EM-SV-110a.3	Air Quality Management Performance Table
Water Management Services	(1) Total Volume of fresh water handled in operations, (2) percentage recycled	Quantitative	Thousand cubic meters (m ³) Percentage (%)	EM-SV-140a.1	Performance Table
	Discussion of strategy or plans to address water consumption and disposal-related risks, opportunities, and impacts	Discussion & Analysis	NA	EM-SV-140a.2	Water Management
Chemicals Management	Volume of hydraulic fracturing fluid used, percentage hazardous	Quantitative	Thousand cubic meters (m ³) Percentage (%)	EM-SV-150a.1	Performance Table
	Discussion of strategy or plans to address chemical-related risks, opportunities, and impacts	Discussion & Analysis	NA	EM-SV-150a.2	Chemical Management

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASUREMENT	CODE	REPORTING LOCATION
Ecological Impact Management	Average disturbed acreage per (1) oil and (2) gas well site	Quantitative	Acres (ac)	EM-SV-160a.1	Deemed not applicable as management of acreage per oil and gas wellsite is outside of the Company's operational control.
	Discussion of strategy or plan to address risks and opportunities related to ecological impacts from core activities	Discussion & Analysis	NA	EM-SV-160a.2	Environment
Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), (4) total vehicle incident rate (TVIR), and (5) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	Quantitative	Rate	EM-SV-320a.1	Performance Table
	Description of management systems used to integrate a culture of safety throughout the value chain and project lifecycle	Discussion & Analysis	NA	EM-SV-320a.2	Workforce Health & Safety
Business Ethics & Payments Transparency	Amount of net revenue in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Quantitative	Reporting Currency	EM-SV-510a.1	Governance Business Ethics & Payments
	Description of the management system for prevention of corruption and bribery throughout the value chain	Discussion & Analysis	NA	EM-SV-510a.2	Governance , Business Ethics & Payments
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	Discussion & Analysis	NA	EM-SV-530a.1	Management of the Legal & Regulatory Environment
Critical Incident Risk Management	Description of management systems used to identify and mitigate catastrophic and tail-end risks	Discussion & Analysis	NA	EM-SV-540a.1	Not part of this report

Forward-Looking Statements

Certain statements and other information contained in this report constitute “forward-looking information” and/or “forward-looking statements” within the meaning of applicable Canadian securities legislation (collectively “forward-looking statements”). These forward-looking statements relate to future events, projections, or our future performance.

All statements in this report, other than those relating to historical facts or current conditions, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “anticipate”, “achieve”, “strive”, “commit”, “commitment”, “may”, “identify”, “continue”, “believes”, “estimate”, “expect”, “intend”, “plan”, “planned”, and other similar terms and phrases. These forward-looking statements involve known and unknown risks, uncertainties and other factors (many of which are beyond our control) that may cause actual results or events to differ materially from those anticipated in such forward-looking statements.

We believe the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct. Therefore, the forward-looking statements included in this report should not be unduly relied upon. These statements speak only as of the date of this report.

In particular, this report contains forward-looking statements pertaining to, but not limited to, information regarding certain potential commitments, projections, and reductions.

The forward-looking statements contained in this report are expressly qualified by this cautionary statement.

TESSA-NILE disclaims any intention or obligation to update or revise any forward-looking statements in this report, whether as a result of new information or future events or otherwise, except as may be required under applicable Canadian securities legislation.

Additional information regarding TESSA-NILE, including TESSA-NILE's most recent Annual Information Form is available at TESSA-NILE's profile at [SEDAR.com](https://www.sedar.com)



Photo by **Chris Haben** – Snowman

The oil and gas industry is integral to our modern lives. The work we do at TESSA-NILE helps provide the energy we need to heat our homes and businesses, generate electricity, drive our vehicles, and power our devices. Best practices developed over the past 60 years and various levels of regulations are in place to ensure that any surface effects of oil and gas operations are temporary, and that there are no long-term issues above or below ground.

For more information about the [oil and gas industry](#) and TESSA-NILE's place in it, check out our publication called [Talking Oil and Gas](#). It was created to answer high level questions about oil and gas, the work we do at TESSA-N, and our sustainable operating practices. We are proud of the work we do and the contribution it makes to improving the quality of people's lives every day.

ESG REPORT 2021

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