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<p>Clerk's stamp:</p> <hr/> <p style="text-align: center;">QUESTIONING OF RONALD KEITH LAING CALGARY, ALBERTA BY MR. D. J. McDONALD, Q.C. AFFIDAVITS SWORN JULY 14, 2020 AND AUGUST 12, 2020 HELD SEPTEMBER 15, 2020 VIA REMOTE VIDEO</p> <hr/> <p>COURT FILE NUMBER 1801-10960</p> <p>COURT OF QUEEN'S BENCH OF ALBERTA</p> <p>JUDICIAL CENTRE Calgary</p> <p>PLAINTIFF(S) PricewaterhouseCoopers Inc., LIT, in its capacity as the Trustee in Bankruptcy of Sequoia Resources Corp. and not in its personal capacity</p> <p>DEFENDANT(S) Perpetual Energy Inc., Perpetual Operating Trust, Perpetual Operating Corp. and Susan Riddell Rose</p>	<p>1</p> <p>2 INTERVENOR(S) Orphan Well Association, 3 Canadian Natural Resources 4 Limited, Cenovus Energy Inc. 5 and Torxen Energy Ltd. 6</p> <p>7 DOCUMENT QUESTIONING ON AFFIDAVIT 8 9</p> <hr/> <p>11 Taken before L. D. Stevenson, Official Court Reporter, 12 pursuant to Rules 5.26, 6.20, and 13.46 of the Court of 13 Queen's Bench of Alberta. 14 15</p> <p>16 FOR THE PLAINTIFF(S) PRICEWATERHOUSECOOPERS INC., LIT, 17 IN ITS CAPACITY AS THE TRUSTEE IN BANKRUPTCY OF SEQUOIA 18 RESOURCES CORP., NOT IN ITS PERSONAL CAPACITY: 19 R. de Waal 20 L. Rasmussen (Not Present) 21 de Waal Law 22 Suite 1010, 505 3rd Street SW 23 Calgary, Alberta 24 403-266-0012 25 26 27</p>
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<p>1 FOR THE DEFENDANT(S) PERPETUAL ENERGY INC., PERPETUAL 2 OPERATING TRUST, PERPETUAL OPERATING CORP.: 3 D. J. McDonald, Q.C. 4 P. G. Chiswell 5 Burnet, Duckworth & Palmer LLP. 6 2400, 525 - 8 Avenue SW 7 Calgary, Alberta 8 403-260-0100 9</p> <p>10 FOR THE DEFENDANT SUSAN RIDDELL ROSE: 11 S. Leidl (Not Present) 12 G. Benediktsson (Not Present) 13 Norton Rose Fulbright Canada LLP. 14 3700, 400 3rd Avenue SW 15 Calgary, Alberta 16 403-267-8222 17</p> <p>18 FOR THE INTERVENOR(S) ORPHAN WELL ASSOCIATION: 19 K. T. Lenz, Q.C. 20 Bennett Jones LLP. 21 4500, 855 - 2 Street SW 22 Calgary, Alberta 23 403-298-3100 24 25 26 27</p>	<p>1 FOR THE INTERVENOR(S) CANADIAN NATURAL RESOURCES 2 LIMITED, CENOVUS ENERGY INC., AND TORXEN ENERGY LTD.: 3 G. S. Watson 4 K. Gramlich 5 Parlee McLaws LLP. 6 3300, 421 - 7 Avenue SW 7 Calgary, Alberta 8 403-294-7000 9</p> <p>10 OFFICIAL COURT REPORTER: 11 L. D. Stevenson, CSR(A) 12 Dicta Court Reporting Inc. 13 760, 1015 - 4 Street SW 14 Calgary, Alberta 15 403-531-0590 16</p> <hr/> <p>17 (PROCEEDINGS COMMENCED AT 2:15 PM) 18 RONALD KEITH LAING, Sworn, Examined by Mr. McDonald 19 THE COURT REPORTER: Please state and spell your 20 full name for the record, please. 21 A Sure. It's Ronald Keith Laing, R-O-N-A-L-D, Keith, 22 K-E-I-T-H, and last name is L-A-I-N-G. 23 THE COURT REPORTER: Thank you. 24 Q MR. McDONALD: Mr. Laing, you've taken an 25 oath to tell the truth during the questioning today; is 26 that correct? 27 A That's correct.</p>

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<p>1 Q And do you understand that I'm going to be questioning 2 you on two affidavits that you've sworn, the first is a 3 July 14th, 2020, affidavit you swore as part of your -- 4 or, CNRL's application to intervene and that's being 5 used as part of their intervention as well and the 6 second is your August 12, 2020, affidavit? 7 A Correct. 8 Q My office sent to Mr. Watson a binder of documents that 9 I expect to be referring to during the course of our 10 examination today. Do you have that with you? 11 A It's in front of me now. 12 Q I believe the first document that you'll see in that 13 binder is a redacted copy of your August 12th 14 affidavit. Is that what you have there? 15 A It looks to be, yes. 16 Q So what we did following the decision of Justice Nixon 17 last week is blackout the parts of your August 12th 18 affidavit that he ruled not to be admissible. I 19 understand you haven't read this yet, and I'd just like 20 to mark it as an exhibit either directly or for 21 identification, as your counsel wishes, so that we know 22 that when I'm examining you on that affidavit, it's the 23 portions not redacted that I'll be examining you on. 24 Is that okay? 25 MR. WATSON: I propose to mark it for 26 identification. 27 MR. McDONALD: Okay. So, Lynne, I don't know</p>	<p>1 if you want to do that as A for Identification and then 2 we'll start with the actual exhibits as numbers 1 3 following. 4 THE COURT REPORTER: That's fine. 5 EXHIBIT A FOR IDENTIFICATION - Redacted copy 6 of Mr. Ronald Keith Laing's affidavit sworn 7 August 12, 2020 8 Q MR. McDONALD: Sir, I'm going to start with 9 your August 12th affidavit, and I see that in 10 paragraph 1 you've adopted your professional experience 11 from your earlier affidavits, so I'm going to have to 12 ask you to immediately turn to that. 13 A Is that Tab 2? Is it in the binder or do I need to 14 pull it out from somewhere else? 15 Q It's not in the binder that I sent to you, but I expect 16 Mr. Watson has a copy. 17 A Okay. Okay, yes, I've got it. 18 Q So you're the senior vice president of corporate 19 development of land at Canadian Natural? 20 A Correct. 21 Q You say you were authorized to swear this affidavit on 22 behalf of Canadian Natural? 23 A Correct. 24 Q Who authorized you? 25 A Sorry, who authorized it? 26 Q Yes. 27 A It's part of my normal responsibilities looking after</p>
7	8
<p>1 certain things. I don't go and seek permission, if 2 that's what you're asking. I'm not sure I ... 3 Q Well, if you didn't get authorization from anyone and 4 it's just part of your job, then that's -- I understand 5 that. If there was someone you spoke to, the board of 6 directors or your superiors or whoever to give you the 7 authority to proceed with this, then that's what I'd 8 like -- 9 A It's not necessarily how we work. So, no, I didn't 10 have to seek specific authorizations. Pursuing things 11 like this are part of my responsibilities periodically. 12 Q Okay. So looking at paragraph 2, I see you have a 13 bachelor of laws from the University of Edinburgh? 14 A Correct. 15 Q Were you ever called to a Bar of any jurisdiction? 16 A No. 17 Q And then you have an MBA from the University of 18 Calgary? 19 A That's correct. 20 Q What year did you get that? 21 A '99. 22 Q And when did you get your law degree? 23 A '95 is when I actually graduated, yeah. 24 Q So you joined Canadian Natural in 1994. Was that as a 25 summer student while you were going to law school or 26 something? 27 A No, I had -- I had to re-sit a Scottish criminal law</p>	<p>1 exam before I graduated, so I -- I had already 2 finished, but I had to write one more exam. 3 Q Okay. So I take it then your entire work experience in 4 the energy business has been with Canadian Natural; is 5 that right? 6 A No, I had -- I was at Canadian Natural until '99 and 7 then I left and joined a company called Canadian -- or, 8 sorry, Central Alberta Midstream and I was with them 9 until 2003 when I returned to Canadian Natural. 10 Q Okay. So, I'm sorry, '99 to when were you with 11 Canadian Natural? You said -- 12 (INDISCERNIBLE - OVERLAPPING SPEAKERS) 13 A Yeah, I was with them from '99 till 2003. I came back 14 to Canadian Natural. I think it was about November 15 1st, 2003. 16 Q Okay. So when you came back to them, did you come back 17 in a position of a joint venture representative? 18 A Yes, I did. 19 Q And continued in that position until you became a VP of 20 commercial operations in 2009; is that right? 21 A No, I was manager of commercial operations, and then I 22 was vice president of commercial operations, and then 23 senior vice president of corporate development of land. 24 Q Okay. Very generally what are commercial operations? 25 A Yeah, it encompasses most of our, I would say, 26 non-technical areas of business save for accounting and 27 specifically product marketing. So it includes our</p>

<p style="text-align: right;">9</p> <p>1 joint venture activities, our supply management 2 activities. In terms of commercial operations would be 3 that kind of stuff. We included -- corporate security 4 was in there. Some of our operational risk management 5 was part of that. Other sundry things periodically, 6 but those are what was included at that time in just 7 the commercial operations. 8 Q You started that and I wasn't quite sure if I followed 9 you. Non-technical save for accounting, is that what 10 you said? 11 A Yeah, save for accounting. I do not have the 12 accounting responsibility within our organization. 13 Q And never have had? 14 A No, no. 15 Q And I take it you are not a chartered accountant. 16 A I am not. 17 Q Do you have any formal accounting training? 18 A Save for the accounting I did in my MBA, I do not. 19 Q And what position did you hold with Central Alberta? 20 A I was director of corporate development was my final 21 title. I forget what I started at, but that was my 22 title for probably at least half of it, but I don't 23 remember what I started as. 24 Q So then I take it, throughout the course of your 25 career, you've never held either a legal or an 26 accounting position with the company. 27 A No, I'm not a lawyer and I'm not an accountant.</p>	<p style="text-align: right;">10</p> <p>1 Q Have you ever held any regulatory positions? 2 A No. 3 Q I saw a reference in paragraph 15 of I believe it was 4 your second affidavit to something at Canadian Natural 5 called the ARO and liability planning group. Is that a 6 group within the company? 7 A It's a group within the company. I'm -- I'll be honest 8 I'd have to go check exactly what the makeup of that 9 particular group is, but -- in terms of numbers and 10 whatnot, but, yes, it is. 11 Q But it's not part of a group you've ever worked with, 12 worked in or supervised? 13 A Not worked -- not supervised. I've worked with most of 14 the groups in our company on different activities. 15 Q Sorry, I think I said "worked in." You've never been a 16 part of that group? 17 A I was not -- no, I've not been a part of that group. 18 Q We're going to be talking about abandonment and 19 reclamation obligations later, and I'll refer to that 20 generally as "ARO." Have you calculated ARO for 21 properties or companies for any purpose? 22 A Myself? 23 Q Yes. 24 A No. 25 Q You're aware that others within the company had that 26 responsibility and have done that, and they have told 27 you about it but that's not part of your job?</p>
<p style="text-align: right;">11</p> <p>1 A Absolutely, that's correct. 2 Q And I take it you're not involved in the preparation of 3 Canadian Natural's financial statements. 4 A I'm not. 5 Q Do you have some role in the preparation or review of 6 its annual report? 7 A I do review aspects of the annual report on a -- I 8 would call a lay basis only. Not -- I'm not -- I'm not 9 one of the individuals who signs off on it anyway. 10 Q And we may be talking about LMR or LLR during the 11 course of this questioning today. Are you familiar 12 with those concepts? 13 A I am. 14 Q And do you work with the AER as part of your job at 15 all? 16 A I have -- I meet with them periodically on occasion 17 addressing certain issues and other things. 18 Q And is it through that experience that you've become 19 familiar with those concepts? 20 A No, it's usually through other issues that have arisen 21 through the company that over time I've become more 22 familiar with those terms. 23 Q And I take it that you've never provided legal advice 24 to the company. 25 A No, I'm not a lawyer. 26 Q And do you advise on the interpretation of contracts or 27 legislation or regulations?</p>	<p style="text-align: right;">12</p> <p>1 A We will -- I will speak about those, and we will have 2 discussions about that. If we're looking for expert 3 opinion on that, I'm not necessarily the person that 4 would, but I will offer opinions and be part of a 5 discussion on both contracts and regulatory issues 6 periodically. 7 Q But you don't consider yourself an expert in that area? 8 A On the pure legislation, no. 9 Q Okay, or on the interpretation of contracts? 10 A No, I deal with them every day, but I -- I will always 11 look to someone else to provide the expertise if 12 required. 13 Q Have you held an executive position with any Canadian 14 oil and gas industry organization? 15 A An executive position? 16 Q Yes. 17 A I've -- I sit on the board of the World Petroleum 18 Congress Calgary. That's the only executive position I 19 guess you would refer to. It's not an operational 20 executive. It's just a board of directors. It's a 21 non-profit. 22 Q What's the mandate of the World Petroleum Conference? 23 A They're -- they're seeking -- they were seeking to and 24 host the World Petroleum Congress in 2023 so it's a 25 terrible thing and otherwise I -- I'm not on executive 26 position of anything related to the industry at all. 27 Q And through that role you don't -- you're not involved</p>

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1 in ARO or LMR or those --

2 A Oh, no, it has nothing do with that kind of thing at

3 all, no.

4 THE COURT REPORTER: If I could just ask that you

5 wait until he finishes the question. You are kind of

6 jumping in on top of him.

7 A Sorry.

8 THE COURT REPORTER: Thank you.

9 Q MR. McDONALD: I want to make sure that you

10 and I are talking about the same things when we use

11 abbreviations or defined terms. I'm looking at your

12 August 12th affidavit, and I see the capitalized terms

13 you've used are those in the Darby affidavit; is that

14 right?

15 A That's what I recall.

16 Q And then in your earlier affidavit, at paragraph 3, you

17 say that the capitalized terms are those used in the

18 statement of claim. Is there some significance to that

19 difference to you?

20 A Not that I'm aware of. I -- I'd have to go back

21 through the documents to see if there's any difference.

22 Q I'll refer to the defined terms you use in your

23 affidavit. If there's any confusion at all, will you

24 let me know so we can clarify that?

25 A Sure.

26 Q Thank you.

27 I'd like to explore what documents you've reviewed

15

1 obviously some of the stuff recently around your

2 applications to strike, aspects of it. Those are the

3 key ones. I did go through a brief of the defendant

4 Perpetual with respect to the application to strike and

5 our -- obviously the brief of the intervenors. That's

6 primarily it that I recall that I have in front of me.

7 There have been other documents potentially that I may

8 not recall.

9 Q Okay. So based on that, just to go back, I take it you

10 are confident that you didn't read the Rose affidavit

11 from 2018, the Schweitzer affidavit from 2018 or the

12 transcripts of those cross-examinations?

13 A That would be my recollection.

14 Q Have you read the share purchase and sale agreement or

15 the asset purchase and sale agreement?

16 A Specifically myself, no.

17 Q Are you aware that Justice Nixon issued a decision in

18 January 2020 arising from what -- from a Perpetual

19 summary dismissal application?

20 A I -- I can't speak to the exact -- the litigation --

21 the procedural things that have been done. I don't

22 know off the top of my head, no.

23 Q This would be one you might remember. It's -- I can't

24 remember, 50 or 60 or 70 pages of a judge's decision in

25 this case. Does that ring a bell?

26 A I don't recall off the top of my head.

27 Q Have you read any of the Court of Appeal decisions in

14

1 either in the course of preparing your affidavit or

2 generally for purposes of this lawsuit. Have you read

3 the statement of claim and statement of defence?

4 A I have.

5 Q And have you read Mr. Darby's affidavit from 2018?

6 A I did.

7 Q Did you read all the exhibits?

8 A I didn't read all the exhibits word for word. I did go

9 through them at a high level.

10 Q What about the transcript of his --

11 A It's exhibit -- sorry, sorry, on the Darby ones I did

12 read them, but it was quite awhile ago.

13 Q Okay. Did you read the transcript of his

14 cross-examination?

15 A I don't recall that I did.

16 Q Did you read Ms. Rose's 2018 affidavit?

17 A I don't recall.

18 Q Mr. Schweitzer's 2018 affidavit?

19 A I'd have to -- I'd have to look through my binder to

20 see who all. I can look.

21 Q Well, if it's easier for you to just look at your

22 binder and tell me what you did review, that might save

23 us some time.

24 A Let's see. Statement of claim, Paul Darby affidavit,

25 the defence -- statement of defence, sorry, obviously

26 my earlier affidavit, the order of Justice Nixon filed

27 July 31st, John Brannan's affidavit, Antonio Jackson,

16

1 this case?

2 A Not that I'm aware of, no.

3 Q Perpetual filed a second summary dismissal application

4 that we call the BIA summary dismissal application. It

5 is scheduled to be heard in early October. Do you

6 recall if you read that?

7 A I don't recall if I have.

8 Q Have you read any of the Sequoia bankruptcy records?

9 A Pardon me?

10 Q Have you read any of the Sequoia bankruptcy records?

11 A No.

12 Q Or the trustee's records?

13 A No.

14 Q Any of the Alberta Energy Regulator communications

15 regarding Sequoia?

16 A I may have seen some over time, but specifically can I

17 recall particular ones? Not off the top of my head. I

18 see a lot of that kind of thing that comes across my

19 desk, but ...

20 Q Okay. Is there anything you can recall that you have

21 read in relation to this case that we haven't covered?

22 A Not really, no.

23 MR. WATSON: Dan, just before you continue,

24 we've got low volume here, and I just want to get it

25 turned up, so the brains of the operation is here. Can

26 we just pause for one moment while he turns up the

27 volume so I can hear?

17

1 MR. McDONALD: Sure.

2 (DISCUSSION OFF THE RECORD)

3 Q MR. McDONALD: I'd like to ask you about who

4 you've spoken to in relation to this case and we'll not

5 include your lawyers.

6 Have you spoken to Mr. Darby?

7 A Have I spoken to Mr. Darby? No.

8 Q Anybody from PWC?

9 A I've not spoken to anyone at PWC directly.

10 Q Have you ever spoken with anybody from Sequoia?

11 A Not directly, no.

12 Q You know that there were principals name Mr. Yang and

13 Mr. Wang. Are you familiar with those names?

14 A I am.

15 Q And you say you haven't spoken with them directly.

16 Have others at your company spoken with them and then

17 discussed it with you?

18 A I do not know.

19 Q What about Perpetual, have you spoken to any Perpetual

20 representatives about this case?

21 A I have not.

22 Q OWA people, have you spoken to any OWA representatives

23 about the case?

24 A I have spoken with OWA individuals.

25 Q Is that Mr. De Pauw?

26 A No, it was one of their board members, Orest Kotelko.

27 THE COURT REPORTER: I'm sorry?

19

1 A Yes, it was.

2 Q When was that decision made?

3 A I wouldn't know the date offhand. I'd have to check.

4 I don't know.

5 Q Just give me a month, if you can.

6 A I -- I can't. We talked about this for so long, I

7 can't give you the specific month that we made --

8 Q Were you -- were you aware of the first summary

9 dismissal application which was heard in late 2018?

10 A I don't recall specifically.

11 Q I guess I'm trying to explore when you first considered

12 intervening in the case.

13 A Yeah, we've talked about it for a long time, so off the

14 top of my head, I don't know a particular date.

15 Q And do you know whether it was -- that is the

16 consideration given before the first summary dismissal

17 application?

18 A As I didn't read that that I'm aware of, that dismissal

19 application, I'm not sure if there's an aspect of that

20 that would have triggered me specifically -- or, would

21 have triggered any of us to -- in particular.

22 Q Have you discussed with anyone internally or externally

23 the costs of -- trustee's costs pursuant to this case?

24 MR. WATSON: Dan, I'm sorry, you went all

25 kind of garbly there for a minute. Can you rephrase?

26 Q MR. McDONALD: Have you discussed with anyone

27 internally or externally the trustee's costs of

18

1 A One of their board members, Orest Kotelko.

2 Q MR. McDONALD: Can you spell that now for the

3 reporter?

4 A O-R-E-S-T. Kotelko is K-O-T-E-L-L -- or, just E-L-K-O.

5 E-L-K-O, sorry, I just had to make sure.

6 Q And what did you talk to him about in relation to this

7 case?

8 A Just the issues generally. Orest is also a consultant

9 to our company, so we've talked about it on numerous

10 occasions.

11 Q What about the representatives of the other

12 intervenors, Cenovus and Torxen, did you talk to them?

13 A I have not spoken with them directly.

14 Q Have others in your company and then reported back to

15 you?

16 A Yes.

17 Q And what have those discussions been about?

18 A Coordination of these activities to the extent that I'm

19 aware.

20 Q Have you discussed with anyone, other than your lawyer,

21 CNRL's intervention in this case?

22 A Yes.

23 Q Who was that?

24 A Talked to -- I believe we talked about it at our

25 management committee meetings.

26 Q And was it a management committee decision to intervene

27 or apply to intervene?

20

1 pursuing this case?

2 A Yes.

3 Q And has CNRL provided financing to assist in that?

4 A I don't recall. I don't recall.

5 Q Is that something --

6 A I'd have to check.

7 Q -- that you could make inquiries of and provide me with

8 an answer?

9 MR. WATSON: I'm quite reluctant to be

10 providing undertakings on what I consider to be largely

11 irrelevant. I don't see how that relates to your BIA

12 application. Can you convince me?

13 MR. McDONALD: Well, just he said he didn't

14 recall which leads me to believe there's something he

15 might explore to be able to make that assessment, and

16 we know that they've applied to intervene and want an

17 active role in this case and I want to know whether

18 they're part of the financing of it.

19 MR. WATSON: I'm sorry, part of the

20 financing of the intervention?

21 A Yeah.

22 MR. McDONALD: No, of the trustee's pursuit

23 of the case.

24 MR. WATSON: Oh, I see. All right.

25 Reluctantly we'll give you an answer to that.

26 MR. McDONALD: Thank you very much. I'll

27 take that as an undertaking.

<p style="text-align: right;">21</p> <p>1 UNDERTAKING 1 - To make inquiries to 2 determine and advise whether CNRL provided 3 financing to assist internally or externally 4 with the trustee's costs of pursuing this 5 case 6 MR. McDONALD: I'm going to now turn to your 7 affidavit, sir, at paragraph -- bear with me for a 8 second. It's just at paragraph 2, but at the top of 9 page 2 of your affidavit. 10 MR. WATSON: Which -- which affidavit? 11 MR. McDONALD: I'm sorry, I'll focus my 12 questions for the next little while on the August 12th 13 affidavit. 14 MR. WATSON: Okay. 15 Q MR. McDONALD: And you say you adopt and 16 incorporate here in paragraphs 14 to 18 of the Darby 17 affidavit. 18 A Mm-hmm. 19 Q (INDISCERNIBLE) just based on why you adopted that part 20 of that affidavit. 21 A Sorry, you cut out at the beginning there, Dan. 22 Q I'd like to know why you incorporated in your affidavit 23 paragraphs 14 to 18 of Mr. Darby's affidavit. 24 A Oh, because those sort of outline the activities that 25 were found to have occurred during the restructuring. 26 Q During the what? 27 A The restructuring of -- it's referred to as the good</p>	<p style="text-align: right;">22</p> <p>1 year restructuring is that the portion and it lays out 2 those technical details. 3 Q And you're aware that that's an internal Perpetual 4 document that was prepared some three months before the 5 transaction closed; is that right? 6 A I don't recall that fact myself. 7 Q But is this your attempt to accept Mr. Darby's 8 characterization of what he read in that presentation? 9 A Yes. 10 Q And I take it you don't have any firsthand knowledge of 11 anything in those -- that section of Mr. Darby's 12 affidavit. 13 A Correct. 14 Q Is there any reason why you didn't also consider 15 Ms. Rose's affidavit that was filed in response to -- 16 or, sorry, I shouldn't say in response, as part of her 17 application and Perpetual's application for summary 18 dismissal? 19 A I don't recall reading it, so I can't provide you any 20 explanation of why we chose not to. 21 Q Did you have any concern that you were just looking at 22 one side of the story and not the other? 23 A I felt comfortable with the facts I had been provided 24 when I swore this affidavit. 25 Q Sorry, I didn't hear that answer. 26 A Sorry, I felt comfortable with the facts that I had 27 been provided when I swore the affidavit.</p>
<p style="text-align: right;">23</p> <p>1 Q Right, but my question was, were you not concerned that 2 you'd only looked at one side of the story? 3 A I didn't read her affidavit in particular that I 4 recall, so I can't tell you if there was anything 5 helpful or -- in it that would have changed anything in 6 my own affidavit. I haven't read it, so it's hard to 7 comment on. 8 Q Right, and you didn't think it would have been fair to 9 read it and consider it so you had both sides of the 10 story before you swore your own affidavit? 11 A I was provided with a set of documents, and we had had 12 numerous internal conversations before the preparation 13 of my affidavit. If there were documents that were not 14 included in that, it's hard to comment on. I -- the 15 basis of what I put forward here is based on our 16 internal knowledge and what I've been provided with. 17 Q Okay. Were you even aware that she swore an affidavit? 18 A I can't recall to the extent that I -- what I was aware 19 of in terms of all the documents available. 20 Q So I'm going to be referring to "the asset transaction" 21 from time to time. Do you know what I mean by that? 22 A I'd have to go back and I believe I do, but I'll -- I 23 can go back and refer to specifically which aspects you 24 are bringing up if you want to point me to them but -- 25 to make sure we're aligned. 26 Q Well, right now I'm just trying to make sure that I -- 27 when I mention -- when I say that expression that you</p>	<p style="text-align: right;">24</p> <p>1 and I are talking about the same thing. You'll see 2 it's defined at paragraph 21 of Mr. Darby's affidavit. 3 A Okay. 4 Q So you understand that to be the transaction that was 5 created by the asset share purchase and sale agreement; 6 is that right? 7 A That is correct. 8 Q And you haven't read that document, have you? 9 A I did not read that document. 10 Q Do you know what the -- what it did? 11 A Well, I -- 12 Q What the crux of the agreement was? 13 A I can assume only. I didn't read the document. I 14 would ... 15 Q If I told you that, in summary, it combined the legal 16 and beneficial interest in the good year assets in 17 PEOC, would that be your understanding? 18 A There's not that level of detail in here, but I -- that 19 wouldn't be above the realm -- outside the realm of 20 possibility, correct. 21 Q You just don't know? You don't know? 22 A Well, I didn't read -- I didn't read the purchase and 23 sale. 24 Q Okay. You do know what I'm referring to when I speak 25 of "the good year assets," don't you? 26 A I am familiar with it. 27 Q Okay, and I may also be referring to the share</p>

25

1 transaction or the share PSA. Do you see those defined
 2 in paragraph 22 of Mr. Darby's affidavit?
 3 A Yes.
 4 Q And then finally I'm going to be referring from time to
 5 time I expect to "the transactions" which I'm not sure
 6 Mr. Darby defined in his agreement -- or, in his
 7 affidavit although they are defined in the statement of
 8 claim and that refers to the asset transaction, the
 9 share transaction, the retained interest transaction.
 10 Will you understand me when I use the word
 11 "transactions," in the plural, that's what I'm
 12 referring to?
 13 A Yes.
 14 Q Okay. So in paragraph 3, you say -- of your affidavit
 15 you say (AS READ):
 16 ... the transfer of licenses for oil and gas
 17 properties such as wells, facilities, and
 18 pipelines may be subject to review and
 19 approval by the AER through the LLR program.
 20 Do you see that?
 21 A Yes.
 22 Q And do you know if the asset transaction provided for
 23 the transfer of any licenses?
 24 A As I didn't read the specific document, I can't say how
 25 it was done, if it was done on shares or on an asset
 26 basis. I'd have to read that document to know
 27 specifically.

27

1 A Yes.
 2 Q And you've attached those as exhibits to your
 3 affidavit; correct?
 4 A Correct.
 5 Q Could you turn to Exhibit A, which is Directive 6?
 6 A Okay.
 7 Q Do you have that in front of you?
 8 A I'm trying to find it here.
 9 Q Okay.
 10 A Sorry, lots of paper. Do you have it there? I may not
 11 have brought it over. I may not have put it in this
 12 binder. Sorry, I think I might have -- Directive 6,
 13 sorry, got it.
 14 Q Okay. So is this the AER directive in effect in the
 15 fall of 2016 when the transaction occurred that deals
 16 with the LLR and LMR programs?
 17 A To the best -- to the best of my knowledge.
 18 Q Okay. Turn to page 3 under Definitions.
 19 A Yes.
 20 Q The fourth definition is (AS READ):
 21 Liability management rating (LMR) is the
 22 ratio of a licensee's eligible deemed assets
 23 in the LLR, LFP and oil field waste liability
 24 programs to its deemed liabilities in these
 25 programs.
 26 Do you understand that? Is that part of your level of
 27 basic knowledge?

26

1 Q And do you know if the share transaction provided for
 2 the transfer of licenses?
 3 A I -- I didn't read the document, so I can't
 4 specifically say. I'd -- obviously when assets moved,
 5 there would be licenses transferred at some juncture.
 6 Q Well, not necessarily --
 7 (INDISCERNIBLE - OVERLAPPING SPEAKERS)
 8 A Not share transaction -- not a share transaction
 9 necessarily. Sorry, I spoke over him and didn't mean
 10 to.
 11 Q In paragraph 4 of your affidavit, you say (AS READ).
 12 ... a licensee seeking to acquire a licence
 13 from another Industry member must submit a
 14 licence transfer application ... which
 15 triggers an ... (LMR) Assessment ... on an
 16 post-licence transfer basis for the buyer and
 17 seller.
 18 Is that something you know through your day-to-day work
 19 experience?
 20 A Yeah, we -- yes, I -- yes, it is.
 21 Q And if there's no licence transfer, there's no licence
 22 transfer application and no LMR assessment; right?
 23 A Correct. Correct.
 24 Q You go on in paragraph 5 to talk about the LMR
 25 assessment and what it considers, and then paragraph 6
 26 you make reference to Directive 006 and two bulletins
 27 from the AER. Are you familiar with those documents?

28

1 A Generally, yes.
 2 Q And when I see a ratio of deemed assets to deemed
 3 liabilities, I take it it's a calculation for
 4 regulatory purposes that follows a particular formula
 5 that the AER has put in place for this purpose; right?
 6 A Mm-hmm, I -- I assume so. I don't do the calculations
 7 myself, so ...
 8 Q Do you know how they're done?
 9 A I don't do them myself. We have others in the
 10 organization that do and fill me in on the results. Do
 11 I know exactly which assets are included or not? No.
 12 Q So you can understand the results when somebody with
 13 the expertise to do it does it for you, but you
 14 couldn't do it yourself?
 15 A Absolutely.
 16 Q Okay. Are you aware of how the AER calculates deemed
 17 assets?
 18 A No, I'm not specifically, no.
 19 Q Or deemed liabilities?
 20 A Specifically, no.
 21 Q Are you aware that their calculation based on a set of
 22 regulatory rules rather than the actual assets or
 23 liabilities of an income?
 24 A I know that the rules won't necessarily follow
 25 accounting rules. It will be -- it's based on their
 26 regulatory interpretation.
 27 Q But not only they won't follow accounting rules, they

<p style="text-align: right;">29</p> <p>1 won't necessarily follow the reality of the value of an 2 asset or a liability? 3 A I don't know if I'd use the word "reality," but they 4 have a different way of going about it than a company 5 might. 6 Q Fair enough. 7 Let's turn over to Appendix 5 which talks about 8 deemed assets. It's page 17. 9 A Okay. 10 Q There's a heading Deemed Assets, and under Producer and 11 Licensee, it says (AS READ): 12 The deemed assets of a producer/licensee is 13 the cash flow derived from oil and gas 14 production reported to Petrinx for wells for 15 which it is the licensee. 16 First, were you aware that that was the short 17 definition of it? 18 A I've read it before, but I don't live in these 19 documents so -- I've read it before. I'm familiar with 20 it, but I don't have these memorized, if that's what 21 you're asking. 22 Q No, I wasn't asking if you memorized them, but I take 23 it, consistent with what you told me a moment ago, you 24 are generally familiar with this -- 25 A Yeah, I'm generally familiar -- 26 Q Sorry, you have to let me finish my question before you 27 start talking.</p>	<p style="text-align: right;">30</p> <p>1 A Sorry. 2 Q I take it from what you've told me before that you're 3 generally familiar with this. Others do the work. 4 When they give you a result, you're experienced enough 5 to understand what they're telling you; right? 6 A Correct. 7 Q And so when we see the words that follow what I just 8 read about shrinkage factors and conversion factors, 9 that's the level of detail that you would not be 10 involved in? 11 A Correct. 12 Q But you would be aware or you are aware, I take it, 13 that it's based on the cash flow for which an 14 entity is the licensee whether it holds 1 percent or a 15 hundred percent of the licence; right? 16 A Correct. 17 Q So just as a simple example to make sure we're on the 18 same page, if I'm a licensee and I hold 10 percent and 19 CNRL holds 90 percent for the deemed asset calculation, 20 all of the assets for that particular well are 21 attributed to me as the licensee; right? 22 A That is my understanding. 23 Q Whereas if you were looking at it as an oil and gas 24 businessman, you would look at your working interest 25 percentage of 90 percent; right? 26 A Correct. 27 Q All right. Let's turn over a few pages to Appendix 6,</p>
<p style="text-align: right;">31</p> <p>1 Deemed Liabilities, and the second sentence is sort of 2 the flip side of what I just read to you on deemed 3 assets. (AS READ): 4 The deemed liability of a licensee is the sum 5 of the costs to suspend, abandon, remediate 6 and reclaim all wells in the facilities for 7 which it is the licensee adjusted for status. 8 A Correct. 9 Q Generally you're familiar with that concept? 10 A Correct, yes. 11 Q And can we agree that it's done on the same basis as 12 the deemed assets in the sense that it attributes all 13 of the liabilities to the licensee whether the licensee 14 owns 1 percent or a hundred percent of the asset? 15 A Correct. 16 Q And yet for commercial purposes, as we discussed a 17 moment ago in the example of the 10 percent that I own 18 and 90 percent that the CNRL owns, you'd look at CNRL's 19 works interest percentage; right? 20 A Correct, yeah. Correct. 21 Q Okay. So the LMR is not a measure in a commercial 22 perspective of assets to liabilities of an energy 23 company, it's a measure of deemed assets and 24 liabilities and of a licensee. Is that fair? 25 A That's fair. 26 Q And the purpose of the LMR calculation is for 27 regulatory purposes, not for other purposes?</p>	<p style="text-align: right;">32</p> <p>1 A Correct. 2 Q Okay, and the methodology or the rules for the LMR 3 calculation are undergoing some change currently, are 4 they not? 5 A That's my -- to the best of my knowledge, yes. 6 Q In paragraph 5, you say (AS READ): 7 The LMR assessment considers a licensee's 8 capacity to take responsibility for the 9 obligations you list there. 10 Do you see that? 11 A Yes, I do. 12 Q Now, you're referring there to the transferor or the 13 transferee when talk about licensee? 14 A You're talking about the transferee in this case. 15 Q I think that -- 16 A Let me clarify. 17 We look at both, but in this particular case, I'm 18 particularly focused on transferee. 19 Q But we're on the same page that there was no LMR 20 assessment in relation to the asset transaction in this 21 case; right? 22 A Correct. 23 Q You talk in paragraph 7 about the purpose of the 24 security deposit. 25 A Correct. 26 Q That purpose is spelled out in Directive 6 I believe, 27 and I'd ask you to turn to page 4 of your Exhibit A.</p>

<p style="text-align: right;">33</p> <p>1 A Okay.</p> <p>2 Q And there's a heading at the top Liability Management</p> <p>3 Rating Assessment. The second last paragraph, I'll</p> <p>4 just let you read it. Does that fairly state the</p> <p>5 purpose of the security deposit you refer to in</p> <p>6 paragraph 7?</p> <p>7 A You're talking about the second paragraph under Point 6</p> <p>8 on page 4?</p> <p>9 Q No, I'm sorry, the second last. It starts (AS READ):</p> <p>10 A security deposit determined ...</p> <p>11 The second last under heading 5, page 4.</p> <p>12 A Oh, sorry, I was down on the security deposit.</p> <p>13 That is my understanding of the intent, correct.</p> <p>14 Q Okay. In paragraph 9, you say that (AS READ):</p> <p>15 The LLR program and the related LMR</p> <p>16 assessment had the consideration of end of</p> <p>17 life obligations associated with oil and gas</p> <p>18 properties in determining a licensee's deemed</p> <p>19 liabilities where it contained to be</p> <p>20 safeguards followed industrywide.</p> <p>21 These are the safeguards that the regulator, the AER</p> <p>22 has put in place; right?</p> <p>23 A Correct.</p> <p>24 Q And they use not actual assets and liabilities, but the</p> <p>25 formula for the deemed assets and liabilities that</p> <p>26 we've described; right?</p> <p>27 A Correct.</p>	<p style="text-align: right;">34</p> <p>1 Q And to your knowledge, the creation of those deemed</p> <p>2 concepts are policy choices made by either the</p> <p>3 Government of Alberta or the regulator itself. Is that</p> <p>4 fair?</p> <p>5 A That's fair.</p> <p>6 Q Does CNRL disagree with those policies?</p> <p>7 A We try to provide our honest feedback of opportunities</p> <p>8 to improve to the regulator as often as we can.</p> <p>9 Q How diplomatic. I take it the answer is, no, you don't</p> <p>10 agree and you think they should be improved.</p> <p>11 A I think there's opportunity for improvement.</p> <p>12 Q And you make that view known to the regulator and the</p> <p>13 government regularly; right?</p> <p>14 A We do.</p> <p>15 Q And you want it changed?</p> <p>16 A Improved.</p> <p>17 Q Improved?</p> <p>18 And we're seeing some improvements now with the</p> <p>19 new liability management framework being announced by</p> <p>20 the government; right?</p> <p>21 A Slowly, yeah. There are -- there are enhancements</p> <p>22 coming.</p> <p>23 Q Not to CNRL's satisfaction, but a step perhaps in the</p> <p>24 direction that you want. Is that fair?</p> <p>25 A Correct, correct.</p> <p>26 Q I think the second document in the book we provided to</p> <p>27 you should be a public statement from the AER over the</p>
<p style="text-align: right;">35</p> <p>1 signature of Mr. Ellis dated August 8, 2018. Do you</p> <p>2 have that?</p> <p>3 A I do have that in front of me.</p> <p>4 Q Sorry?</p> <p>5 A I have it.</p> <p>6 Q Okay. Have you seen that before?</p> <p>7 A You know what, I do recall having read it sometime ago.</p> <p>8 Q Okay, and it's dated August 8th. Are you aware that</p> <p>9 that's shortly after the trustee sued Perpetual and</p> <p>10 Ms. Rose?</p> <p>11 A I -- I couldn't speak to the timing specifically.</p> <p>12 Q But you are aware that -- take a moment to look at it,</p> <p>13 if you like. It deals with --</p> <p>14 A Yeah --</p> <p>15 Q -- situation --</p> <p>16 A -- I took a quick brief look at it just before we</p> <p>17 started this conversation.</p> <p>18 Q Okay. I'm going to ask you to look about four</p> <p>19 paragraphs down after in the third paragraph referring</p> <p>20 to Sequoia having ceased operations. Mr. Ellis says</p> <p>21 (AS READ):</p> <p>22 But how did Sequoia get to this point? What</p> <p>23 happened that caused them to be in this</p> <p>24 position?</p> <p>25 Do you see that?</p> <p>26 A I do see it.</p> <p>27 Q Then it goes on to say (AS READ):</p>	<p style="text-align: right;">36</p> <p>1 This is where a gap in the system has been</p> <p>2 identified.</p> <p>3 Were you aware that Mr. Ellis had identified this as a</p> <p>4 gap in the system?</p> <p>5 A I can't speak to what Mr. Ellis was thinking but ...</p> <p>6 Q No, I don't want to know what he was thinking. I want</p> <p>7 to know whether you were aware that he said it.</p> <p>8 A Other than having read this previously, I -- I can't</p> <p>9 recall specifically.</p> <p>10 Q Okay. Did you or CNRL consider there was a gap in the</p> <p>11 system?</p> <p>12 A Did we feel there was a gap? Sorry, you broke up</p> <p>13 there, Dan.</p> <p>14 Q Did you or CNRL consider that there was a gap in the</p> <p>15 system?</p> <p>16 A We did.</p> <p>17 Q Okay. Mr. Ellis goes on to say (AS READ):</p> <p>18 The AER has limited legislated authority to</p> <p>19 oversee corporate transactions.</p> <p>20 That's fair, isn't it?</p> <p>21 A That's -- that's his interpretation for sure.</p> <p>22 Q That's yours too, I would expect.</p> <p>23 A I -- I think -- we think there's more they could do</p> <p>24 with the legislation they have than what they currently</p> <p>25 do.</p> <p>26 Q Right, and what the legislation doesn't do and</p> <p>27 certainly didn't do in 2016 is give the AER legislative</p>

37	<p>1 authority over corporate transactions such as the sale 2 of shares; right? 3 A That is my understanding. 4 Q In order to give the AER authority over other 5 transactions that did not involve the transfer of 6 licenses, did it? 7 A Sorry, can you, please, repeat that, Dan? 8 Q Nor did the legislation give the AER authority over 9 other energy industry transactions that did not involve 10 the transfer of licenses? 11 A That is my understanding. 12 Q Okay. At the bottom of the page, Mr. Ellis says 13 (AS READ): 14 For the AER, this situation has exposed a gap 15 in the system and raised questions with 16 respect to how we better manage liability in 17 the future. In some cases, our governing 18 legislation did not provide us the necessary 19 flexibility to do what is needed, while in 20 others our own requirements and processes 21 were limiting. We are working to fix both. 22 Is that consistent with your view or Canadian Natural's 23 view that the legislation needed work and that the 24 regulator's requirements and processes were limiting? 25 A I -- probably would be a fair characterization. 26 THE COURT REPORTER: I'm sorry, could you repeat 27 that?</p>	38
39	<p>1 then we can talk about it. 2 MR. McDONALD: Sure. 3 EXHIBIT B FOR IDENTIFICATION - Public 4 statement dated August 8, 2018, from the 5 Alberta Energy Regulator 6 Q MR. McDONALD: I believe the next document in 7 your book should be the Liability Management Framework 8 document from the Alberta Government in July 2020. Are 9 you familiar with that? 10 A I'd not read it before. 11 Q Are you aware of what the Provincial Government is 12 doing with respect to liability management in 2020? 13 A Yes, I would -- I would say I am at a high level. 14 Q What's your understanding? 15 A In terms of they are doing more work on corporate 16 assessments of the corporate health -- they have what 17 they call a corporate health test that they've been 18 working on and bringing in and we've had many 19 discussions with them about -- about that corporate 20 health test, so I am aware of it. 21 Q Is this, at least in part, a result of the efforts that 22 CNRL has made to make changes to the regulatory 23 environment? 24 A We've definitely felt free to express our desire to see 25 a stronger corporate health test for sure. 26 Q Okay. The next document in the book is a website, and 27 I'm not sure if yours is exactly the same as mine, but</p>	40
37	<p>1 A I think that would be a fair characterization. 2 Q MR. McDONALD: So then near the -- about 3 two-thirds of the way down the page, he says (AS READ): 4 We have already begun a plan to update 5 liability management ... 6 And that takes -- well, sorry, before I go to the next 7 document, may I mark this as an exhibit, please? 8 THE COURT REPORTER: Could you clarify what this 9 is? 10 MR. McDONALD: It's a public statement dated 11 August 8, 2018, from the Alberta Energy Regulator. 12 MR. WATSON: Well, you know it's not his 13 document. 14 MR. McDONALD: I know it's not his document. 15 I think he said he was familiar with it. I -- 16 MR. WATSON: Yeah, he read it. 17 MR. McDONALD: -- recognize that he's not the 18 author. 19 MR. WATSON: Well, I wouldn't want there to 20 be any sort of legitimacy to marking it as a full 21 exhibit as opposed to one for an identification. This 22 is a government -- government public press issue and 23 it's been read by any -- 24 MR. McDONALD: I'm not fussy. It's already 25 in evidence. I want it reflected in his transcript so 26 when we refer to -- 27 MR. WATSON: Mark it for identification and</p>	40

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1 range, but I was familiar with it.

2 Q Okay. What about Federal Government assistance, are

3 you aware of any Federal Government assistance to the

4 OWA?

5 A To the extent that they are doing these abandon

6 programs as part of their COVID relief initiatives and

7 things like that and the money that they put forward to

8 the three western provinces for it, I'm -- I'm high

9 level familiar with that as well.

10 Q I think you speak about the levy further in your

11 affidavit, and we'll get to it later, but to the extent

12 that we have government funding to pay for this, is it

13 your anticipation that that would help minimize the

14 impact of orphan wells on -- or reclamation costs on

15 the levy?

16 A To -- to the extent that we have loans, it will help

17 with funding in the short term, but the levy will still

18 have to cover the costs of that loan and eventual

19 payback, so there is still an underlying cost.

20 In terms of these COVID I'll call it funding from

21 the Federal Government, that's a different story, and

22 the details are still being worked out. It's still a

23 work in progress, so we'll have a better idea of the

24 impact of that as we go forward. I don't think we know

25 enough yet.

26 Q But at a high level, the government assistance is

27 designed to provide some benefit to the energy

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1 fair?

2 MR. WATSON: Sorry, you're fading out

3 there, Dan. Could you speak into the mic?

4 Q MR. McDONALD: I take it what you're trying

5 to do in this section of your affidavit is describe

6 your understanding of industry practice as it relates

7 to the topics you're discussing.

8 A That's correct.

9 Q But you're not speaking on behalf of any industry

10 organization?

11 A No, I'm speaking on behalf of Canadian Natural.

12 Q And all your experience with these things is as an

13 employee of Canadian Natural?

14 A That is correct.

15 Q So you start at paragraph 10 to say (AS READ):

16 As detailed below, the cost and expenses

17 associated with asset retirement obligations

18 (ARO) or uninflated and undiscounted end of

19 life obligations are important considerations

20 for the industry.

21 My question is, do you understand ARO to be uninflated

22 and undiscounted end of life obligations? Is that what

23 ARO is?

24 A Well, ARO can be defined many different ways. It

25 depends on what purpose you're using it for, how you

26 treat the end of life obligations related to assets.

27 If -- if you have an asset that is very close to its

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1 companies and employees in the energy business or

2 service contractors in the energy business in part in

3 relation to abandonment and reclamation; right?

4 A That's a fair characterization.

5 Q Okay. The next document in your book is Bill 12, The

6 Liabilities Management Statutes, Amendment Act, 2020.

7 Are you familiar with it?

8 A No, I have never read it.

9 Q Do you know if it's been passed into law?

10 A You know what, it's something I've never given any

11 consideration to. I don't know the regulatory backing

12 of it all. I couldn't tell you if it was or not.

13 Q Do you know if it addresses some of the concerns that

14 CNRL has been expressing about the regulatory

15 requirement?

16 A Without reading it, I can't say specifically, but,

17 yeah, I don't know yet.

18 Q I'm now going to turn to the section under the heading

19 Industry Practice, Treatment of Asset, Retirement

20 Obligations starting at paragraph 10 of your affidavit,

21 and I take it what you've included --

22 A Which paragraph of my affidavit?

23 Q Starting at paragraph 10.

24 A Okay. Thank you.

25 Q And I take it what you've included in this section is

26 your understanding of what industry practice is as it

27 relates to the topics which you've discussed. Is that

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1 end of life, and you're considering it as part of

2 whatever review you're doing, you would never -- you

3 wouldn't discount that at all. If you got something

4 that's a brand new facility that may -- how you'd treat

5 it with -- you may discount that obligation out in

6 time.

7 Q I'm just going to pause you there for a second.

8 (DISCUSSION OFF THE RECORD)

9 Q MR. McDONALD: I should have said "uninflated

10 and undiscounted." That's what you understood,

11 Mr. Laing, when I was reading that?

12 A Yes, I took what was written here. I knew what you

13 meant.

14 Q Okay, and I don't know if I misspoke or not, but I

15 wanted to make sure the transcript was fine.

16 Well, let me follow up on the answer you just

17 gave. First, ARO calculated for different purposes

18 will lead to different results; right?

19 A Potentially, depending on how you look at it. There

20 are so many -- there's so many factors that go into it.

21 I think it's -- we always calculate it the same way

22 from an accounting purpose. Whether you're doing an

23 acquisition and disposition or some other type of

24 transaction, you -- you may choose to not discount it.

25 You may choose to discount it. It partly depends on

26 the nature of the asset you've got in question.

27 Q Also depends on the eye of the beholder I would expect,

<p style="text-align: right;">45</p> <p>1 whether you're a buyer or a seller in a transaction, 2 for example, and then in your own personal qualities, 3 the efficiencies that you may bring to the table, that 4 sort of thing. Is that fair? 5 A Those could be a factor. 6 Q So when you say in paragraph (a) (AS READ): 7 They are incorporated into the market value 8 of an asset for the purposes of evaluating 9 and negotiating an asset transaction. 10 Other than certain assets that have to be, for example, 11 abandoned in the next year, I take it you would 12 typically not look at uninflated and undiscounted 13 calculations. You'd use some element of inflation and 14 you'd discount; right? 15 A Not always. We have chosen, especially in the last 16 number of years with the amount of grief we're seeing 17 in the industry, to not discount things in the same way 18 we once did because of taking a more conservative 19 approach on ARO obligations, just given the nature of 20 what we've seen happen in the industry. 21 Q Well, we're going to look at your financial statements 22 in a few minutes and we'll see that some of your ARO is 23 anticipated to be out 60 years. We're not saying 24 something -- 60 years is not going to be discounted, 25 are we? 26 A Right, but how we do -- how you do ARO calculations for 27 a transaction might be different than how you do it</p>	<p style="text-align: right;">46</p> <p>1 from a purely accounting perspective. 2 Q Of course, but even from a transactional perspective, 3 whether you're a buyer or a seller, if you're going to 4 discount those long life assets when you do an ARO 5 calculation, aren't you? 6 A To some degree. 7 Q All right, and when you discount, do you typically also 8 inflate, or are those separate to considerations? 9 A You know what, I'm -- I think they're -- it's -- it's 10 -- I'd have to look to be honest. I'd have to go back 11 and see how we treated inflation on those. We tend to 12 look against our actual costs, 'cause we -- obviously 13 we have a big history of dealing with various assets so 14 we have a lot of past projects to compare against, and 15 I think generally we're looking at actual costs, but 16 for the accounting purposes, I would have to check to 17 see what kind of an inflation factor, if any, they use. 18 I can't say off the top of my head. 19 Q Well, and I know you're not an accountant, but I take 20 it as part of your job over the years you have bought 21 or sold assets -- 22 A Yeah, absolutely -- 23 Q -- of companies -- 24 A -- we generally don't inflate when we're doing our 25 transaction evaluation, but that's different than how 26 we might deal with it from accounting perspective. 27 Q So when you're buying or selling, you generally don't</p>
<p style="text-align: right;">47</p> <p>1 inflate, is that what you said or it depends? 2 A It depends. To be honest, it depends. It's just 3 trying to -- I'm trying to think back to a specific 4 transaction, but it depends on the nature of the assets 5 and the life you're talking about. 6 Q And when you're buying, is the answer again it depends? 7 A Yeah, probably. 8 Q And it depends on your view of the timing of the end of 9 life that -- 10 A Right. 11 (INDISCERNIBLE - OVERLAPPING SPEAKERS) 12 Q -- right? 13 A Right. 14 Q But it also depends on CNRL's own peculiar knowledge 15 and experience and costing of these end of life 16 expenses; right? 17 A Correct. 18 Q And you would have your own way of assessing that that 19 may differ from that of the vendor in a purchase and 20 sale transaction; right? 21 A Correct. 22 Q You would rely on your expertise and your calculations, 23 not on the vendor's? 24 A That's right. 25 Q Okay. If we turn to (b) under paragraph 10, (AS READ): 26 They are considered and included in an 27 industry member's financial documents,</p>	<p style="text-align: right;">48</p> <p>1 including its balance sheet as a liability. 2 Do you know how the calculation is done for financial 3 statement purposes? 4 A Not specifically. Like, I couldn't go do it myself. 5 Q I guess what you do know is it's different than the way 6 you would do it for commercial purposes in a 7 transaction? 8 A Yeah, I wouldn't expect it to be exactly the same. 9 Q And do you think that it's done on an uninflated and 10 undiscounted basis for financial statement purposes? 11 A I know what I would guess, but I don't know for certain 12 what it would be. 13 Q Well, I think that's what you said in your affidavit, 14 and if you really -- if you want to say I don't know, 15 then that's fine, but -- or, if you want to correct 16 that, that's fine, too. 17 A So which -- which specific statement in my affidavit 18 are you referring to then? 19 Q I'm looking at the introductory words of paragraph 10 20 and paragraph (b) and you talk about uninflated and 21 undiscounted end of life obligations, and you say in 22 (b) they are considered in the financial documents, 23 and -- 24 A Right. 25 Q -- I'm surprised by that. I wouldn't have thought that 26 uninflated and undiscounted end of life obligations are 27 in financial documents, but if you know that to be</p>

49	<p>1 true, then say so. And if you're guessing or you don't</p> <p>2 know, if you want to correct it, you can say all those</p> <p>3 things, too.</p> <p>4 A As I don't do the calculations, I'm -- I'd have to -- I</p> <p>5 would have to check to see specifically how the</p> <p>6 calculation is done.</p> <p>7 Q In short, you don't know?</p> <p>8 A I don't.</p> <p>9 Q Okay, and then we go to (c) and you say they are</p> <p>10 included as a deemed liability in the AER's LMR</p> <p>11 assessment and the review of licence transfers?</p> <p>12 A Yeah.</p> <p>13 Q Well, do you know if the deemed liability calculation</p> <p>14 by the AER is uninflated and undiscounted?</p> <p>15 A Well, when -- when writing this my focus is on the end</p> <p>16 of life liabilities are included in the deemed</p> <p>17 allocation. Whether or not I was thinking of it</p> <p>18 specifically on the basis of undiscounted and</p> <p>19 uninflated wasn't my focus. I was speaking</p> <p>20 specifically to the A -- the ARO obligations. I can't</p> <p>21 speak specifically to how the deemed calculation is</p> <p>22 done whether it's undiscounted and uninflated.</p> <p>23 Q Okay. So, I mean, I don't know what you were</p> <p>24 considering, but I do know what I've read, and I've</p> <p>25 read uninflated and undiscounted end of life</p> <p>26 obligations, but I think you're telling me you don't</p> <p>27 know if that's what the AER considers when you make</p>	50	<p>1 reference to it --</p> <p>2 A Well, my frame of reference for the statement here is</p> <p>3 focussed on the ARO. Not -- I don't -- I do not know</p> <p>4 if the deemed calculation -- how they treat discounting</p> <p>5 or inflation.</p> <p>6 Q What you do know is typically that calculation of ARO,</p> <p>7 that is for the LMR assessment, is going to be</p> <p>8 different from the one in your financial statements</p> <p>9 which is going to be different from the one in your</p> <p>10 transactional assessment; right?</p> <p>11 A That's a fair assessment.</p> <p>12 Q Okay, and I take it you're not familiar with the LMR</p> <p>13 rating assessment for Sequoia in 2016, are you?</p> <p>14 A Not specifically, no.</p> <p>15 Q Do you know that after the Perpetual transaction</p> <p>16 Sequoia bought assets from Husky and Waldron?</p> <p>17 A I don't recall. I might have been familiar at one</p> <p>18 time, but I don't recall the specifics right now.</p> <p>19 Q I'm just going to ask you to turn to a document.</p> <p>20 Actually I don't know that you have it in your book.</p> <p>21 A In your binder?</p> <p>22 Q Yes, sorry, I don't have the same binder he has and so</p> <p>23 I'm afraid I don't -- I wanted to look at the trustee's</p> <p>24 preliminary report. Is that in your book?</p> <p>25 A I don't think so. No, no, it doesn't -- I don't</p> <p>26 believe so.</p> <p>27 Q Let me just tell you what I'm looking at, and we don't</p>
51	<p>1 need to go to the document because you probably</p> <p>2 wouldn't be familiar with it anyway, but what I'm</p> <p>3 looking at is when PWC became the trustee of Sequoia,</p> <p>4 it listed some key transactions, and it described the</p> <p>5 first one as the Perpetual Energy corporate sale, then</p> <p>6 the Husky Oil asset purchase, and then the Waldron</p> <p>7 asset purchase and then something called other as asset</p> <p>8 purchase. And what I want to ask you is whether you're</p> <p>9 aware that Sequoia did these asset purchases after the</p> <p>10 Perpetual transaction?</p> <p>11 A I may have been at one time, but I don't recall off the</p> <p>12 top of my head.</p> <p>13 Q You would be aware that typically if you do an asset</p> <p>14 purchase, there's a licence transfer and an AER review?</p> <p>15 A Oh, yeah, absolutely.</p> <p>16 Q Are you familiar with a company called XI Technologies?</p> <p>17 A No, I'm not.</p> <p>18 Q Do you have Mr. Darby's affidavit handy?</p> <p>19 A I have it here.</p> <p>20 Q Could I ask you to turn to paragraphs 39 and 40?</p> <p>21 A Okay.</p> <p>22 Q 39 starts (AS READ):</p> <p>23 By its nature future ARO costs depend on many</p> <p>24 variable factors and can only be estimated.</p> <p>25 XI Technologies Inc. has developed a software</p> <p>26 model.</p> <p>27 I won't read the rest, although you're free to take a</p>	52	<p>1 moment and read it if you'd like.</p> <p>2 A Okay.</p> <p>3 Q Were you aware that Mr. Darby had referred to an</p> <p>4 XI Technologies ARO cost model in coming up with a</p> <p>5 number for Sequoia's ARO?</p> <p>6 A I will have read it in the affidavit when I originally</p> <p>7 reviewed it. I just don't recall the name of the</p> <p>8 company, but, yeah, I -- my familiarity would have been</p> <p>9 from in the affidavit.</p> <p>10 Q Does CNRL utilize the services of XI Technologies to do</p> <p>11 ARO calculations?</p> <p>12 A Not to my knowledge.</p> <p>13 Q And if you were doing a transaction on behalf of CNRL,</p> <p>14 I take it you typically wouldn't ask for a consultant</p> <p>15 to calculate your ARO.</p> <p>16 MR. WATSON: That's a hypothetical, so I</p> <p>17 object to the question.</p> <p>18 (OBJECTION)</p> <p>19 Q MR. McDONALD: Yes, you're right.</p> <p>20 Does CNRL use consultants to calculate ARO when it</p> <p>21 is doing transactions?</p> <p>22 A I'm not aware. I'd have to check. I don't ...</p> <p>23 Q Your understanding of CNRL's practices is that they use</p> <p>24 their own expertise to do their own calculations;</p> <p>25 right?</p> <p>26 A Generally, but I can't -- I can't tell if we've ever</p> <p>27 used an outside party to assist with --</p>

<p style="text-align: right;">53</p> <p>1 Q I'm not asking if you ever had. I just want to know 2 what your general practice is. 3 A General practice would be no. 4 Q And do you have any way of assessing whether this 5 calculation set out in Mr. Darby's affidavit is 6 reliable? 7 A Personally I would not be able to tell you that. 8 Q In order to assess that, would you need to know 9 (INDISCERNIBLE) -- 10 MR. WATSON: Sorry, you're going to have to 11 repeat that, Mr. McDonald. 12 Q MR. McDONALD: In order to assess that, would 13 you need to understand the model? 14 A Not necessarily. I think our folks would be able to 15 look -- they need to understand the assets 16 specifically, not necessarily the model. 17 Q What about the inputs into the model? 18 A That would be -- that's what -- the inputs would be 19 more the details around the assets in order to figure 20 out -- allow our folks to check the reasonableness out. 21 Q I see. Then your folks, if they knew the inputs, could 22 run their own numbers and check whether this was 23 reasonable or not based on their expertise? 24 A That's how (INDISCERNIBLE) -- 25 THE COURT REPORTER: Sorry? 26 A That is how we would do it. 27 Q MR. McDONALD: We've talked about ARO</p>	<p style="text-align: right;">54</p> <p>1 calculations for transactional purposes and for 2 financial statement purposes and for regulatory 3 purposes. Is ARO also typically a calculation in a 4 reserve report? 5 A I -- I don't do the reserves, so I -- I actually don't 6 know. 7 MR. WATSON: Dan, is this a suitable time 8 to take a bit of a break? 9 MR. McDONALD: Yes, this is a good time. 10 Thank you. Let's take -- I might need ten minutes just 11 to check on something. 12 (DISCUSSION OFF THE RECORD) 13 (ADJOURNMENT) 14 Q MR. McDONALD: I just wanted to revisit a 15 couple of things on calculation of ARO when you're 16 doing a transaction, sir. 17 In making the assessment we've talked about 18 several things that you would consider. Would you also 19 consider the impact of legislation as part of assessing 20 what the manner of reclamation obligations are? 21 A I guess it would depend on the legislation. I'd have 22 -- there's a lot of assumptions that would come with 23 that question, so I'm not exactly sure. Maybe if you 24 rephrase, I can give you a better answer. 25 Q Well, just frankly I found this, and I can take you to 26 it in a moment in your annual report. Why don't I do 27 that? You've got your annual report in --</p>
<p style="text-align: right;">55</p> <p>1 A Yeah. 2 Q -- the book in front of you and -- 3 MR. WATSON: That would avoid having to 4 address the hypothetical. 5 MR. McDONALD: I'm sorry, I didn't hear that. 6 MR. WATSON: I said that would avoid having 7 to address the hypothetical. 8 MR. McDONALD: Right. 9 Well, why don't we, before we forget, mark this -- 10 you recognize this as Canadian Natural Resources 11 Limited's 2019 annual report, sir? 12 MR. WATSON: I'm sorry, could you repeat 13 that? I didn't hear. 14 Q MR. McDONALD: I'm sorry. Do you recognize 15 the document in front of you as Canadian Natural 16 Resources Limited's 2019 annual report? 17 A Yes. 18 Q Can we mark that as the next exhibit? 19 THE COURT REPORTER: Yes. 20 EXHIBIT 1 - Canadian Natural Resources 21 Limited 2019 Annual Report 22 Q MR. McDONALD: And the reference I had was at 23 page 69. 24 A 69? 25 Q 69. 26 A Okay. 27 Q This is under a heading Critical Accounting Estimates</p>	<p style="text-align: right;">56</p> <p>1 and Judgments. Do you see that? 2 A Okay. I see it. 3 Q Now, this deals with financial statements, and right 4 now my questions deal with transactions, but what I 5 suspect is that the same considerations that are 6 referred to under (b) asset retirement obligations for 7 the purposes of estimating ARO for financial statements 8 are also considerations when assessing ARO for 9 transactional purposes. Can you take a moment and look 10 at that, and tell me if you agree? 11 A I don't know, 'cause obviously this is how we do it for 12 our financial statements. I don't understand -- or, 13 understand -- I don't know specifically the type of 14 legislation they're referring to. I -- I don't think 15 I've had a conversation around a transaction that 16 specifically discussed legislation as it related to ARO 17 specifically that I recall. 18 Q And actually in the third last line of that section, it 19 talks about environmental legislation which I probably 20 should have referred to. Does that help or same 21 answer? 22 A I'd have to make assumptions that they're just talking 23 about the rules, environmental rules and requirements. 24 Q Well, let's not worry about legislation. Let's go look 25 at the rest of those factors. 26 The impact of inflation, changes in technology, 27 changes in operating practices, and changes in the date</p>

<p style="text-align: right;">57</p> <p>1 of abandonment due to changes in reserve's life. 2 A Yeah. 3 Q Are those all factors that may come into consideration 4 in calculating ARO for the purposes of a transaction? 5 A They may. 6 Q And different people will have different views 7 depending on their own experience and their corporate 8 expertise and that sort of thing; right? 9 A That could be, yeah. 10 Q Okay, and we've talked a little bit about CNRL's 11 expertise and what I want to ask you now is whether you 12 know anything about the methodologies that either 13 Perpetual or Sequoia used in assessing ARO for the 14 purposes of the transactions in 2016. 15 A Not specifically. 16 Q You don't know what assumptions Sequoia used, for 17 example? 18 A I'm not directly familiar, no. 19 Q You don't even know what their estimate of the ARO was 20 at the time of the transaction? 21 A I'm not specifically familiar with that fact. 22 Q Did you consider whether you should contact them if you 23 are going to be swearing an affidavit about this topic 24 and ask them? 25 A No. 26 Q You just didn't do it? 27 A I'm sorry. You guys can't hear. Sorry, I apologize.</p>	<p style="text-align: right;">58</p> <p>1 Sorry, it's my hearing aid. 2 Q I'm going to assume, Lynne, that you didn't get any of 3 that and we'll move on to the next question. 4 A Sorry, my phone rings to my hearing aid and I thought 5 it was off, so -- 6 Q Oh, okay. 7 A -- I missed the question. You'll have to repeat it, I 8 apologize. 9 Q Well, I've forgotten it by now. Lynne, can you help? 10 THE COURT REPORTER: (By Reading) 11 "Q You just didn't do it?" 12 (DISCUSSION OFF THE RECORD) 13 A No, I don't think we felt we needed to. 14 Q MR. McDONALD: Okay. I'm looking at 15 paragraph 17 of your affidavit. 16 A Okay. 17 Q You say (AS READ): 18 When ARO are expected to become due in the 19 near future, it is stated to be between three 20 to five years, because the majority of the 21 wells are inactive or are nearly depleted. 22 The ARO will significantly deplete the 23 available cash flow in the corresponding 24 asset. 25 Do you see that? 26 A Yes, I do. 27 Q And that's a general statement about the balance</p>
<p style="text-align: right;">59</p> <p>1 between the future revenue from an asset as compared to 2 the future of costs incurred to abandon; right? 3 A Correct. 4 Q And in order to do the math on that, you'd need to know 5 the future revenue and you'd need to know the parties' 6 estimate of the abandonment and reclamation 7 obligations, wouldn't you? 8 A Correct. 9 Q And you don't know what either of those were for the 10 good year assets in the fall of 2016, do you? 11 A No, not specifically myself. 12 Q I'm now going to turn to the heading on page 5 of your 13 affidavit. (AS READ): 14 ARO's are considered definite financial 15 liabilities by industry members. 16 Do you see that? 17 A Yeah, I see it. 18 Q What's a "definite financial liability"? 19 A They aren't a maybe. These are obligations that will 20 come to fruition. They can't be avoided. They are -- 21 they will occur. 22 Q And you say they are liabilities. To whom are they 23 owed? 24 A They're liabilities that the company owes. 25 Q Owes to who? 26 A Well, owes to -- you could look at it numerous 27 different ways, to the regulator, the industry,</p>	<p style="text-align: right;">60</p> <p>1 shareholders. 2 Q I'm sorry, so let's break that down. 3 You're saying AROs are liabilities owed to the 4 regulator? That's not -- 5 A Well -- 6 Q -- the case, is it? 7 A -- I guess I could have you rephrase your question. 8 It's an obligation a company has. It has an impact on 9 multiple parties. It may be a better way for me to do 10 it as opposed to an obligation that's owed. It is an 11 obligation that, if not properly managed, will have an 12 impact on a large number of stakeholders. 13 Q So would you be more comfortable if you said in your 14 affidavit AROs are obligations by industry members? Is 15 that a more accurate statement of what you're trying to 16 say? 17 A I wasn't uncomfortable with the way I said it given 18 what I intended. 19 Q The reason I ask is that this has come up quite a bit 20 in our lawsuit and the question of a liability raises a 21 related question about to whom is that liability owed, 22 and I think you and I should be able to agree that AROs 23 are not owed to the regulator. They are not owed to 24 the industry, and they are not owed to shareholders. 25 Is that not -- 26 A I wouldn't -- I wouldn't necessarily agree with that 27 characterization.</p>

<p style="text-align: right;">61</p> <p>1 Q Well, does oil and gas company pay its ARO at any time 2 to the AER? 3 A That -- like I said, it's -- it's not a matter of 4 owing. It's -- what I said is a better 5 characterization is impacts many stakeholders. 6 Q Okay. Well, and that's why I tried to see if you would 7 be more comfortable with a different way of putting 8 your heading, because it's one thing to say it impacts 9 stakeholders and it's another thing to say that it's a 10 definite financial liability, and I'm putting it to you 11 that it's not a definite financial liability owed to 12 anybody. 13 A I totally disagree. 14 Q You totally disagree, but you can't tell me who it was 15 owed to? 16 A It's a definite liability. It's definitely a financial 17 obligation and a financial liability. No question 18 about that. 19 Q And do you know if it's a liability for financial 20 statement purposes? 21 A It should be -- yes, it should be on their financial 22 statements, absolutely. 23 Q As a liability? 24 A Yes. 25 Q Or a provision? 26 A Oh, I -- I'm not an accountant to start getting into 27 pedantics of how they define them, so I couldn't tell</p>	<p style="text-align: right;">62</p> <p>1 you one way or the other. I'm talking high level 2 liability versus a -- an obligation whether -- how it 3 works in a definition. 4 Q You don't know the difference between a liability and a 5 provision for financial statements -- 6 A Not specific -- no, I'm not an IFR expert by any means. 7 THE COURT REPORTER: I'm sorry, you'll have to 8 repeat that. 9 A I'm not an IFR expert. 10 Q MR. McDONALD: But you want to stick with 11 your answer that ARO are liabilities owed to the 12 regulator, do you? Or do you want to change that to 13 they are something that has an impact on multiple 14 parties? 15 A I was comfortable with the way it was written and what 16 my intent was. I still think it's definitely a 17 liability. 18 Q Okay, and you told me it was a liability to the 19 regulator. Are you still comfortable with that? 20 A I'm still comfortable -- at the way I'm taking about 21 liabilities, I'm totally comfortable with it. 22 Q To the regulator? 23 A To the regulator. 24 Q Okay. It's your evidence. 25 You're also equally comfortable that it's a 26 liability owed to the industry? 27 A I do, given the way our industry is set up that those</p>
<p style="text-align: right;">63</p> <p>1 obligations moved to industry if they're not properly 2 handled. 3 Q And still comfortable with the liability owed to 4 shareholders? 5 A Absolutely, if you're not taking care of it. 6 Q Shareholders could sue you to enforce that liability; 7 is that right? 8 A There's many different paths have been taken. 9 Q Okay. So in paragraph 19, you say (AS READ): 10 In addition to their significance in 11 determining an asset's value, I understand 12 ARO are universally treated by industry 13 members as a liability for the purposes of 14 completing the member's financial documents, 15 including the balance sheet. AROs are 16 scheduled, inflated and discounted to arrive 17 at the present value of the ARO to be 18 included in the member's financial documents. 19 I'm not sure we settled on this earlier, but I guess 20 maybe we can now say that, for financial statement 21 purposes, they are not uninflated and undiscounted. 22 They're inflated and discounted; is that right? 23 A Likely. I'd have to check how they're exactly doing 24 the calculation, because as I referenced earlier, I was 25 -- when I was thinking about how the wording was done, 26 it was -- I was focused on ARO in general as opposed to 27 the specific characterization as uninflated and</p>	<p style="text-align: right;">64</p> <p>1 undiscounted. 2 Q Yeah, but here you're talking about financial statement 3 purposes and you say -- 4 A Correct -- 5 Q -- inflated and discounted and you want -- 6 A -- yeah. 7 Q -- to stick with that or do you want to change it? 8 A No, I'll stick with it. 9 Q Okay. Well, I know you said you're not an expert in 10 IFRS, but do you know if Canadian Natural does 11 financial -- its financial reporting consistent with 12 IFRS? 13 A I do. 14 Q And do you know if there's an IFRS policy dealing with 15 provisions, contingent liabilities and contingent 16 assets? 17 A I would not know myself. 18 Q There should be in your book something called IAS 37 19 Provisions, Contingent Liabilities and Contingent 20 Assets. Do you have that? 21 A Yes, I do. 22 Q And do you know if this is a document that guides CNRL 23 in preparing its financial statements? 24 A I don't specifically. I do make assumptions, but I 25 don't specifically know. 26 Q Would you turn to page A1425? 27 A Okay.</p>

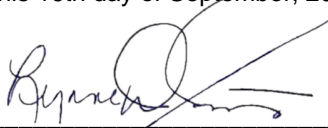
<p style="text-align: right;">65</p> <p>1 Q There's a heading Definitions, and the first definition 2 says (AS READ): 3 A provision is a liability of uncertain 4 timing or amount. 5 Do you know if that's the case, or is that consistent 6 with your understanding? 7 A Again, I'm not -- definitions of IFRS is not something 8 I spend any time on, so ... 9 Q You don't have -- 10 A It says here -- 11 Q You don't have an understanding? 12 A Yeah, I -- I can understand what it says. 13 Q Okay. It says (AS READ): 14 A liability is a present obligation of the 15 entity arising from past events, the 16 settlement of which is expected to result in 17 an outflow from the entity of resources 18 embodying economic benefits. 19 Is it your understanding that ARO is a provision or a 20 liability for financial statement purposes? 21 A Based on these definitions, it can be both. 22 Q And are you guessing or you know? 23 A Well, I'm saying that would be my interpretation of 24 that word that you gave me. 25 MR. WATSON: Well, and this line is inquiry 26 is going to stop right here, because you're asking him 27 to interpret something he says he has got no</p>	<p style="text-align: right;">66</p> <p>1 familiarity with. 2 (OBJECTION) 3 Q MR. McDONALD: Well, fair enough. 4 You don't have any familiarity with the 5 determination of ARO for the purposes of financial 6 statements, do you? 7 A No, that's what I've told you. 8 Q Yes, but I mean then you give evidence about it in 9 paragraphs 19 and 20 of your affidavit. 10 A Well, very high level. 11 Q Okay. Let's just turn to a few pages in your annual 12 report and see what we can do. 13 Turn to page 41. 14 A Okay. 15 Q There's a table about a third of the way down, and I'm 16 going to read starting four lines above that. 17 (AS READ): 18 The Company's asset retirement obligations 19 are expected to be settled on an ongoing 20 basis over a period of approximately 60 years 21 and have been discounted using a weighted 22 average discount rate of 3.8 percent ... 23 With other discount rates for other years. (AS READ): 24 For 2019, the Company's capital expenditures 25 included \$296 million for abandonment 26 expenditures. 27 There's numbers for other years, and then it says the</p>
<p style="text-align: right;">67</p> <p>1 estimated ARO as of December 31, 2019, was as follows. 2 Had you ever read that? 3 A Have I ever read that? 4 Q Yes. 5 A Yeah, I read their annual report every year. 6 Q And so were you aware that the ARO for Canadian Natural 7 for 2019 was to be settled on an ongoing basis over 8 about 60 years? 9 A It's not something I would've spent any time thinking 10 about. I -- while I've read, it's not something I 11 spend a lot of time focussing on. So will I -- could 12 I -- would I have been able to quote that back to you? 13 No, had I not read it. 14 Q But you know that some assets have to be retired this 15 year and some don't have to be retired -- 16 A Absolutely. 17 Q -- at all -- you've got to wait until I finish my 18 questions. 19 A Sorry. 20 Q Some assets will have to be abandoned and reclaimed 21 within the next year and others in the future and in 22 Canadian Natural's case as far as 60 years in the 23 future; right? 24 A That is correct. 25 Q And the discounted value of Canadian Natural's ARO for 26 financial statement purposes in 2019 was \$5.7 billion; 27 right?</p>	<p style="text-align: right;">68</p> <p>1 A Correct. 2 Q And the amount they spent on ARO in 2019 was \$296 3 million; right? 4 A Correct. 5 Q So I'm not great at math, but that looks to me like 6 about 5 percent of the total ARO was required to be 7 spent in 2019. Is that fair? 8 A It's fair. 9 Q Okay, and I guess for 2018 you see the company spent 10 \$290 million and for 2017 \$274 million; right? 11 A Correct. 12 Q I'm going to turn now, sir, to your previous affidavit 13 dated July 14th. 14 A Okay. 15 Q I'm looking at paragraph 11, and I think we've 16 essentially covered this in some earlier questions, but 17 you start by saying (AS READ): 18 Parties seeking to transfer oil and gas 19 assets as per the transactions would 20 typically require the approval of the AER. 21 Well, if you're transferring assets pursuant to a 22 corporate transaction or a share sale, you typically 23 don't need the approval of the AER, do you? 24 A No. 25 Q If you're transferring the beneficial -- or, if you're 26 combining the beneficial and legal interest without any 27 transfer of licenses, then you don't need AER approval,</p>

<p style="text-align: right;">69</p> <p>1 do you?</p> <p>2 A Correct.</p> <p>3 Q And you're aware that neither the asset transaction nor</p> <p>4 the share transaction is defined in the statement of</p> <p>5 claim required AER approval; right?</p> <p>6 A I'd have to go back and refresh my memory.</p> <p>7 Q You don't know?</p> <p>8 A I just don't recall. Like, lots of paper. Sorry, I</p> <p>9 have to go back and read through it specifically.</p> <p>10 Q Okay. So paragraph 12, you say (AS READ):</p> <p>11 From my review of the pleadings in the</p> <p>12 action, I understand the transactions</p> <p>13 resulted in the assignment of significant</p> <p>14 regulatory obligations to Sequoia.</p> <p>15 Those regulatory obligations are the obligations of a</p> <p>16 licensee. Is that what you're talking about?</p> <p>17 A Yeah, the obligations of the licensee is what I'm</p> <p>18 talking about.</p> <p>19 Q And from whom were they transferred to Sequoia?</p> <p>20 A I'd have to go back through Darby's affidavit</p> <p>21 to check --</p> <p>22 THE COURT REPORTER: I'm sorry?</p> <p>23 (DISCUSSION OFF THE RECORD)</p> <p>24 A Sorry, I'd have to go back through Paul Darby's</p> <p>25 affidavit to see what the sequence was of who went from</p> <p>26 where to who to confirm it.</p> <p>27 Q MR. McDONALD: Well --</p>	<p style="text-align: right;">70</p> <p>1 A I don't recall all the details off the top of my head</p> <p>2 is all I'm saying.</p> <p>3 Q Well, yes, no, I'd like to know, sir. You swear in</p> <p>4 your affidavit the significant regulatory</p> <p>5 obligations -- we just talked about the obligations of</p> <p>6 a licensee --</p> <p>7 A Yeah.</p> <p>8 Q -- were assigned to Sequoia. If you want to take a</p> <p>9 minute and look at Mr. Darby's affidavit, that's fine,</p> <p>10 but I want to know from whom they were assigned.</p> <p>11 A Well, it would be whoever sold -- whichever entity it</p> <p>12 was that the assets came from. I would have to go back</p> <p>13 through it specifically, if you want to sit here</p> <p>14 awhile. If I have it right, I'd have to go back -- I</p> <p>15 left my -- I have a little drawing with a bunch of</p> <p>16 stuff I have in my office, but it's -- generally I</p> <p>17 believe I would've been referring to the assets that</p> <p>18 went from PEI to the entity PEOC which I believe</p> <p>19 changed its name to Sequoia eventually.</p> <p>20 Q Well, you're understanding that PEI is Perpetual Energy</p> <p>21 Inc.?</p> <p>22 A Well, I -- I have a drawing. Like, I could sit here</p> <p>23 and try to go through it all right now on the top of my</p> <p>24 head, but it's -- I -- I've gone through it previously,</p> <p>25 so I'm -- I would have to spend some time going through</p> <p>26 it to remember the exact chain off the top of my head</p> <p>27 about what went from who to who.</p>
<p style="text-align: right;">71</p> <p>1 Q Well, yeah, I don't want you to spend a bunch of</p> <p>2 time --</p> <p>3 A I'm happy to sit here and do it. I can sit here and</p> <p>4 spend the time. I don't care. It's -- it'll take me</p> <p>5 some time --</p> <p>6 Q How long?</p> <p>7 A -- to read through it again, 'cause I didn't --</p> <p>8 Q Well, can you --</p> <p>9 A I'm happy to do it. I'm fine to do it. I don't care.</p> <p>10 Like, I can sit here and do it.</p> <p>11 Q Yes, and my question is how long is it likely to take</p> <p>12 you?</p> <p>13 A Well, I have to -- I have to refresh my memory with the</p> <p>14 exact sequence of what went from whom to whom, so I</p> <p>15 just need -- it's going to take me a minute.</p> <p>16 Q Why don't I check back in five minutes and see how</p> <p>17 you're doing.</p> <p>18 A Okay.</p> <p>19 (ADJOURNMENT)</p> <p>20 Q MR. McDONALD: Mr. Laing, how did you do?</p> <p>21 A I'm unmuted, yeah, yeah. So do you want to just repeat</p> <p>22 the question. I will answer. I just want to make sure</p> <p>23 I have the question right.</p> <p>24 Q Sure. I was looking at paragraph 12 of your --</p> <p>25 A Yeah.</p> <p>26 Q -- affidavit and then you say that (AS READ):</p> <p>27 I understand the transactions resulted in the</p>	<p style="text-align: right;">72</p> <p>1 assignment of significant regulatory</p> <p>2 obligations to Sequoia.</p> <p>3 We agreed that those regulatory obligations you are</p> <p>4 referring to are the obligations of a licensee, and I</p> <p>5 asked from whom were those obligations assigned?</p> <p>6 A Well, and that's what -- so the 'P' -- as I understand</p> <p>7 it the 'P' -- based on my reading of the Darby</p> <p>8 affidavit is the obligations that went from PEI to</p> <p>9 PEOC, which as I understand it, eventually changed</p> <p>10 their name to Sequoia.</p> <p>11 Q Sorry, I just didn't hear the last part of the answer.</p> <p>12 From PEI to PEOC, and then what did you say?</p> <p>13 A Which eventually changed its name to Sequoia I believe.</p> <p>14 Q Well, so you're saying the obligations of a licensee</p> <p>15 went from PEI to PEOC? That's your understanding?</p> <p>16 A The obligations -- yeah, PEOC is where the obligations</p> <p>17 ended up, and as I understand it, they switched their</p> <p>18 name to Sequoia. I mean, Darby's thing explains it far</p> <p>19 better than I can, but ...</p> <p>20 Q But are you saying though that the obligation started</p> <p>21 with PEI?</p> <p>22 A Well, they went through there. It's -- Darby --</p> <p>23 Darby's -- Darby's affidavit does more justice to the</p> <p>24 detail of the actual asset flow of everything. Like,</p> <p>25 he's got, what, 50 pages that all goes into the various</p> <p>26 components of the transaction. At a high level, you</p> <p>27 ended up with -- the assets eventually end up down in</p>

<p style="text-align: right;">73</p> <p>1 Sequoia and that's where we had the problem.</p> <p>2 Q Let me put it to you simply.</p> <p>3 A Okay.</p> <p>4 Q Do you know whether, at the time of the transaction or</p> <p>5 just before the transaction, PEI was the licensee of</p> <p>6 the good year assets?</p> <p>7 A I don't recall the exact timing. I would have to go</p> <p>8 back through Darby's affidavit in detail again to try</p> <p>9 to get that understanding again. It's been awhile</p> <p>10 since I've gone through it in detail.</p> <p>11 Q Let me put it to you more clearly then.</p> <p>12 At the time of the transaction, PEOC was the</p> <p>13 licensee. Do you know that?</p> <p>14 A I'd have to -- I'd have to recall. I know it wasn't a</p> <p>15 specific transfer to them. There were various</p> <p>16 obligations, and it was a -- because of the corporate</p> <p>17 nature of it and the way that it transpired, I know it</p> <p>18 wasn't a specific transfer because it was a corporate</p> <p>19 chain.</p> <p>20 Q Right. You know that there was no transfer of licenses</p> <p>21 of the good year assets to --</p> <p>22 (INDISCERNIBLE - OVERLAPPING SPEAKERS)</p> <p>23 A As of -- sorry, sorry.</p> <p>24 Q You know that there was no transfer of the licenses</p> <p>25 pursuant to the transactions to Sequoia; right?</p> <p>26 A As per the definition of transfer with the regulator,</p> <p>27 yes.</p>	<p style="text-align: right;">74</p> <p>1 Q Well, it's only the regulator who deals with the</p> <p>2 transfer of licenses; right?</p> <p>3 A Right, but there's -- yeah, I'm speaking in terms of</p> <p>4 overall obligation, but, yeah, I don't disagree with</p> <p>5 what you're saying specifically.</p> <p>6 Q The overall obligations of a licensee are with the</p> <p>7 licensee; right?</p> <p>8 A Well, not just the licensee. They're also the working</p> <p>9 interest partners as well, but any --</p> <p>10 Q Fair enough. Okay.</p> <p>11 A I hear what you're saying.</p> <p>12 Q Then you go on in that sentence to say, after referring</p> <p>13 to Sequoia (AS READ):</p> <p>14 ... which I understand to be an entity with</p> <p>15 limited or no assets incapable of fully</p> <p>16 complying with its compelled regulatory</p> <p>17 abandonment obligations.</p> <p>18 Were you aware that, in the 15 months following the</p> <p>19 transaction, Sequoia ranked fifth in the Province of</p> <p>20 Alberta in terms of reclamation certificates behind</p> <p>21 CNRL, Husky, Cenovus and Paramount.</p> <p>22 A That wouldn't be a statistic I was specifically aware</p> <p>23 of.</p> <p>24 Q Does that sound like a company that is incapable of</p> <p>25 fully complying with its regulatory abandonment</p> <p>26 obligations in that 15-month period?</p> <p>27 A I wouldn't call getting rec (sic) certificates as being</p>
<p style="text-align: right;">75</p> <p>1 a good measure of whether a company can handle its</p> <p>2 obligations or not.</p> <p>3 Q Okay. Well, what about the fact -- were you aware that</p> <p>4 it abandoned 150 wells in that 15-month period</p> <p>5 following the transaction?</p> <p>6 A Okay.</p> <p>7 Q Were you aware of that?</p> <p>8 A Not specifically necessarily, no.</p> <p>9 Q You say in the last sentence of paragraph 12 (AS READ):</p> <p>10 At the time of the sale, PEOC's production</p> <p>11 revenues could not cover the operating costs</p> <p>12 much less the abandonment or reclamation</p> <p>13 obligations.</p> <p>14 Were you aware that PEOC or Sequoia had the benefit of</p> <p>15 a gas marketing contract with a guaranteed price for a</p> <p>16 certain volume of its production for a certain period</p> <p>17 for about two years following the transaction?</p> <p>18 A I wouldn't have necessarily been aware of the specific</p> <p>19 contract.</p> <p>20 Q And depending on the terms of the contract that might</p> <p>21 provide with a -- the company with revenue in excess of</p> <p>22 market price; right?</p> <p>23 A Yeah, I don't have the specific terms of the contract,</p> <p>24 so ...</p> <p>25 Q So you don't know whether revenue or their expenses</p> <p>26 were following the transaction, do you?</p> <p>27 A Not specifically, no.</p>	<p style="text-align: right;">76</p> <p>1 Q So you can't even tell, other than knowing that a</p> <p>2 couple of years down the road they went bankrupt,</p> <p>3 whether they're at -- in the 15-month period following</p> <p>4 the transaction, their revenues exceeded their</p> <p>5 operating costs. You don't know that, do you?</p> <p>6 A Well, you can look at specific facts and use a</p> <p>7 reasonableness test and our people can look at it and</p> <p>8 get a pretty good sense of where it's going to be. May</p> <p>9 not be exact, but we can have a pretty good idea.</p> <p>10 Q You haven't done that homework, have you?</p> <p>11 A I -- I didn't do that specifically.</p> <p>12 Q Okay. Turning to paragraph 14 of this affidavit --</p> <p>13 A Mm-hmm.</p> <p>14 Q -- you say (AS READ):</p> <p>15 I verily believe that the transactions</p> <p>16 conflict with the oil and gas industry's</p> <p>17 expectations of the universal application of</p> <p>18 standard contractual provisions, since any</p> <p>19 step-wise scheme like this would allow</p> <p>20 contracting parties to circumvent standard</p> <p>21 contractual obligations, including customary</p> <p>22 ROFR requirements.</p> <p>23 So what standard contractual obligations are you</p> <p>24 talking about other than ROFRs? And then we'll talk</p> <p>25 about ROFRs.</p> <p>26 A I'm primarily referring to ROFRs or consents --</p> <p>27 Q You are referring to ROFRs --</p>

<p style="text-align: right;">77</p> <p>1 A There -- there could -- there are consent requirements 2 as well a times. Sorry, I didn't mean to -- 3 Q So this paragraph really is focused on the ROFR issue; 4 is that right? 5 A ROFRs and any consents that would be required. 6 Q And what you're saying is the share sale can avoid ROFR 7 obligations; is that right? 8 A They can in certain circumstances, yes. 9 Q Right. Certainly the industry understands that, 10 doesn't it? 11 I'll take that smile and a nod as a "yes." 12 A That the industry understands the corporate 13 transactions can avoid ROFRs? 14 Q Yes. 15 A I think as a general rule, yes. 16 Q I would hope so. 17 So we go to paragraph 15. (AS READ): 18 I understand that the transaction is 19 permitted to endure the approximate \$200 20 million cost to abandon and reclaim the good 21 year assets will be unfairly borne by 22 licensees. 23 Well, you've done no due diligence to assess whether 24 that \$200,000 (sic) number is at all reliable, have 25 you? 26 A The 200 million? Myself I have talked to people with 27 -- sorry, go ahead. I didn't --</p>	<p style="text-align: right;">78</p> <p>1 Q You properly corrected me. I said 200,000. It should 2 be 200 million. 3 A Yeah, we've had conversations with experts internally 4 around the nature of the ballpark on the number. I -- 5 have I done due diligence beyond that to check the 6 calculations? No. 7 Q And in doing a transaction, would you typically rely on 8 what an accountant says about what a consultant says 9 his model says about ARO? 10 A We would look to our own internal expertise to 11 determine what an ARO calculation would be. 12 Q And you would expect other industry participants to do 13 the same; right? 14 A That's correct. 15 Q Okay, and you don't know what your own experts -- 16 internal experts would tell you because you haven't 17 done an ARO calculation on the good year assets; right? 18 A Sorry, pardon me? 19 Q You don't know what your own expert -- your own 20 internal experts would tell you, because you haven't 21 done an ARO calculation on the good year assets? 22 A On the good year assets -- 23 Q Yes -- 24 A -- is that what you're saying? 25 Q -- on the good year assets. 26 A Yeah, I'd -- I'd have to go and check to see how deep 27 they went on the good year calculations and I'd have to</p>
<p style="text-align: right;">79</p> <p>1 confirm it. 2 Q You don't know today? 3 A I don't recall. 4 Q And then a sentence I was reading to you says 5 (AS READ): 6 ... unfairly and unjustly borne ... 7 I take it -- I take it that's your opinion about the 8 fairness and justice of the situation; is that right? 9 A That would be my opinion. 10 Q (AS READ): 11 ... by the licensee's of Alberta's oil and 12 gas regulatory regime. 13 I take it that occurs if the good year assets are 14 declared by the regulator to be orphans; right? 15 A That's correct. That's right. 16 Q The regulator has not declared the good year assets to 17 be orphans, has it? 18 A Not yet to my aware -- my knowledge. 19 Q And even if it did, there would be no impact on the 20 other licensees unless the regulator declared an 21 increase in the levy to reflect the abandonment costs 22 for those assets; right? 23 A If the levy didn't change, there wouldn't be an impact 24 in the short term. Eventually it's gonna come. 25 Q And the regulator is the person -- the entity that 26 determines what the levy is? 27 A That is correct.</p>	<p style="text-align: right;">80</p> <p>1 Q You make a related point at paragraph 18 of this 2 affidavit. I'd like to break that down. 3 A Sure. 4 Q To start with (AS READ): 5 If the transactions are permitted ... 6 Are you aware that the trustee is only challenging the 7 asset transaction in the statement of claim or what's 8 left of the statement of claim? 9 A I'd have to -- I'd have to clarify that, but, like, 10 specifically I -- I don't remember the -- I don't 11 recall all the specific details. I'd have to go back 12 and look at it again. 13 Q Then you go (AS READ): 14 ... and the estimated \$200,000 cost to 15 abandon and reclaim the good year assets is 16 consequently transferred to the OWA. 17 Well, we've talked about the number, and I think we've 18 also talked about the fact that those assets have not 19 been transferred to the OWA, have they? 20 A Not to my knowledge yet. 21 Q Then you say (AS READ): 22 Canadian Natural will bear the largest 23 financial impact of all the contributors to 24 the levy. 25 And that's only if the regulator declares an increase 26 to the levy as a result of this transfer that hasn't 27 happened; right?</p>

81	<p>1 A That's correct.</p> <p>2 Q And so your math in paragraph 19 is just to say, what,</p> <p>3 that if \$200 million is added to the levy, then</p> <p>4 Canadian Natural's share, based on its current share of</p> <p>5 the provincial liabilities, is \$42 million?</p> <p>6 A That's correct.</p> <p>7 Q Would you turn to paragraph 30 of your affidavit? This</p> <p>8 is under a heading CNRL Unique Ability to Address</p> <p>9 Commercial Policy Concerns and Industry Standards, and</p> <p>10 you talk about its -- Canadian Natural's contribution</p> <p>11 to the development of law and policy, and then you go</p> <p>12 on to say (AS READ):</p> <p>13 ... and both the interplay between Section 96</p> <p>14 of the BIA and the regulatory obligations.</p> <p>15 A Yes.</p> <p>16 Q What critiques do you have in Section 96 of the BIA?</p> <p>17 A I'd have to go back and look at it again.</p> <p>18 Q Do you know what it's about?</p> <p>19 A I'd have to refresh my memory. I haven't looked at it</p> <p>20 in quite some time.</p> <p>21 Q The short answer is you don't have any expertise in</p> <p>22 Section 96 of the BIA, do you?</p> <p>23 A Familiarity expertise. I'm not claiming to have</p> <p>24 expertise, no.</p> <p>25 Q Okay, and when you say "familiarity," as we sit here</p> <p>26 today, you don't even know what it says, do you?</p> <p>27 A Well, I haven't refreshed. It's been a long time since</p>	82
83	<p>1 court's determination in the BIA application</p> <p>2 would effectively sanction similar</p> <p>3 obligations dispensing schemes.</p> <p>4 First, do you know if the trustee has alleged in the</p> <p>5 statement of claim that this was an obligation</p> <p>6 dispensing scheme?</p> <p>7 A I don't recall how it would be phrased.</p> <p>8 Q That's your characterization, is it?</p> <p>9 A That's my characterization.</p> <p>10 Q (AS READ):</p> <p>11 ... can provide guidance to the Alberta oil</p> <p>12 and gas industry on methods of avoiding</p> <p>13 municipal taxes and escaping abandonment and</p> <p>14 live reclamation obligations.</p> <p>15 Do you know the status of the municipal taxes at the</p> <p>16 time of the transaction?</p> <p>17 A I don't specifically on this one --</p> <p>18 THE COURT REPORTER: I'm sorry, I don't</p> <p>19 specifically ...</p> <p>20 A I don't specifically for this transaction.</p> <p>21 Q MR. McDONALD: And do you know of similar</p> <p>22 transactions since 2016 modelled on this transaction?</p> <p>23 A Modelled on it? I couldn't say specifically.</p> <p>24 Q You don't know of any?</p> <p>25 A There are other transactions we're concerned about, but</p> <p>26 to say specifically modelled on this, I couldn't say</p> <p>27 specifically right off the top of my head.</p>	84
	<p>1 we put this together, so ...</p> <p>2 Q Okay. Does Canadian Natural have an inspector in the</p> <p>3 Sequoia bankruptcy?</p> <p>4 A We did.</p> <p>5 Q Who was that?</p> <p>6 A Trevor Kratz.</p> <p>7 Q And you say you did. Did he leave?</p> <p>8 A Yeah, he's with the company, but he resigned from the</p> <p>9 role in -- in terms of as an inspector.</p> <p>10 Q Why?</p> <p>11 A I think just because of other obligations he had with</p> <p>12 the company he was busy. He moved to a new role within</p> <p>13 the company and wasn't able to continue with it, so ...</p> <p>14 Q Did it have anything to do with this lawsuit?</p> <p>15 A No.</p> <p>16 Q And you didn't replace him?</p> <p>17 A No, we didn't.</p> <p>18 Q Do you know when that happened, that is when he</p> <p>19 resigned?</p> <p>20 A It would be late last year. I'd have to check</p> <p>21 specifically. Might have been in Q1. I'd have to --</p> <p>22 I'd have to go check. He took the new role late last</p> <p>23 year, but I'm not exactly sure when the resignation</p> <p>24 from the trustee came in.</p> <p>25 Q I'm now looking at paragraph 33 of this affidavit and</p> <p>26 you say (AS READ):</p> <p>27 If the transactions are tolerated, the</p>	
	<p>1 Q So you go on in paragraph 34 to say (AS READ):</p> <p>2 If such transactions to avoid liabilities</p> <p>3 become routine.</p> <p>4 You're not aware of such transactions to avoid</p> <p>5 liabilities becoming routine, are you?</p> <p>6 A Not yet.</p> <p>7 Q Okay. To put a finer point on it, there hasn't been</p> <p>8 one, to your knowledge, in the four years since the</p> <p>9 transaction; right?</p> <p>10 A Yeah, I'd have to check to see the characters if we --</p> <p>11 what things are like, but I can't think of one off the</p> <p>12 top of my head.</p> <p>13 Q Okay. Thank you, sir. I have no other questions.</p> <p>14 A Okay. Thanks.</p> <p>15 MR. WATSON: Thank you.</p> <p>16 (WHICH WAS ALL THE EVIDENCE TAKEN AT 4:57 PM)</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p> <p>26</p> <p>27</p>	

<p style="text-align: right;">85</p> <p>1 CERTIFICATE OF TRANSCRIPT: 2 3 I, L. D. Stevenson, certify that the foregoing 4 pages are a complete and accurate transcript of the 5 Proceedings conducted in accordance with the Alberta 6 Protocol for Remote Questioning, taken down by me in 7 shorthand and transcribed from my shorthand notes to 8 the best of my skill and ability. 9 Dated at the City of Calgary, Province of Alberta, 10 this 16th day of September, 2020. 11 12  13 _____ 14 15 L. D. Stevenson, CSR(A) 16 Official Court Reporter 17 18 19 20 21 22 23 24 25 26 27</p>	<p style="text-align: right;">86</p> <p>1 EXHIBITS ENTERED IN THE QUESTIONING OF 2 RONALD KEITH LAING 3 SEPTEMBER 15, 2020 4 5 PAGE NUMBER: 6 7 EXHIBIT A FOR IDENTIFICATION - Redacted 6 8 copy of Mr. Ronald Keith Laing's affidavit 9 sworn August 12, 2020 10 11 EXHIBIT B FOR IDENTIFICATION - Public 39 12 statement dated August 8, 2018, from the 13 Alberta Energy Regulator 14 15 EXHIBIT 1 - Canadian Natural Resources 55 16 Limited 2019 Annual Report 17 18 19 20 21 22 23 24 25 26 27</p>
<p style="text-align: right;">87</p> <p>1 OBJECTIONS ENTERED IN THE QUESTIONING OF 2 RONALD KEITH LAING 3 SEPTEMBER 15, 2020 4 5 PAGE NUMBER: 6 7 OBJECTION 52 8 OBJECTION 66 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27</p>	<p style="text-align: right;">88</p> <p>1 UNDERTAKINGS GIVEN IN THE QUESTIONING OF 2 RONALD KEITH LAING 3 SEPTEMBER 15, 2020 4 5 (Undertakings are inserted and indexed as a courtesy 6 service to be utilized at the discretion of counsel. 7 They are interpretations by the court reporter and it 8 is requested counsel refer to the appropriate page to 9 ensure accuracy) 10 11 PAGE NUMBER: 12 13 UNDERTAKING 1 - To make inquiries to 21 14 determine and advise whether CNRL provided 15 financing to assist internally or 16 externally with the trustee's costs of 17 pursuing this case 18 19 20 21 22 23 24 25 26 27</p>