



2018 ANNUAL REPORT



TABLE OF CONTENTS

2019 Agenda	4
2018 Minutes.....	5-6
President's Message.....	7
Auditor's Report.....	8
2018 Financial Statements	9-10
Reports	11-16
<ul style="list-style-type: none">• Marketing• G.A.S. Alumni• Student Engagement• Annual Joint Conference• Gas Processing 101 Series• Membership• Lunches Summary• Social Events	
GPAC 2018 Corporate Sponsors	17



GPA CANADA MISSION STATEMENT

Provide added value to the Canadian gas processing and gas liquids industries from source to market by being a forum for:

- Expanding technical knowledge
- Sharing best practices
- Discussing, debating and providing input into legislative and regulatory issues
- Industry networking

GPA CANADA VISION

- Be the premier technical association representing gas processing in Canada.

GAS PROCESSING ASSOCIATION CANADA

600, 900 – 6 Avenue SW
Calgary, AB Canada
T2P 3K2

Phone: 403-244-4487

Fax: 403-244-2340

Email: info@gpacanada.com

Website: www.gpacanada.com



NOTICE OF ANNUAL GENERAL MEETING AGENDA

Pursuant to Article 4.1.2 of the Gas Processing Association Canada Bylaws, notice is hereby given that the association's Annual General Meeting will be held on Tuesday, March 19, 2019 at The Petroleum Club, Viking Rooms, 319 – 5 Avenue SW, commencing at 11:30 am.

Agenda

1. Call to order
2. Reading and Dispensing of the Minutes from the Annual General Meeting of April 4, 2018
3. President's Report
4. Financial Report
Approval of the 2018 Financial Statement
5. 2018 Directors' Highlights
6. Ratification of the Actions of the Board of Directors
7. Board of Directors Elections

Adjournment of the Annual General Meeting



ANNUAL GENERAL MEETING MINUTES

Tuesday, April 3, 2018
The Petroleum Club
319 – 5 Avenue SW
Calgary, Alberta

1. Call to Order – 11:59 pm

Greg Bury welcomed the members, indicating there was a quorum of at least 10% of the membership present in combination with proxies provided to the Board, therefore the meeting was duly constituted. Materials for reference were on each table in the Annual Report:

- Agenda
- Minutes from the 2017 AGM
- Financial and Director's Reports

He acknowledged Past Presidents and Directors in the room and thanked them for their past and current volunteer efforts to keep the association running.

2. Approval of the March 23, 2017 AGM minutes

The minutes of the March 23, 2017 Annual General Meeting were circulated.

Moved by James van der Lee that the minutes of the March 23, 2017 Annual General Meeting be approved as circulated

Seconded by Loreen Scherman

Carried.

3. President's Report

It was noted that the 2017 President's report could be found in the Annual Report on the tables, which can be referenced.

4. Financial Report

The financial books of the Association were reviewed by two GPAC Members this year – Michael Janzten, Flexpipe and Rod Nadalutti, Altagas. The statements were then approved by the Board and are presented in the Annual Report.

Moved by Ellie Foden that the yearend Financial Statement as at December 31, 2017 be approved as presented

Seconded by Steve Summers

Carried.

5. Ratification of Board Actions

G. Bury again referred to the Annual Report that summarized the actions of the Board in 2017 and asked for motion to ratify those decisions.

Moved by Paul Homik that the actions of the GPAC Board of Directors be ratified for the year 2017

Seconded by Jordan Hicks

Carried.

6. Elections

G. Bury reminded the attendees that the Association is run by volunteers; both the individuals who sit on the committees and the companies that sponsor them do so because they are genuinely interested in the goals and activities of GPAC. Without them, the organization could not function. He thanked the members of the 2017 Board of Directors for their dedication and service including the following that stepped down for various reasons:

- Paul Naphin
- Steve Summers
- Jayce Loh
- Darren Serviss



For those continuing on the Board for 2018, the following required re-election for another 2 year term:

- Greg Bury - President
- Jonathan Balint - Treasurer
- Gerardo Leclair – Vice President
- James van der Lee – Programs Chair & Conference
- Thu Nguyen – Entertainment Director

The continuing Directors serving the 2nd year of their term include:

- Paul Homik – Past President
- Chad Sales – Safety & Environment Director

The following new nominations were presented:

- Ellie Foden – Spartan Controls
- Kevin Bonde - Gas Liquids Engineering
- Ron Espiritu – Tundra Process Solutions
- Howard Smith – our G.A.S. Alumni Liaison; is now an official voting Director as accepted by the AB Registries after the bylaw changes were accepted by members at last year's AGM; therefore also required official election

Moved by Loreen Sherman that the slate of Directors for 2018 be approved as presented

Seconded by Chris Day

Carried.

G. Bury thanked the sponsors in the room for allowing their employees to participate on the Board for this upcoming year.

7. Adjournment

There being no new business raised from the floor, a call was made to adjourn the meeting.

Moved by Rob Nadalutti that the meeting be adjourned at 12:07 pm

Seconded by Jordan Hicks

Carried.



PRESIDENT'S MESSAGE



2018 Year in Review

As we move into 2019, it is nice to see some positive signs for our industry. The Canadian Gas Industry is at a crossroads with respect to traditional uses for natural gas and related liquids. Other than our domestic use, we have relied on the United States to be our main customer. Due to the revolution in shale oil & gas in both the USA and Canada, our exports there are decreasing rapidly. Therefore, I believe that it is imperative for Canada to access the world markets for our natural gas and liquids.

In 2018, one of GPAC's focuses was to inform our membership and our industry on relevant topics regarding this and other issues. Like many in industry, we believe that LNG projects on both our coasts are imperative to Canadian sovereignty and long-term viability to our industry. We brought in Susannah Pierce from LNG Canada to talk to us about their excellent project on the BC coast. We then brought a panel of industry leaders to talk about our challenges and opportunities for us involved in natural gas and midstream. These sessions were very useful and productive for those that attended. There were several comments that we should step up to make sure that the public gets accurate information on the natural gas and midstream industries.

Once again, GPAC was invited to attend the GPAC Midstream conference in Austin, Texas. GPA Midstream allowed us to provide three Canadian speakers for this event. Steve Giacomini from Pembina came and spoke on their assets and operations in Canada and the USA. Next was Jamie Fisher from Altagas who spoke on their Ridley Island Propane Export Facility. Then I spoke at a luncheon where I provided an overview of the Canadian Natural Gas Industry. They have already invited us back to San Antonio for this year's conference and we received nothing but positive comments on all the presentations.

Of course, we had some fun along the way including our annual golf and curling competitions, our Winter Gala event at The Calgary Petroleum Club, and our Stampede lunch. It is always great to see the GPAC supporters out enjoying our events and each other.

2018 marks my last year as President of GPAC. I hand over the responsibilities to Gerardo LeClair and the other Directors to continue the great legacy and momentum of our great organization.

All the best!

Greg Bury
2018 President, GPAC



AUDITORS' REPORT

To the Directors of
Gas Processors Association of Canada
600 - 900 - 6 Avenue SW
Calgary, Alberta
T2P 3K2

We have audited the Balance Sheet of the Gas Processors Association of Canada as at December 31, 2018 and the Statement of Income & Expense for the twelve months then ended. These financial statements are the responsibility of the association's management. Our responsibility was to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and accordingly consisted of inquiry, analytical procedures and discussion related to information supplied to us by the association.

Based on our audit, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with generally accepted accounting principles. They present fairly, in all material respects, the financial position of the association as at (December 31, 2018).

We provide the following recommendations for the Board to consider:

Dated at the City of Calgary,
In the Province of Alberta,
This 08 day of March, 2019


Rob Nadalutti
Michael Jantzen



FINANCES

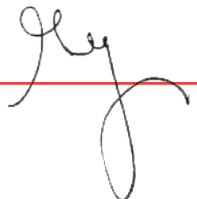
Statement of Revenues and Expenditures December 31, 2018 *Unaudited*

	2018	2017
ASSETS		
CURRENT		
Cheque Clearing Account	\$ -	\$ -
National Bank	18,414	12,511
Business Investment Account	31,874	31,495
Credit Card Clearing Acct	-	-
Prepaid expenses	261	7,227
Accounts Receivable	26,335	16,372
Inventory	3,596	4,880
	<u>\$ 80,480</u>	<u>\$ 72,485</u>
LIABILITIES AND MEMBERS' EQUITY		
CURRENT		
Accounts payable	\$ 5,278	\$ 9,021
Accrued Liabilities	317	45
GST Owing (Refund)	-	(228)
Deferred Income	14,984	4,127
	<u>\$ 20,579</u>	<u>\$ 12,965</u>


Statement of Members' Equity December 31, 2018 *Unaudited*

MEMBERS' EQUITY		
Members Surplus, Beginning of Year **	\$ 59,520	85,371
Surplus, current year	381	(25,850)
Total Members' Equity	<u>59,901</u>	<u>59,520</u>
	<u>\$ 80,480</u>	<u>\$ 72,485</u>

ON BEHALF OF THE BOARD



Greg Bury



Jonathan Balint



Statement of Financial Position

	2018		2017	
REVENUE				
Classic Golf Tournament	\$	48,853	\$	35,613
Past President Golf Tournament		1,620		1,275
Q1 - AGM		280		750
Stampede Breakfast		16,175		12,613
GPAC/PJVA Joint Conference		28,875		-
Safety Awards		-		(95)
Network Social (Curling)		6,900		5,020
Winter Gala		13,058		16,535
Tech Lunches		30,239		523
Plant Tours		-		2,824
Interest		378		379
Memberships		52,570		43,891
Publications		1,303		4,473
		200,251		123,801
EXPENSES				
Classic Golf Tournament		36,878		21,392
Past President Golf Tournament		1,549		1,241
Q1 - AGM		1,217		744
Stampede Breakfast		16,516		12,020
GPAC/PJVA Joint Conference		25,030		5,405
Safety Awards		-		4,143
Academic/Careers		-		43
Network Social (Curling)		5,140		3,619
Tech Lunches		20,910		7
Winter Gala		13,119		14,635
Plant Tours		-		1,268
Administration/Office Expenses		61,033		67,184
Board Executive Expenses		4,284		6,095
Memberships		9,499		7,989
Publications		1,405		2,108
Promo/Advertise/Website		3,289		1,758
		199,869		149,651
Excess (Deficiency) of Revenue Over Expenses	\$	382	\$	(25,850)



REPORTS

Marketing

In 2018, GPAC's Marketing team launched a new LinkedIn page and has committed to providing more updates and information around upcoming events through all of our social media channels. GPAC's website is also currently under review with changes and features being updated throughout the year. Stay tuned for our quarterly newsletter as well. Thank-you for staying involved!

Ellie Foden
GPAC Marketing Director 2019

G.A.S. Alumni

I am pleased to report that the position of the GAS Alumni Representative on the GPAC Board was upgraded to a "director" position and confirmed at the March 2018 AGM. With a vote on the Board, I now carry a greater voice for our Alumni membership of past members, past directors and past presidents. In addition, a second portfolio of responsibilities was passed to me as the Academic Committee Chair.

The prime role of the GAS Alumni Representative is to act as the interface between the Board, the Association, alumni members and past presidents. Experience gained from serving previously on the CGPA/CGPSA board is used to provide commentary, advice and guidance to the Board as appropriate. The continued updating of the Alumni database remains a work in progress and I would appreciate receiving notifications of address and phone number changes so we can continue to communicate. There remain a number of Alumni members with whom we have lost contact and any help in tracing them would be appreciated. I am pleased to report that following a request in the previous year's annual report, we have received several snippets of information, memories and anecdotes about our past, all of which is archived – please consider forwarding your contribution(s) which would be welcome. Another activity as work in progress is the substantial re-write of the GPAC Board Procedures Manual.

We held the Annual Past Presidents and Directors Golf Tournament in July at Lynx Ridge Golf Club but regretfully with a lower participation than 2017, so much so, we are reverting to June for 2019 in the expectation of a higher attendance. Please reserve the date of June 17th, details and registration letters will be sent out in April.

Overall, we are looking forward to 2019 hoping to increase our membership and participation.

Student Engagement

Academically, one aim of GPAC is to connect with and provide encouragement to students about to enter industry. To this end, a not well published fact is that GPAC awarded

four bursaries, one each to the U of C, the U of A, SAIT and NAIT, the income from each used as an annual award to a meritorious student of the academic institutions' selection. I attended the SAIT Awards, Presentation and Reception Event in April to present the Al Niven award to Hector Ortiz, who earned a place at the U of C Chemical Engineering Department and two weeks prior, received his Canadian Citizenship, all well deserved. The U of A recipient was Arnav Rangarh. Other GPAC support is mostly in the form of attending Student Industry Nights.

Howard C Smith, P.Eng
GPAC ALUMNI Representative 2019

Programs

Joint Conference with PJVA

Resilience Through Diversification was the theme of the 24th Annual GPAC PJVA Joint Conference. The theme could not have been more applicable than it was in 2018 as the oil and gas industry in Alberta continued its downward slide. Resilience is the capacity to recover quickly from difficulties, a form of toughness; and diversification is the action of making or becoming more diverse or varied, in essence a risk management technique.

After a full day of speakers covering topics ranging from NGL/ Gas supply and transportation, digitization strategies, climate policy in Alberta, the Ridley Island Propane Terminal, fraud in the energy industry, and current challenges in oil and gas mergers and acquisitions; delegates closed the afternoon with a presentation on building their personal resilience through interactive media.

Enjoying the surroundings of the Calgary Petroleum Club more than 90 people were registered to network, learn, and discuss the emerging issues presented by our interesting and informative speakers. With 47 companies and organizations represented at the Joint Conference the delegate profile was as varied as the presentation topics. This diversified approach was designed to provide the opportunity for everyone involved to increase their resilience.

Gas Processing 101 Series

This course is designed to provide a comprehensive overview of the Gas Processing industry in general and in Canada specifically for those new to the industry, those wishing to enter the field or those who are interested in transitioning to a different segment of the industry or who are just interested in learning about more about a particular topic. The course will be presented by a collection of industry experts who will provide both a theoretical and practical basis for the subject



they are presenting as well as how it fits into the industry as a whole. Each subject presenter will provide where each subject fits into the industry.

Lectures will be held on Wednesday afternoons throughout the year, with start times varying depending on topic and location. Sessions can be attended in person or through a web broadcast. Each of the lectures will be recorded so they are later available online to GPAC members, along with the presentation material. The GPSA databook will be used as reference for the course, which is available for order from the GPAC website www.gpacanada.com/publications.

The following subject areas will be covered during the year:

- Gas Processing Overview/History
- Production/Gas Gathering
- Separation
- Compression and Pumps
- Sweetening
- Dehydration
- HC Recovery/Fractionation
- Sulphur Recovery Unit
- Acid Gas Injection
- Fired Equipment, Heat Exchangers, Cooling Towers
- LNG/Downstream
- Utilities, Refrigeration/Relief Systems/Storage
- Operation/Safety
- Economics/Distribution

Additional details and schedules will be available on the GPAC website.

Please note that these sessions are available only to GPAC members.

Membership

GPAC membership continues to remain stable despite the economic downturn. The Board of Directors encourages you to 'remain in the loop' especially now to network and keep those contacts for future opportunities.



REPORTS

LUNCHES SUMMARY

February 15, 2018

Joint PASC, PJVA & GPAC Luncheon



The February 15th luncheon was a collaboration with PASC and PJVA to host Kevin Jagger, Senior Manager of Petrochemicals Business Development for the Pembina Pipeline Corporation and Commercial Manager of the Canada Kuwait Petrochemical Corporation (CKPC) with a presentation about their joint venture to develop a world-scale PDH and PP (polypropylene) complex in Alberta. CKPC's facility is to be located in Sturgeon County with a \$4 BB estimated capital cost that will create a demand for ~23,000 barrels per day of WCSB propane.

The timing of this development matches a systemic shift in North American supply & demand markets as eight petrochemical plants closed across US and Canada in the last 10 years. As a result, Canada became 100% reliant on imported PP and North America became a net importer for the 1st time ever.

During the same period, North America experienced unprecedented growth in liquids rich gas production that has created a critical mass of feedstock.

Additionally, condensate demand from expanding oil sands projects drove a reversal of the only spec propane pipeline export egress - the Cochlin pipeline- in 2014. Post 2014, Alberta propane faces a structural transportation discount to USGC because it must be railed. By converting propane to polypropylene, producers can reduce their transportation costs and get a higher netback. Produced PP can be rail loaded and marketed throughout North America and overseas as rail has existing tidewater access.

The presentation was a good news story of growth for Alberta producers. We look forward to more updates from CKPC.

February 28, 2018

Low Carbon Economic Transition:

Opportunities for Oil & Gas Innovation to

Make the Paris Agreement Real – Celine Bak

GPAC had 72 attendees join us on February 28, 2018 at the Fairmont Palliser.

Alberta's ingenuity in oil & gas has enabled millions of Canadians to provide for their family for decades. That is true today and it will be true tomorrow as the world implements the Paris Agreement.

Canada is one of 170 countries that has signed and ratified the Paris Agreement. Together, they have made commitments to work to keep global warming to 2°C and to make every effort to keep warming to 1.5°C. However, Canada's history of setting targets for GHG reductions has been associated with missing these targets.

This time, there will be considerably more global pressure if we miss our target. Under the Paris Agreement, we need to show how we are making progress against our targets. Through the Pan-Canadian Clean Growth and Climate Change framework, the provinces make commitments to reduce emissions and the federal government provides a backstop in the form of a carbon price when emission reduction targets are not met.

Around the world we are all working together towards this common goal but based on the total cumulative global carbon budget the commitments are tight. What this means is that carbon pollution taxes globally will potentially go up.

This is an invitation for innovation and an opportunity to consider what leadership role the Alberta Oil and Gas Industry can play. What are the opportunities that exploration, production and midstream companies can explore to build new business models and technologies that will thrive under a global carbon budget?

In this talk Celine detailed the background of the Paris Agreement, Canada's and Alberta's commitments and what that means for the oil and gas industry. Then she explored some critical questions and ideas to drive innovation and realize the potential of these opportunities.



Céline Bak



Céline Bak is a director of Emissions Reduction Alberta whose mission is to invest in and advance technologies to create a better Alberta for future generations.

She is President of Analytica Advisors, where she has authored and published six national reports which have revealed that innovative

clean technology firms in Canada provide a meaningful and measurable environmental and economic impact. She has initiated an industrial transformation in Canada including an appropriation of \$1.8 billion in the 2017 federal budget. She is frequently invited to comment in the media and called on to appear as a witness before parliament.

Céline is a senior fellow at the Centre for International Governance Innovation where she co-chaired the Think Tank 20 (T20) Climate Policy and Finance Taskforce under the German G20 Presidency. In 2017, she convened international experts and Canada's largest asset owners on the implications to Canada of the Taskforce for Climate-related Financial Risk Disclosure (TCFD).

Céline is an expert advisor to the Treasury Board Secretariat's Horizontal Innovation and Clean Technology Review and to Positive Planet, a global citizen engagement project initiated by the President of the French Republic, Emanuel Macron.

Her governance roles include chairing of the Core Evaluation Team for Genome Canada's Genomic Applications Partnership Program.

March 22, 2018

Building an LNG Mega Project in Uncertain Times - Susannah Pierce, External Affairs Director, LNG Canada

Over 132 people came out to the next GPAC Lunch also at The Fairmont Palliser where Susannah Pierce spoke of how the LNG Canada team is striving to build the largest single energy investment project in Canadian history during uncertain market, political and social times.

LNG Canada represents a once in a generation opportunity to benefit regional, provincial and national economies. The project will provide security of supply for global markets that rely on Canada's natural gas reserves to fuel their economies, reduce global GHG emissions as natural gas replaces the use of coal, and at the same time, bring significant economic growth and stability to northern British Columbia communities and all of Canada. Projects like LNG Canada are unique and happen infrequently.

Susannah leads the Environmental, Regulatory, First Nations and External Affairs functions for the project. Roles prior to this included Vice President, Value Chain Integration, Shell Canada; Vice President, Communications, Upstream

International, Shell Canada; and before joining Shell in 2009, Susannah was head of US Public Sector Affairs for TransCanada Pipelines.



June 6, 2018 Lunch Panel: Canada's Natural Gas Future – The Calgary Petroleum Club

Natural gas has been globally identified as a key factor in the transition to a low carbon economy. It is 50% cleaner when displacing coal for power generation, reduces GHG by 18% compared to diesel, and is a flexible partner with renewable energy.

At the same time there are positive economic benefits for Canadians and the opportunity for export of ongoing technological innovation. However, there are a number of present and future challenges.

The panel contained 4 industry leaders discussing how we can champion the development and delivery of Canada's natural gas, with benefits for everyone.





REPORTS

SOCIAL EVENTS

4th Annual Winter Gala



Our 4th Annual Winter Gala took place November 16 at The Calgary Petroleum Club with nearly 100 registrants for this formal affair. It was a good mix of members, non-members and industry professionals, along with their significant others. Attendees enjoyed bubbly, wine and a fantastic three-course dinner before dancing the night away to the live performance of "When Pigs Fly". GPAC also had the opportunity to present a cheque to the SAIT Student Petroleum Society which is supported by the association.

Thank you to Rangeland Engineering for sponsoring the wine for the evening!

Our 2019 Winter Gala is already booked for November 22 again at The Petroleum Club. Contact GPAC to sign up your tables early or for more information.

Annual Stampede Lunch



Our Annual Stampede Lunch, was hosted jointly with PJVA again, although at a new venue – National on 8th, rooftop patio. There were close to 300 attendees at this lunch, which turned out to be one of the hottest days of stampede! The venue also gave attendees free entry into the Wildhorse Tent to which many took advantage of.

Sponsors

- Title: UniversalPegasus International
- Bronc Rider: Spartan Controls
- Steer Wrestlers - PECOFacet, Tundra Process Solutions

This event is always a great way to bring companies, clients and customers together for industry networking. Keep your eyes open for notice of the 2019 Stampede event which will be held at the Metropolitan Grill on July 8th.



Annual Classic Golf Tournament



The Annual Classic Golf Tournament in it's 57th year, kicked off September 13 with over 140 golfers and banquet attendees. It was great to be back at the newly renovated Earl Grey course. Despite Mother Nature's chilly weather and surprise blizzard as we came off the green, golfers managed to keep relatively 'warm' with the hot pockets and mini heaters set up at many of the sponsor holes.

These sponsors were as follows:

Lunch – Bilton

Lunch Coffee – Keywest Projects

Drinks Holes – Spartan Controls, Gas Liquids Engineering, Tundra Process Solutions, and Dow Chemical Canada ULC/Univar Canada

Hole-in-Ones – Keywest Projects, Combustion Solutions, Equinox Engineering

Skill Holes - Marks Commercial, Rangeland Engineering, UniversalPegasus International

Dinner Wine – Brenntag Canada

The GPAC tournament is a favorite within the industry so we are already in the planning stages for the September 12, 2019 event. Be sure to register early and contact us if you are interested in hole sponsorship opportunities.

6th Annual Curling Funspiel



The 6th Annual Curling Funspiel took place back in March at the Calgary Curling Club with an almost sold-out crowd on hand to learn the game, network and walk away with a few prizes. This event has been a fan favourite for years and continues to grow. What better way to spend a Friday afternoon then enjoying some laughs and competition with clients and other industry professionals, supporting Canada's sport!

Thank you to our numerous Ice Sheet Sponsors:

- UniversalPegasus International
- Tundra Process Systems
- Rangeland Engineering
- Challenger Geomatics

and Lunch Sponsor Spartan Controls!

As you may have already heard, we expanded the 2019 funspiel to 96 and sold out!

Thu Duncan-Nguyen
GPAC Entertainment Director

GPAC 2018 GOLD SPONSORS



GPAC 2018 SILVER SPONSORS

