



**Gas Processing
Association Canada**

2016 ANNUAL REPORT



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

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TABLE OF CONTENTS

| | |
|--------------------------------------|-------|
| 2017 Agenda..... | 4 |
| 2016 Minutes..... | 5-6 |
| President's Message..... | 7 |
| 2016 Financial Statements | 8-10 |
| Reports | 11-14 |
| • Social Events | |
| • Academic | |
| • Annual Joint Conference | |
| • Membership | |
| • Marketing | |
| • G.A.S. Alumni | |
| • Northern Committee Golf Tournament | |
| 2016 Corporate Sponsors | 16 |



ANNUAL GENERAL MEETING AGENDA

Thursday, March 23, 2017

The Petroleum Club

Viking Rooms

319 – 5 Avenue SW

Calgary, Alberta

11.30AM – 1.00PM

Agenda

1. Call to order
2. Reading and Dispensing of the Minutes from the Annual General Meeting of March 24, 2016
3. President's Report
4. Financial Report
5. Approval of the 2016 Financial Statement
6. 2016 Directors' Highlights
7. Ratification of the Actions of the Board of Directors
8. Board of Directors Elections
9. Bylaw Revision Approval
10. Adjournment of the Annual General Meeting

ANNUAL GENERAL MEETING MINUTES



Thursday, March 24, 2016
The Petroleum Club
Devonian Room (2nd Floor)
319 – 5 Avenue SW
Calgary, Alberta

1. Call to Order – 11.50 am

Greg Bury welcomed the members and indicated that there was a quorum of at least 20 members present, therefore the meeting was duly constituted. Materials for reference were on each table in the Annual Report:

- Agenda
- Minutes from the 2015 AGM
- Financial and Director's Reports

He announced the Gas Processing 101 Workshop currently being developed and noted that more political and technical speakers would be booked later this year.

The recent curling funspiel was the usual success and the Classic golf tournament is set for September 1st at Earl Grey.

2. Approval of the March 19, 2015 AGM minutes

The minutes of the March 19, 2015 Annual General Meeting were circulate.

Moved by Paul Naphin that the minutes of the March 19, 2015 Annual General Meeting be approved as circulated

Seconded by Robert Leeds

Carried.

3. President's Report

G. Bury noted that the 2015 President's reports could be found in the Annual Report on the tables, which can be referenced.

4. Financial Report

The financial books of the Association were submitted for a professional Notice to Reader this year; Murray Hunter Professional Accounting firm. G. Bury noted:

- Slightly increased revenue over 2014
- Loss of \$3000 overall, which isn't too bad considering the economy
- More details can be found in the annual report

Moved by Jayce Loh that the 2015 Financial Statement be approved as presented.

Seconded by Lorraine Sherman.

Carried.

5. Ratification of Board Actions

G. Bury again referred to the Annual Report that summarized the actions of the Board in 2015 and asked for motion to ratify those decisions.

Moved by Darren Serviss that the actions of the GPAC Board of Directors be ratified for the year 2015

Seconded by Jeff Lecuyer

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 2015 Board of Directors for their



dedication and service and reviewed the following.

Retiring director:

- Josh Carter
- Rob Nadalutti

For those continuing on the Board for 2016, the following require re-election for a 2 year term:

- Thu Nguyen
- James van der Lee
- Steve Summers
- Greg Bury
- Jonathan Balint

We have received and are recommending the following nominees for vacant positions on the Board:

- Gerardo Leclair
- Jayce Loh
- Darren Serviss
- Andrew Dryden

A call for nominations from the floor was made. There being none, a call was made for a motion to approve the slate as presented for 2016.

Moved by P. Naphin that the slate of Directors for 2016 be approved as presented

Seconded by Steve Summers

Carried.

Your complete list of 2016 Directors is:

- Paul Homik – Past President
- Greg Bury – President
- Paul Naphin – Vice President
- Jonathan Balint - Treasurer
- Darren Serviss – Academic/Careers Director
- Steve Summers – Membership Director
- Gerardo Leclair – Membership Director
- Jayce Loh – Marketing Director
- James van der Lee – Programs Chair, Technical Sessions & Conferences
- Thu Nguyen – Entertainment Director
- Howard Smith – GAS Alumni Liaison
- Andrew Dryden – Northern Committee Chair

G. Bury reiterated the important of a good succession plan, which would entail working on a committee initially, prior to moving into a Board position. Therefore, if any member is interested in participating, we have many committee positions where we could utilize their skills.

7. Adjournment

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

Moved by James van der Lee that the meeting be adjourned at 12:10 pm

Seconded by P. Naphin

Carried.



Natural Gas in 2017

I just finished reading an article about how natural gas was 2016's best-performing commodity other than zinc according to Bloomberg. That's us and that is positive news. As we have all seen the commodity industry is cyclical and often challenging. My belief is the worst is behind us and we are now entering a new-normal in the North American energy industry. We are still here, our industry is the future of clean energy, and we have outstanding personnel and resources available to execute projects.

2016 for GPAC was exciting, progressive, and productive. My Directors, VP, Past President, Executive Director, and volunteers performed extremely well in 2016 in all of their prospective portfolios. Financially, we are still strong through our careful management of expenses without cutting the services that our membership expects from GPAC. We are all proud that we have been able to accomplish this through the past few years.

Some of the highlights of 2016 were:

- Launching of our Gas Processing 101 series of workshops
- Meeting with Federal Minister of Natural Resources, Jim Carr to discuss the energy industry from a federal perspective
- Meeting with the BC Minister of Natural Gas, Rich Coleman to discuss LNG, pipelines and gas processing
- The GPAC/PJVA Joint Conference
- Multiple lunch speakers at the Calgary Petroleum Club
- Safety Awards
- Annual GPAC Golf Tournament at Earl Grey
- Outstanding Winter Gala event
- Launch of a new website
- Working with multiple Associations at our local Universities and Technical Institutions
- Co-chairing the LNG Conference in BC
- And even curling!

We continue to be dedicated to our membership and industry. All of us encourage you to reach out and communicate with us as we are here to help and listen. Not only are we accountable to our membership but we care about our industry and people that work in it.

2017 is going to be an exciting year. I encourage you to get involved and make a difference. GPAC plans to be busy again this year and I hope to see many of you throughout the coming months. It's been a pleasure to serve you thus far. My trusted VP, Paul Naphin, will be taking over the helm in 2018.

All the best!

Greg Bury
2016 President



AUDITORS' REPORT

To the Directors of
Gas Processing Association Canada
P.O. Box 4091, Station C
Calgary, Alberta
T2T 5M9

As members of Gas Processing Association Canada and representing the membership at large, we have reviewed the Balance Sheet of the Gas Processing Association Canada as at December 31, 2016 and the Statement of Income & Expense for the twelve months then ended. These financial statements are the responsibility of the association's management company. Our responsibility was to express an opinion on these financial statements based on our review.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

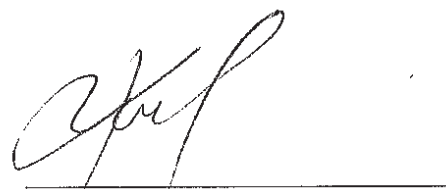
In common with many charitable organizations, a society derives revenue from members and the general public in the form of membership sales and donations which are not susceptible to complete verification. Accordingly, verification of such revenue was limited to review of the accounting for the amounts recorded in the records of the society and we were not able to determine whether any adjustments might be necessary to revenue and assets.

Except for the limitation, as described in the preceding paragraph, based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

Based on our review, 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, 2016.

The attached Statements have been reviewed and approved.

Dated at the City of Calgary
In the Province of Alberta
This 28th day of February 2017


Rob Nadalutti
Joanna Sansregret



Balance Sheet For the Year Ending December 2016 *Unaudited*

| | 2016 | 2015 |
|--|-------------------|-------------------|
| ASSETS | | |
| Cheque Clearing Account | \$ 76 | |
| National Bank | 39,332 | 63,963 |
| Business Investment Account | 51,117 | 50,709 |
| Prepaid | 1,735 | 2,183 |
| Accounts Receivable | 12,347 | 29,108 |
| Inventory | 6,695 | 9,799 |
| Goods and Service Tax Recoverable | - | 745 |
| Total assets | \$ 111,301 | \$ 156,507 |
| LIABILITIES AND MEMBERS' EQUITY | | |
| Accounts payable | \$ 21,998 | \$ 21,116 |
| Accrued Liabilities | 130 | - |
| GST Owing (Refund) | (50) | - |
| Deferred Income | 3,852 | 27,131 |
| Total Liabilities | \$ 25,930 | \$ 48,247 |
| MEMBERS' EQUITY | | |
| Members Surplus, Beginning of Year | \$ 108,258 | \$ 111,848 |
| Surplus (Deficiency) Revenue over Expenses | (22,887) | (3,588) |
| Total Members' Equity | 85,371 | 108,260 |
| Total Liabilities and Members' Equity | \$ 111,301 | \$ 156,507 |

ON BEHALF OF THE BOARD



Greg Bury



Jonathan Balint



Statement of Revenues and Expenditures For the Year Ended December 31, 2016

| | (UNAUDITED) 2016 | (UNAUDITED) 2015 |
|---|--------------------|-------------------|
| REVENUE | | |
| Classic Golf Tournament | \$ 43,850 | \$ 47,607 |
| Jim Belding Golf Tournament | 2,141 | 1,305 |
| Q1 - AGM | 2,025 | 800 |
| Stampede Breakfast | 9,847 | 11,993 |
| GPAC/PJVA Joint Conference | 39,272 | 57,850 |
| Operations/Maintenance Conference | - | 20,375 |
| Safety Awards | 2,175 | 19,830 |
| Network Social (Curling) | 4,350 | 4,875 |
| Winter Gala | 11,725 | - |
| November Christmas Event | - | 5,510 |
| Tech Lunches | 3,250 | 21,420 |
| Plant Tours | 900 | - |
| January Christmas Social | - | 1,005 |
| Interest | 408 | 411 |
| Memberships | 50,590 | 82,694 |
| Publications | 4,917 | 14,285 |
| Total Revenue | 175,451 | 289,960 |
| EXPENSES | | |
| Classic Golf Tournament | 32,484 | 33,311 |
| Jim Belding Golf Tournament | 2,025 | 1,544 |
| Q1 - AGM | 1,749 | 1,505 |
| Stampede Breakfast | 3,901 | 12,103 |
| GPAC/PJVA Joint Conference | 32,266 | 55,021 |
| Operations/Maintenance Conference | - | 16,411 |
| Safety Awards | 1,176 | 24,725 |
| Academic/Careers | 68 | 717 |
| Network Social (Curling) | 3,395 | 3,688 |
| Tech Lunches | 2,937 | 22,787 |
| January Christmas Social | - | 2,538 |
| Winter Gala | 15,251 | 5,952 |
| Plant Tours | 1,020 | - |
| Education | - | - |
| Administration/Office Expenses | 71,101 | 57,351 |
| Board Executive Expenses | 11,696 | 10,134 |
| Memberships | 10,232 | 26,767 |
| Publications | 3,443 | 14,068 |
| Northern Committee | - | - |
| Promo/Advertise/Website | 5,594 | 4,924 |
| Total Expenses | 198,338 | 293,546 |
| Excess (Deficiency) of Revenue Over Expenses | \$ (22,887) | \$ (3,586) |

SOCIAL EVENTS



2nd Annual Winter Gala



Our second Winter Gala took place November 25, 2016 at The Petroleum Club McMurray room. Over 100 people attended this formal Christmas event, doubling last year's initial kickoff. Live party band, "When Pigs Fly" kept us entertained and dancing throughout of the night – with a few audience surprises... and an excellent meal with lots of flowing wine was enjoyed by the members. Mark your calendars for **December 1, 2017** as we intend to build on this event and make it even more entertaining and successful!

Last year, we were also fortunate enough to be able to honour our 2016 Safety Awards recipients at the gala event. Many award winners showed up in their evening-best to receive their awards and enjoy the evening with the membership. Congratulations to all of the winners!

The Winter Gala is a great way to kick-off the holiday events season and to thank clients for their year of support and business – or an excellent opportunity to treat your team and significant others to a nice evening out to commemorate a successful year. Opportunities are available now to secure a sponsorship spot or book your tables.

SAVE THE DATE FOR DECEMBER 1, 2017!

4th Annual Flapjack Feast



Our 4th Annual Flapjack Feast, took place at Flames Central on July 13, 2016. There were almost 200 attendees registered this year. Three "cowboy inspired" competitions took place over the course of the morning – rodeo musical chairs, cowboy limbo and the flapjack-eating-competition - with prizes going to the winners of each event. We also raised a healthy donation for our 50/50 organization which received 100% of the proceeds thanks to the generous re-donation of the prize money to the foundation.

Sponsors

- Title: Marks Commercial
- Bull Riders: Grey Owl Engineering and Samson Group
- Bronc Rider: Spartan Controls

This event is always a great way to bring companies, clients and customers together for industry networking.

SAVE THE DATE FOR JULY 12, 2017!



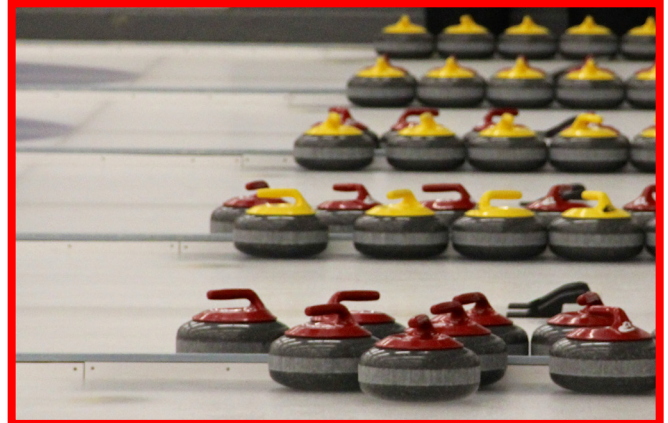
Annual Classic Golf Tournament



The Annual Classic Golf Tournament in its 55th year, kicked off September 1 with yet another beautiful day (until the thunder storm rolled in!) and almost 120 golfers. The tournament was held at the Earl Grey Golf Club, with lunch sponsored by Earls Restaurant and prizes given out at the dinner. The banquet and award presentation was emceed by GPAC's Paul Naphin.

The GPAC tournament is a favorite within the industry. We are already in the planning stages for the September 14, 2017 event. Be sure to register early and contact us if you are interested in hole sponsorship opportunities. Although you must be a GPAC member to register a team, it is not necessary for team guests to all be members of GPAC. Tournament format is four person Texas scramble, low net competition established by team handicaps. Sponsorship opportunities are always available if your organization is looking for a great way to increase its profile in the gas processing community.

4th Annual Curling Funspiel



The 4th Annual Curling Funspiel took place February 26, 2016 at the Calgary Curling Club with almost 60 people on hand to learn the game, network and walk away with a few prizes.

Thank you to all of our tournament sponsors and volunteers for making this event a great, fun way to spend a Friday afternoon.



Academic Report

On March 10, 2016 GPAC organized a tour of the Harmattan Gas Plant. This tour consisted of members, non-members, UofC and SAIT students. The tour gave everyone an inside view of a gas plant and many questions were answered by the staff at Harmattan. The day ended with a BBQ provided by Spartan Controls.

Rob Nadalutti (past academic director) and Darren Serviss (current academic director) attended UofC's Petroleum and Energy Society's Industry Night on April 12, 2016. A panel of industry professionals and networking was enjoyed by all that attended.

Students and industry professionals networked at a host of GPAC events through the year.

GPAC continues to offer annual scholarship and bursaries to deserving students studying an assortment of technical and engineering disciplines and supports the following Academic Schools: University of Alberta, NAIT, University of Calgary and SAIT.

Darren Serviss
Academic Director

Membership

GPAC membership continues to hold strong 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.

Steve Summers / Gerardo Leclair
Membership Directors

Marketing Report

The GPAC website has been updated to provide a more streamlined experience for our members. On the site you will be able to find upcoming GPAC Events, information on the Board of Directors, an easy way to connect with GPAC, and other information important to our membership. We endeavor to increase the functionality of the website over time for members including resources like past screencasts of our popular Gas Processing 101 series.

Jayne Loh
Marketing Director

23rd Annual GPAC/PJVA Conference

The 23rd Annual GPAC/PJVA Conference was held on Wednesday, November 2 at the Calgary Petroleum Club. Over 125 total delegates attended to watch presentations from industry experts plus engage with fellow attendees and sponsors.

This year's Keynote Speaker was Ian Macgregor from NW Refining Inc. and Enhance Energy Inc. Ian provided an engaging presentation on the history and progress on a new refinery being build by the North West Redwater Partnership, which is creating innovative ways to add value to petroleum products produced in western Canada. Ian also enlightened the audience on the use of CO₂ for enhanced oil recovery.

The theme of the conference was, "Road to Recovery", and our slate of speakers from backgrounds such engineering, law, joint ventures, accounting, and banking provided an array of ideas on how our industry can become prosperous once again.

In addition to the main conference, two half-day sessions were offered for registrants to attend. One session was dedicated to a discussion forum on hot topics in JV administration. The other session was a technical workshop, with presentations from industry experts in gas processing and engineering.

Once again, thank you to all our conference sponsors! Our **Platinum Sponsor** Joint Venture Strategic Advisor, **Gold Sponsor** ThermoDesign, **Lanyard Sponsor** Associations Plus Inc. and **Industry Sponsor** Petroleum Accountants Society of Canada.

We are already looking forward to next year's conference with more great presentations and networking among industry peers.

James van der Lee
Program/Conference Director



15th Annual Northern Committee Golf Tournament

The 15th Annual GPAC Northern Committee Golf Tournament was held at the Dunes Golf and Winter Club in Grande Prairie on June 21, 2016. The tournament did see a reduction in the number of teams entered due to the economic downturn but we still managed to have a great day and raised over \$1,800 for local Grande Prairie Charities. The donation monies this year went to sponsoring a Grande Prairie Minor Hockey, Novice team, this is the Northern Committees 3rd year sponsoring a team and has been greatly received by the local members. The Northern committee also donated \$1,000 to a local non-profit organization Parent Link Center which helped them to initiate a Collective Kitchen Program which helped local at risk mothers and families learn to prepare nutritious meals for their families and send them home with the resources to do so.

This year's date is tentative for **June 20, 2017**.

Andrew Dryden
Northern Committee Chair



G.A.S. Alumni

I have pleasure in submitting the GAS Alumni Representative Report for 2016. This was my first full year as your Representative during which time I participated in the Board Meetings but without a vote. This will be changed at the AGM by a vote to modify the By-Laws. Passing this would provide me and ultimately the GAS Alumni with a greater say in the various proceedings.

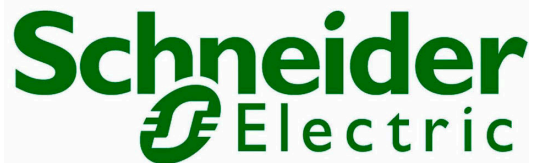
The prime activities in which I was involved was provision to the Board of advice, guidance and prior experience relating to relevant topics under discussion; the up-grading and partial rewrite of the GPAC Board of Directors Procedures Manual which will be issued early in 2017; the Annual Past Presidents Golf Tournament was expanded to include Directors to encourage greater participation and we are aiming for even greater attendance for this year. Our records and coordinates of past presidents are not up to date as people move companies, move homes and/or retire and unfortunately, we lose track of them. To address this problem, we sent out emails to addresses held and the response has been positive. This will become an ongoing activity.

An unexpected outcome of this exercise was the willingness of some of our past presidents to offer up additional background from their experiences while on the various Boards. There is a tremendous amount of anecdotal material and personal history that exists with "our founding fathers" and their successors from all three organizations (CGPA, CGPSA & GPAC). My intention is to gather, register and document, this information for collating and archiving. Please contact me with any offerings that you might like to contribute.

On a final note, we regret to advise the passing of two of our past presidents this last year and offer our condolences to their respective families: Bob Smith (President 1965) and John MacMillan (President 1964). Your Board will be honouring their outstanding contribution to our Organization in due course.

Howard C Smith, P.Eng
G.A.S. ALUMNI Representative

GPAC 2016 GOLD SPONSORS



GPAC 2016 SILVER SPONSORS





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