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Kenilworth 1 DER Project

Project Update

In Q1 2022, Versorium Energy Ltd. (Versorium) received final regulatory approval for its Kenilworth 1 DER Project (the Project) from Alberta Environment and Parks. The Project is located on SE 1-51-4 W4M.

Versorium has since advanced the Project to a state of construction readiness with a target construction start between July 3, 2023 and July 15, 2023. Commercial operations is expected in August 2024.

Transparent consultation and engagement are important to us and we invite you to contact us with your questions or concerns:

- **587-534-5002**
- engagement@versoriumenergy.com
- versoriumenergy.com

What you'll find in this package

- Zero is Real safety policy
- Construction timeline and expected construction activities
- Construction contractor
- Safety responsibility guide
- How to reach us



Zero is Real safety policy

Versorium is committed to protecting our people, the public, the environment and the company's assets. Meeting this commitment is a corporate responsibility for Versorium and the personal responsibility of each employee and contractor working on Versorium's behalf.

Versorium is committed to its *Zero Is Real* policy, which all injuries and occupational illnesses are preventable. Our people are expected to speak up about unsafe conditions and behaviours, take action to address concerns or stop unsafe work and look out for each other 24/7.

Safe, reliable and incident-free operations are critical to our success.

Construction timeline

July 2023

Mobilization
to site

August 2023
Gas piping to site

June 2024

Engine and electrical building delivery to site

August 2024 Commercial Operations



July - August 2023

Clearing, grading, foundation installation and access road construction

June 2024
Electrical connections

June - August 2024 Commissioning

Copyright 2023

Construction activities

Site preparation

This will involve clearing, grading, excavation and installation of screw pile foundations followed by gravel delivery for the Project's access road and pad. Equipment required to complete site preparation will include excavators, packers, dozers, and a piling rig. A chain link fence and locked gate will be installed, which will safely secure the Project's components.

Access road and road improvements

A new access road and approach or an approach upgrade (if existing) will be constructed to municipal specifications. This will include the delivery of gravel to site. Dust control and road cleaning will be performed as needed during construction.

Soil conservation

Topsoil and upper sub-soil will be salvaged and conserved in stockpiles and re-vegetated to conserve the soil for reclamation at the project's end of life in accordance with the Project's environmental approval.

Natural gas and electrical connections

This will include trenching, piping and installation of the meter for connection to the local gas network. The local gas authority will carry out construction of the gas pipeline from their existing facility to the Project. Installation of power poles and overhead electrical lines to connect to the existing electrical distribution lines will be carried out by the local distribution facility owner (DFO).

Equipment delivery

Heavy equipment and materials will be delivered to site in preparation for construction start. We do not anticipate any impacts to local traffic during this oneweek equipment delivery period.

Delivery of the engine and electrical modular buildings is expected to be completed in 1-4 days with the buildings being lifted or slid onto the constructed screw pile foundations. These are considered large loads and may have a minor impact to local traffic along the delivery route.

Installation and commissioning

Installation of the engines and electrical buildings, step up transformer, and other components will take place over a period of approximately 60-days. During this period, electrical, mechanical, gas and communications equipment and connections will be tested prior to the Project reaching commercial operations and completion.

Construction contractor

Scott Builders Inc. (SBI) is responsible for completing civil engineering work, procurement of subcontractors and services, and installation and construction of the Project. SBI specializes in projects that are unique or outside the traditional scope of a construction project, such as Versorium's projects, and offers complete project delivery services for the industrial market. SBI was chosen for their design and build experience in the industrial market in Alberta and their commitment to safety.



Guide to Safety Responsibility

Versorium's **Zero is Real** policy supports workers' and the public's safety and reinforces the idea that all injuries are preventable. To prevent injuries, everyone needs to recognize their responsibility to achieve a safe work environment.

Obey safety signage & site personnel

Signage to delineate construction areas will be in place. Mobilization of equipment to site and delivery of engine and electrical buildings may require a wide turning radius. Site personnel may be used to direct and control traffic during these times. Please obey all signage and be respectful of on-site workers.

Speed limits

Reduce your speed on roads where site construction is occurring to help ensure the safety of construction crews and local traffic.

No unauthorized entry

Entry is strictly prohibited. Do not enter the site or work area during construction or operations. Contact us directly if you have concerns.

Maintain a safe distance

Maintain a safe distance from the site given the potential for electrification from high-voltage overhead power lines.

Trenches and excavations

Excavations and trenches will be appropriately marked and fenced during construction. Do not walk in or around these areas.

Traffic/road impacts

Increased vehicle traffic, wide loads, gravel trucks and other heavy equipment will be present on local roads at the project site and on designated transportation routes during construction. Please drive safely and observe signage and follow instructions from on-site personnel during this period.

Definitions

- **Distributed energy resources (DERs)** are any technology that is connected to the electric distribution grid and affects the supply or demand for electricity.
- A megawatt (MW) is equal to one million watts.
- Commissioning is the process of assuring that all systems and components of a plant/project are designed, installed, tested, operated, and maintained according to operational requirements.



How to Reach Us

We value your feedback and would like to hear from you if you have questions regarding construction of the Project or if you would like to report a safety concern.

Please contact us directly to share your questions, comments and concerns or to request additional project information.

You can contact us by:

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- 587-534-5002
- engagement@versoriumenergv.com
- - versoriumenergy.com
- Versorium Energy Ltd. Suite 310, 407 2 Street S.W. Calgary, AB T2P 2Y3

- Commercial operations date is achieved upon completion of commissioning and when the facility starts to generate power.
- A step-up transformer increases the voltage of power produced by a power plant so that the power can be exported to the grid and distributed to consumers.
- A local distribution facility owner (DFO) owns and operates low voltage electricity lines running to residential, commercial and industrial customers.