

SUBSURFACE ENERGY R&D INVESTMENT PROGRAM AGREEMENT

THIS AGREEMENT effective as of the 30th day of January, 2026 (the “Effective Date”)

BETWEEN:

HIS MAJESTY THE KING IN RIGHT OF THE PROVINCE OF NOVA SCOTIA, as represented by the Minister of Energy (the “Province”)

- and -

DALHOUSIE UNIVERSITY, located in Halifax, Nova Scotia (“Dalhousie”)

RECITALS:

The Province is interested in creating a Subsurface Energy Research and Development Investment Program (the “Program”) to attract prospective companies to search for natural gas in the Province.

Dalhousie University has agreed to administer the Program.

The purpose of this Agreement is to set out the roles and responsibilities of Dalhousie and of the Province in relation to the funding that the Province is providing to Dalhousie, for the Program, as described in Schedule A.

The Parties agree as follows:

1.0 SERVICES AND TERM

- 1.1 **Term:** The Term of this Agreement begins on the Effective Date and ends on March 31, 2027 (“Term”).
- 1.2 **Services:** Dalhousie shall provide and deliver the services, work and/or deliverables (the “Services”) within the scope of services and project set out in Schedule A in a competent, professional and timely manner.
- 1.3 **Governance and Oversight:** Dalhousie shall perform the Services in accordance with the governance structure, decision-making framework, and oversight mechanisms established for the Program, as further detailed in Section 5, as may be amended from time to time in

accordance with this Agreement. Dalhousie shall comply with all directions, approvals, and escalation processes issued pursuant to such governance structure.

- 1.4 **Provincial Direction:** Subject to Section 1.3, Dalhousie shall perform the work under the direction of the Province. Unless advised otherwise in writing, Dalhousie shall perform the Services under the direction of the Province's representative: Kimberly Doane, Executive Director, Energy Resources Division, Department of Energy.
- 1.5 **Renewal:** If the Province, in its sole discretion, agrees to renew this Agreement, any such renewal shall be on such terms and conditions as the parties may agree, and any amendment to this Agreement reflecting the renewal shall be signed by the parties prior to the expiration of the Term. Nothing in this Section 1.5 shall constitute or be deemed to constitute any assurance or representation by the Province to Dalhousie that this Agreement will be renewed.
- 1.6 **Data and Information:** The Province shall provide Dalhousie with pertinent data and information available to the Province in a timely manner and provide such assistance to Dalhousie as may be required by it for the performance of the Services.
- 1.7 **Termination:** This Agreement may be terminated in accordance with Article 3.

2.0 PRICE AND PAYMENT

- 2.1 **Maximum Amount:** The total amount payable under this Agreement, including all fees, allowable expenses and program incentive payments, shall not exceed \$30,000,000.00 (30 million dollars, exclusive of tax), without prior written authorization from the Province.
- 2.2 **Fees and Structure:** Subject to Article 2.4, the Province shall pay Dalhousie the payment amounts in accordance with the fee structure, permitted expenses, timelines, and holdbacks as provided in Schedule B.
- 2.3 **Invoices:** Dalhousie shall remit to the Province, at such intervals as agreed to by the parties, of a financial expenditure statement, certified correct and approved by the appropriate officer of the Province, showing *inter alia*, that Dalhousie performed the Services during that period.
- 2.4 **Expenses:** Payments will only be made in respect of Services set out in Schedule A.

- 2.5 **Taxes:** The Province will pay all applicable taxes, including HST, which shall be invoiced in addition to the fees, costs and expenses described in Article 2.
- 2.6 **Accounting Records:** Dalhousie shall maintain appropriate accounting records for the Services provided under this Agreement and shall make available to the Province such accounting records for audit purposes as the Province may require.
- 2.7 **No Acceptances Implied:** No payment by the Province to Dalhousie under this Agreement shall be or construed to be an acceptance or approval by the Province of incomplete, defective or improper performance by Dalhousie of any of its obligations under this Agreement, or operate to relieve Dalhousie from the performance of any of its obligations that have not been performed in accordance with the requirements set out in this Agreement.

3.0 TERMINATION OF AGREEMENT

- 3.1 **Termination by Province for Cause:** The Province may, at its sole discretion, immediately terminate this Agreement for cause, upon the occurrence of any of the following events, each of which shall constitute an "Event of Default".
 - a) Dalhousie breaches or fails to comply with any of the terms and conditions of this Agreement, including timelines, and such breach or failure is not remedied by Dalhousie to the reasonable satisfaction of the Province within fifteen (15) days, or such other time agreed to by the parties, after written notice from the Province to remedy the breach or failure; or
 - b) Dalhousie becomes insolvent, commits an act of bankruptcy, makes an assignment for the benefit of creditors, or otherwise acknowledges its insolvency, or a receiver or receiver manager is appointed for any property of Dalhousie.
- 3.2 **Termination by Dalhousie for Cause:** Dalhousie may, at its sole discretion, immediately terminate this Agreement for cause, if the Province breaches or fails to comply with any of the terms and conditions of this Agreement, and such breach or failure is not remedied by the Province to the reasonable satisfaction of Dalhousie within fifteen (15) days, or such other time agreed to by the parties, after written notice from Dalhousie to remedy the breach or failure.
- 3.3 **Consequences of Termination for Cause:** If this Agreement is terminated for cause pursuant to Article 3.1 or 3.2, the breaching party shall be responsible for and shall

reimburse the non-breaching party for all loss, costs and damages incurred by the non-breaching party as a result of or arising from the such breach.

3.4 **Termination without Cause:** The Province may, at its sole discretion, terminate this Agreement without cause at any time prior to the expiration of the Term, upon giving thirty (30) days prior written notice of termination to Dalhousie. In such event, Dalhousie shall be entitled to receive payment for the Services which are in-scope and that it has reasonably and satisfactorily performed up to the date of termination and for any Committed, Non-Cancellable Costs, Expenses or Fees it has incurred up to the termination, and where applicable, to the payment of any holdback which the Province is then holding at such time. For purposes of this Agreement, “Committed, Non-Cancellable Costs, Fees and Expenses” means any costs, expenses or fees that are properly and reasonably incurred by Dalhousie in connection with the Services and which, at the time they are incurred or committed, are legally binding and cannot be avoided, cancelled, reduced or recovered, whether or not the Services are completed, including amounts payable to third parties under contracts, purchase orders or other arrangements that cannot be terminated without payment or penalty. Payments to Dalhousie of the foregoing amounts shall constitute full and final satisfaction of the Province’s obligations to Dalhousie under this Agreement. In the event this Agreement is terminated by the Province pursuant to this Article 3.4, Dalhousie shall not be reimbursed for any profits that may have been anticipated but not earned up to the termination date, and Dalhousie shall not have any claim or entitlement to any additional compensation or damages arising from such termination.

3.5 **Effect of Termination on Incentive Payments:** If the Agreement is terminated pursuant to Article 3.1, 3.2, 3.3, 3.4 or 12.3, the Province shall be solely responsible for addressing, managing, and resolving any payment obligations, recovery, clawback, or return of any incentive payments made or committed to Program proponents. Dalhousie shall have no obligation to reimburse, indemnify, or otherwise compensate the Province for any incentive payments paid or committed to Program proponents prior to or in connection with such termination, as long as such payments and commitments are in accordance with this agreement including Schedule A.

3.6 **Survival:** Neither the expiration nor the earlier termination of this Agreement shall relieve, or be deemed to relieve, Dalhousie from any duties, obligations or liabilities hereunder that accrued prior to such expiration or termination, or which by their nature are intended to survive the expiration or earlier termination of this Agreement, including but not limited to all warranties given by Dalhousie in respect of the Services, and those duties and

obligations of Dalhousie set out in Article 4 (Confidentiality), Article 6 (Material Rights), Article 9 (Liability and Indemnity) and Article 16 (Accounts and Audit).

4.0 CONFIDENTIALITY

- 4.1 **Confidential Information:** The Province and Dalhousie realize that certain information received by one party from the other pursuant to this Agreement shall be confidential. It is therefore agreed that any information received by one party from the other should be clearly designated in writing as “CONFIDENTIAL” at the time of transfer, shall not be disclosed by either party to any third party and shall not be used by either party for purposes other than those contemplated by this Agreement or without the consent of the disclosing party
- 4.2 **Security Standards:** Each party shall implement and maintain security standards and procedures for the safeguarding of Confidential Information to prevent unauthorized access and to ensure compliance with applicable legislation. Each party agrees to promptly notify the other party in writing upon becoming aware of a breach of the applicable security standards, procedures or security policies, or any unauthorized disclosure of information that Dalhousie is required to keep confidential. Dalhousie shall take immediate steps to mitigate any breach or unauthorized disclosure.
- 4.3 **FOIPOP:** Each party acknowledges that the other may disclose portions of this Agreement under the *Freedom of Information and Protection of Privacy Act (Nova Scotia)*.
- 4.4 **Return of Information:** Upon any written request by the disclosing party, the receiving party shall, within 30 days of receiving the written request, return, destroy, or erase irrevocably all documents and material containing Confidential Information received or accessed from the disclosing party.
- 4.5 **Harm to the disclosing party:** Each party acknowledges that the other party may be harmed if the disclosing party’s Confidential Information is disclosed in breach of this Section 4 or confidentiality is otherwise breached by the receiving party and that any such harm could not be compensated adequately in damages. Each receiving party agrees that the disclosing party shall be entitled to injunctive and other equitable relief, or other remedies to prevent a breach of any of the provisions of confidentiality by the receiving party, or to enforce the terms and provisions relating to confidentiality.

5.0 PROGRAM GOVERNANCE AND OVERSIGHT

5.1 Dalhousie shall establish, implement and maintain an appropriate governance structure for the Program designed to provide effective oversight, coordination and decision-making through the Term of the Program (the “Governance Structure”). The Governance Structure is set out in more detail in Schedule A.

6.0 MATERIAL RIGHTS

6.1 **Ownership:** All findings, data, surveys, research, working papers, drawings, spreadsheets, evaluations, databases and documents, regardless of storage format or whether in draft or final form that are collected, created or produced by Dalhousie in the performance of this Agreement (collectively the “Materials”) are the exclusive property of the Province. All intellectual property rights, including patents, copyrights, trademark and industrial design in the Materials, with the exception of any pre-existing intellectual property rights of Dalhousie or any third party therein, are the sole property of the Province, and are hereby irrevocably assigned by Dalhousie to the Province.

6.2 **Confidential Information:** All research reports, surveys, findings, data and other information comprising the Materials are Confidential Information of the Province and are subject to the provisions of Article 4 of this Agreement.

6.3 **Release of Information:** The Province reserves the right, in its sole discretion, to publish or release, in whole or in part, or to refrain from publishing or releasing, any research, reports, information, audio visual materials, information or data produced by Dalhousie in the performance of the Services under this Agreement.

6.4 **Right to Request License:** In the event that the Province publishes or releases any Materials or portions thereof, any researcher who participated in the research completed under this Agreement may submit a request to the Province for a license to use the Materials (or any portions thereof) for non-commercial teaching and research purposes (including future publications). The terms of any such license grant shall be set out in a separate agreement.

7.0 INDEPENDENT CONTRACTOR

7.1 **Independent Contractor:** This Agreement is a contract for the performance of the Services. Dalhousie is engaged by the Province as an independent contractor and shall not at any time hold itself out as an employee, servant or agent of the Province. No partnership, joint

venture, agency or other legal relationship is created or deemed to be created by this Agreement or any actions of the parties under this Agreement.

7.2 **No binding of the Province:** For greater certainty, Dalhousie shall not have authority under this Agreement to bind the Province, or to commit the Province to the payment of money to any third party, except as provided for in this Agreement.

8.0 COMPLIANCE WITH LAWS

8.1 **Compliance:** Dalhousie shall comply with all applicable laws governing the conduct of its business and the provision of the Services to the Province. Dalhousie agrees to maintain in good standing all licences, permits, registrations or authorizations it is required to obtain in order to lawfully provide the Services in Nova Scotia. Without limiting the foregoing, professional personnel performing any part of the Services on behalf of Dalhousie shall be required to comply with all applicable professional registration or licensing requirements in effect in Nova Scotia at the time such Services are being performed.

8.2 **No further deemed approval or authorization:** The execution of this Agreement by the Minister, shall not be or deemed to be approval or authorization by the Province to anything related to the business or operations of Dalhousie or the provision of the Services that requires any permit or licence or approval pursuant to federal, provincial or municipal legislation, regulations or bylaws.

9.0 LIABILITY AND INDEMNITY

9.1 **Indemnity:** Dalhousie shall indemnify and hold harmless the Province, its Ministers, employees, servants and agents from and against all damages, costs, loss, expenses (including legal fees), claims, actions, suits or other proceedings of any kind or nature, which they, or any of them, may at any time incur or sustain as a result of or arising out of an Event of Default, or any act, omission or negligence of Dalhousie, or any of its employees, servants, agents, or subcontractors, in the performance of this Agreement, including without limitation, any injury or death to persons, or loss of or damage to property. Notwithstanding the foregoing, Dalhousie shall not be liable for any indirect or consequential damages sustained by the Province unless such damages result from the negligence or wilful default of Dalhousie, its servants, agents or subcontractors.

9.2 **Province Liability:** The Province shall not be liable for any damages or injury (including death) to any person or to any property of Dalhousie as a result of or arising out of this Agreement or the provision of the Services by Dalhousie under this Agreement, unless such

damages are direct damages and are caused solely and directly by or as a result of the negligence of the Province. In no event shall the Province be liable for any indirect or consequential damages that are sustained by Dalhousie, howsoever caused, as a result of or arising out of this Agreement or the provision by Dalhousie of any Services hereunder.

10.0 RESOURCES

- 10.1 **Use of Province's Resources:** In the event that Dalhousie requires access to equipment or office space of the Province in order to carry out any part of the Services, Dalhousie shall comply with all applicable safety and security legislation and all policies and directives of the Province relating to any buildings, premises, equipment or software to which Dalhousie is given access.
- 10.2 **Personnel:** Dalhousie shall assign a sufficient number of qualified, competent and skilled personnel to carry out its obligations under this Agreement.

11.0 COMMUNICATIONS

- 11.1 Dalhousie and the Province will work collaboratively to develop public communication strategy in relation to the Services. The parties acknowledge that the implementation of any public communications will be subject to the agreed roles and responsibilities of each party as set out in further detail in Schedule A.
- 11.2 For greater certainty, Dalhousie shall ensure that any press releases, other public communications, or public communications plans are approved by the Province prior to being released or implemented. Dalhousie shall provide the Province with reasonable time to review and approve such communications or plans.

12.0 FORCE MAJEURE

- 12.1 **Consultant Not Liable:** Dalhousie shall not be liable for a failure or delay in performing any of its obligations hereunder that occurs without the fault or negligence of Dalhousie and is attributable solely to a cause beyond its reasonable control ("Force Majeure Event"). For the purposes of this Agreement, the following shall be considered to be a Force Majeure Event: floods, fire, explosion, power failure, acts of God, war, civil commotion, the enactment of any law, order, regulation or bylaw, labour strikes, slowdowns, picketing and boycotts.

12.2 **Notice of Force Majeure:** Where Dalhousie claims that a Force Majeure Event has occurred, Dalhousie shall be required to give immediate written notice thereof to the Province, which notice shall describe the Force Majeure Event, its cause, the probable duration of the delay resulting therefrom, and the steps being taken by Dalhousie to mitigate the impact of the Force Majeure Event on the performance of Dalhousie's obligations hereunder.

12.3 **Termination:** Notwithstanding the foregoing provisions of this Article 12, if a delay or failure arising from a Force Majeure Event continues for ten (10) consecutive days, the Province may, in its sole discretion, terminate this Agreement upon three (3) days prior written notice to Dalhousie.

12.4 **Payment:** In the case of termination by the Province pursuant to this Article 12, Dalhousie shall be entitled to receive payment only for the Services provided or Committed, Non-Cancellable Costs, Fees and Expenses, prior to the termination date which have met the requirements of this Agreement, and such payment shall constitute full and final satisfaction of the Province's obligations to Dalhousie hereunder.

13.0 REPRESENTATIONS AND WARRANTIES

13.1 Dalhousie represents and warrants to the Province, with the intention and knowledge that the Province is relying on each such representation and warranty in entering into this Agreement, that:

- a) Dalhousie has no knowledge of any fact that may materially adversely affect Dalhousie's business or operations or its financial condition, or its ability to fulfill its obligations to the Province under this Agreement;
- b) Dalhousie has the personnel, experience, qualifications and other resources to provide the Services in accordance with the requirements of this Agreement;
- c) Dalhousie has the corporate power and legal capacity to enter into, fully perform, and meet all of its obligations under this Agreement on the terms and conditions set out herein; and
- d) This Agreement has been duly authorized, executed and delivered by Dalhousie and constitutes a valid and binding obligation of Dalhousie.

14.0 CONFLICT OF INTEREST

14.1 Dalhousie shall not permit an actual or potential conflict of interest to arise between its obligations to the Province under this Agreement and its obligations to any third party. Dalhousie shall immediately notify the Province in writing if any such potential or actual conflict of interest should arise at any time during the Term.

15.0 ASSIGNMENT AND SUBCONTRACTING

15.1 **No Assignment without Consent:** Dalhousie shall not assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the Province, which consent may be withheld by the Province in its sole discretion. Any purported assignment or subcontracting by Dalhousie without such consent shall be of no force or effect.

15.2 **Consent:** The Province's consent to an assignment of this Agreement shall not relieve Dalhousie from any of its obligations under this Agreement and Dalhousie shall, notwithstanding any such consent by the Province, remain responsible for the performance of the Services and all other obligations of Dalhousie set out herein.

16.0 ACCOUNTS AND AUDIT

16.1 **Records and Books:** Dalhousie shall keep proper and accurate books and records, including all invoices, receipts and vouchers, relating to the Services and all expenditures and commitments made in connection therewith. Dalhousie shall make such books and records available to the Province for review or audit within ten (10) days following receipt of a request from the Province to do so. Dalhousie agrees that it shall retain all such books and records and make them available for review or audit by the Province for a period of three (3) years after the date of final payment by the Province hereunder. Any review or audit by the Province pursuant to this Article 16.1 shall be carried out by the Province at the Province's expense.

16.2 **Non-Canadian Resident:** If Dalhousie is not a resident of Canada, Dalhousie acknowledges and agrees that the Province shall be authorized, if required by law, to withhold income tax from any amounts payable to Dalhousie hereunder and to remit that tax to the Receiver General for Canada on Dalhousie's behalf.

17.0 NOTICES

17.1 **Notices:** Any notice to be given under this Agreement by the Province or Dalhousie shall be in writing and delivered by hand, by email or by registered mail, to the other party at the address and to the attention of the contact individual indicated below:

To The Province:

Kimberly Doane
Executive Director, Energy Resource
Development
NS Department of Energy
1690 Hollis Street, 11th Floor
Halifax, Nova Scotia Canada
B3J 3P7

To Dalhousie:

Dr. Graham Gagnon
Vice President Research & Innovation

Dalhousie University
6283 Alumni Crescent
PO Box 15000
Halifax, NS
B3H4R2

17.2 **Deemed Receipt:** A notice shall be deemed to be duly given and received upon delivery, if delivered by hand; within 1 hour if sent by email; or three (3) business days after posting, if sent by registered mail with a return receipt. Either party may change its address or contact for receipt of notices, provided that such party gives notice thereof in accordance with this Article 17 and confirms the effective date of the change in such notice.

18.0 AGREEMENT AND AMENDMENTS

18.1 **Entire Agreement:** This Agreement constitutes the entire agreement and understanding between Dalhousie and the Province with respect to the Services, and supersedes all prior negotiations, communications and other agreements, whether written or oral, relating to the subject matter of this Agreement. Any amendment or modification to this Agreement shall have no force or effect unless it is in writing and signed by duly authorized representatives of each of the Province and Dalhousie.

18.2 **Precedence of Documents:** The following documents form part of this Agreement:

- a) These Articles of Agreement; and
- b) The Schedules;

In the event of any conflict or inconsistency between or among any of the foregoing, the documents comprising this Agreement shall be given precedence in the following order:

- a) These Articles of Agreement;
- b) Schedule A; and

c) Schedule B.

19.0 DISPUTES

- 19.1 If a dispute arises between the Province and Dalhousie arising out of or relating to this Agreement, or the subject matter hereof, the Province and Dalhousie agree that they shall each make all reasonable efforts to resolve any such dispute on a timely basis through amicable negotiations. Disputes shall promptly be referred by each party to their respective senior management representatives who have the authority to resolve and settle any such disputes on their behalf.
- 19.2 In the event that such representatives cannot resolve the dispute within ten (10) days, or such longer period as the parties may agree in writing, either party may elect, upon giving prior written notice to the other party, to resolve the matter through litigation proceedings. Notwithstanding the foregoing, nothing in this Article 19 shall prevent the Province from exercising its rights of termination set out in Article 3 or Article 12.

20.0 GENERAL

- 20.1 **Province's Representative** All references in this Agreement to the Province, include any person duly authorized to act on behalf of the Province hereunder.
- 20.2 **Headings and Interpretation** The division of this Agreement into Articles and the insertion of headings are for convenience of reference only and do not affect its interpretation. Except where the context requires otherwise, references to the terms "herein," "hereof," "hereunder" and similar expressions refer to this Agreement as a whole, and not to any specific Article or Schedule.
- 20.3 **Currency:** All financial amounts referred to in this Agreement are Canadian dollars, unless expressly provided otherwise.
- 20.4 **Partial Invalidity:** If any term or provision of this Agreement is held by a court of competent jurisdiction to be illegal, invalid or unenforceable, it shall be deemed to be severed from this Agreement, and the remaining terms and conditions shall nevertheless remain in full force and effect.
- 20.5 **Counterparts:** This Agreement may be signed by the Province and Dalhousie in separate counterparts, each of which when signed and delivered, shall constitute an original and binding agreement for all purposes. Delivery of this Agreement by electronic means signed by one party shall be valid and effective delivery to the other party.

20.6 **Further Assurances:** Dalhousie and the Province agree to execute and deliver all such further documents and instruments, and do or cause to be done all such acts and things, as either party may reasonably consider necessary to evidence the intent and meaning of this Agreement.

20.7 **Words in the Singular:** Where the context so requires in this Agreement, words in the singular include the plural and vice versa.

20.8 **Waiver:** No term or provision of this Agreement, and no breach of this Agreement by Dalhousie, shall be deemed to be waived or excused by the Province unless such waiver is in writing and signed by the Province. The waiver by the Province of any breach of a term or provision of this Agreement shall not be or be deemed to be a waiver of any continuing or subsequent breach by Dalhousie of the same or any other term or provision of this Agreement.

20.9 **Enurement:** This Agreement shall enure to the benefit of and be binding on the Province and on the successors and permitted assigns of Dalhousie.

20.10 **Remedies Cumulative:** The rights and remedies of the Province set out in this Agreement are cumulative, and are in addition to and not in substitution for any other rights or remedies available to the Province at law or in equity.

20.11 **Governing Law:** This Agreement shall be governed by and interpreted in accordance with the laws of Nova Scotia and the applicable laws of Canada. The parties submit to the jurisdiction of the exclusive jurisdiction of the courts of Nova Scotia.

[Signature Page to Follow]

Each party is signing this agreement on the date stated opposite that party's signature.

WITNESSED BY:

DATED AT Halifax, Nova Scotia
30th day of January, 2026

DALHOUSIE UNIVERSITY

Original Signed

Witness Signature

Original Signed by Kim Brooks

Dr. Kim Brooks
President and Vice-Chancellor

DALHOUSIE UNIVERSITY

Original Signed

Witness Signature

Original Signed by Graham Gagnon

Dr. Graham Gagnon
Acting Vice-President, Research & Innovation

WITNESSED BY:

DATED AT Halifax, Nova Scotia
2nd day of February, 2026

**HIS MAJESTY THE KING in right of the
Province of Nova Scotia, as Represented by
the Minister of Department of Energy**

Original Signed

Witness Signature

Original Signed by Karen Gatien for

Honourable Tim Houston,
Premier and Minister of the Department of
Energy

Schedule A (11 pages) and Schedule B (3 pages) follow.

SCHEDULE A – PROGRAM AND SERVICES DESCRIPTION

1. Program Overview

The Subsurface Energy R&D Investment Program (the “Program”) is a provincial initiative designed to understand the potential to explore Nova Scotia’s onshore natural gas while ensuring environmental stewardship and transparency. The program aims to enhance geological knowledge and assess resource viability and extraction and is supported by a budget of \$30 million.

It is intended that the Program participants agree (through a separate agreement between Dalhousie and the participants) to share their data and environmental impact findings with Dalhousie project research advisors for inclusion in a published research paper.

The Program will offer financial investments to operators to explore Nova Scotia’s petroleum potential as part of a controlled research initiative. This work will advance scientific understanding of subsurface geology, new energy potential in geothermal or carbon capture utilization and storage and modern drilling and stimulation technologies applied in the Nova Scotia environment, helping shape future energy policy and economic development.

2. Dalhousie’s responsibilities

In addition to those roles and responsibilities set out in the main terms and conditions of this agreement Dalhousie shall:

- a) Establish a governance structure for the Program, as set out in more detail later in Section 7 of this Schedule “A”.
- b) Set qualification criteria for proponents to the Program, issue an open call for Program submissions, and evaluate proponents against qualification criteria. More details in relation to the development of the call for Program submissions is set out in Section 8 of this Schedule “A”.
- c) Lead communication with the public before exploratory drilling commences, and manage ongoing stakeholder engagement. For greater certainty, Dalhousie shall have no obligation to manage stakeholder engagement with respect to site location or exploratory drilling activities. Any such engagement or communication shall be the responsibility of the Province and/or Program participants.
- d) Engage researchers to gather more data and knowledge about this activity specific to Nova Scotia’s geology and community readiness.
- e) Validate allowable expenditures and administer reimbursement payments.
- f) Submit a final report to the Province in December 2026, as described in Section 5 of this Schedule.

- g) Complete a research paper that includes sections on geological assessment, technical assessment and environmental stewardship.
- h) Dalhousie does not have an on-site role with respect to the exploratory drilling, other than as may be required for carrying out Dalhousie's research activities.

3. Province's Administrative Responsibilities

In addition to those roles and responsibilities set out in the main terms and conditions of this agreement the Province shall:

- a) Appoint Department of Energy representatives to serve on Program committees, as required, and as further described in Section 7 of this Schedule.
- b) Negotiate agreements with successful companies from the call for proposals, including investment and financial benefits for the province and people.
- c) Manage regulatory process for onshore oil and gas activities including but not limited to:
 - i. drilling approvals and authorizations from Department of Energy
 - ii. possible approvals from Department of Environment and Climate Change
 - iii. occupational health and safety requirements
 - iv. constitutional Section 35 consultations
- d) Assess non-prospective wells for viability to be decommissioned or assessed for potential geothermal energy and carbon capture/storage research and development.
- e) Receive research learnings to inform public policy.

4. Research Programs

Dalhousie will engage researchers to undertake research during the exploratory stage to ensure scientific integrity and public confidence. This research is expected to include (but may be subject to change as the Program evolves):

- Exploratory Drilling Analysis: Analysis of drilling results and reservoir characterization using datasets provided by proponents or the Department of Energy.
- Geological Studies: Geological and geomechanical assessment to inform exploration decisions.
- Groundwater and Wastewater Studies: Baseline community monitoring of water resources and evaluation of treatment and disposal practices to inform future policy.
- Methane Emissions Studies: Quantifying baseline emissions to inform future policy.
- Seismic Analysis: Establishing a seismic baseline to inform future development.
- Transport & Infrastructure Studies: Analyze transport and infrastructure needs to inform future development.
- Community Health Impact Studies: Understand community health supports and needs to inform future policy development.

Dalhousie will submit to the Province a research paper that includes sections on geological assessment, technical assessment and environmental stewardship.

The details of the research expected to be undertaken are attached as Appendix 1 to this Schedule.

5. Timeline

The timeline for completion of all phases is firm.

Phase 1 – Program Design & Governance

January–February 2026 (2 months)

Build the Incentive Program

Key activities:

- Province formalizes agreement with Dalhousie University
- Dalhousie establishes the governance structure for the Program
- Dalhousie will develop:
 - Program objectives and scope;
 - Guidelines for participation in the Program, which may include:
 - Investment program details (as developed by the Province)
 - Data sharing
 -
 - Qualification criteria for proponents in consultation with the Province.
- The Province will develop investment and revenue-sharing frameworks (equity/royalty options) and will share such frameworks with Dalhousie
- Dalhousie, in collaboration with the Province, will develop initial public communication strategy

Milestone: Program framework and governance approved; initial public communication strategy

Phase 2 – Market Attraction & Application Review

March – April 2026 (1 -2 months)

Attraction, Open Call & Application Review

Key activities:

- Dalhousie issues open call for project proposals
- Outreach to qualified exploration companies (Dalhousie)
- Province will market the Program in parallel with Dalhousie
- Receipt, screening, and technical evaluation of applications (Dalhousie)
 - In the event that an insufficient number of proposals are received from qualifying entities interested in participating in the Program, Dalhousie will

undertake a review, including meeting with industry representatives, to attempt and determine why there was less interest than anticipated. Following such review, the parties will consult and cooperate in good faith to develop and agree on a revised path forward for the delivery of the Program, which may include, without limitation, changes to the terms of the Program or the timing of the work to be completed by the proponents.

- Dalhousie confirms qualified proponents
- Province identifies preferred proponents
- Stakeholder and First Nations engagement by Dalhousie (ongoing for duration of the Program as necessary)

Milestone: Shortlisted proponents approved for negotiation

Phase 3 – Licensing & Agreements

May 2026 (1 month)

Exploration Agreement Issuance

Key activities:

- Province negotiates investment agreements with successful proponents
- Section 35 consultations with First Nations by the Province (if required)
- Province issues of exploration agreements, conditional on regulatory compliance, finalization of Provincial equity or royalty participation and research and data sharing obligations with Dalhousie
- Dalhousie negotiates data-sharing agreement with successful proponents

Milestone: Exploration agreements granted

Phase 4 – Due Diligence & Site Selection

May–July 2026 (3 months concurrent with Exploration Agreement issuance)

Data Review & Site Selection

Key activities:

- Successful proponents comply with application regulatory requirements, which may include but is not limited to:
 - Detailed subsurface data review
 - Environmental studies
 - Site selection and validation
- Ongoing Section 35 consultations with First Nations by the Province (if required)
- Proponents advance permit applications as required

Milestone: Final drill targets and sites confirmed

Phase 5 – Mobilization & Drilling

July–September / October 2026 (3–4 months)

Mobilization & Initial Drilling

Key Proponent activities:

- Mobilization of drilling rigs and crews
- Site preparation and logistics
- Initial exploration drilling and data collection

Milestone: Completion of initial exploration drilling program

Phase 6 - Final Reporting & Knowledge Mobilization

November–December 2026

Key activities

- Dalhousie to compile the Final Report for the Province; identify papers for submission in 2027.
- Public dissemination: executive summary, data visualizations, FAQs.

Milestone: Final Report submitted to the Province by December 31, 2026.

Phase 7 - Final Wrap-up & Knowledge Mobilization

January–March 2027

Key activities

- Dalhousie will archive datasets and methods;
- Return of uncommitted funds and financial reporting.

Milestone: Completion of archiving, return of uncommitted funds, and reporting to the Province.

6. Stakeholder outreach and communication

Dalhousie will be responsible for overseeing stakeholder outreach and communication, including:

- a) Engaging an external public relations firm to assist in the development and implementation of a stakeholder outreach plan;
- b) Carrying out in-person community stakeholder meetings in advance of the exploratory work commencing
- c) Receiving advice and input from the Oversight Committee on issues that are relevant and important to interested stakeholders and communities

7. Governance Structure

Dalhousie will create the following governance structure for the Program:

- a) **Oversight Committee:** This committee will advise and report on the planning and coordination among all projects undertaken under the Program, with a specific emphasis on how those projects may impact different stakeholder groups including the First Nations and other communities that may be directly impacted. The committee will include:
 - Dalhousie administrators
 - faculty members
 - Member of the First Nations community
 - Provincial Department of Energy Representatives (2)
 - Industry representative
 - Community representative
- b) **Technical Oversight Committee:** This committee will advise Dalhousie on the technical requirement for proposals to be submitted to the Program, including pre-qualifications of proponents. This committee will also provide advice, as required, on the review of the proposals received with respect to the Program. This committee will include:
 - Dalhousie administrators
 - Provincial Department of Energy Representatives
 - Industry representative
- c) **Management Committee:** This committee will ensure that the Program is managed responsibly, and in accordance with this Agreement, and Dalhousie regulations and policies, while minimizing legal and financial risk and liability to the stakeholders. This committee is entirely Dalhousie staff.

8. Development of Call for Proposals and Administration of Reimbursement of Investment Program

Dalhousie will undertake the development of a call for proposals to participate in the Program, and administer the reimbursement aspect of that Program. This will include:

- a) Development of the call for proposals to participate in the Program, including:
 - a. Engaging an external consultant with expertise in this field
 - b. Consultation with the Department of Energy and industry partners through the development of a technical oversight committee

- c. Draft call for proposals to engage in the Program, which shall include qualification criteria for applicants and assessment metrics
- d. Development of a suggested list of expenses which would qualify for reimbursement
- e. Development of criteria for reimbursement of eligible expenses, including timing of reimbursement
- f. Development the terms and conditions for data sharing between proponents, the Province and Dalhousie
- g. Work with the Province to confirm the details of the investment program

- b) Issuance of call for proposals to participate in the Program
- c) Reviewing proposals that are received and confirm to the Province which proponents have met the qualification requirements
- d) Receiving advice from the Province on which proponents the Province intends to approve for participation in the Program
- e) Providing the Province support, as may be reasonably required for the purpose of administering the Program, as they develop their agreement with the preferred Proponents
- f) Upon receipt of a letter from the Province confirming which projects have met the reimbursement criteria and are now eligible for reimbursement, administer the reimbursement aspect of those agreements, including ensuring that only qualifying expenses are reimbursed. Dalhousie reserves the right to contract this service to a third party.

Appendix 1 to Schedule A.

SERDIP Proposed Research Project Summaries

Geological Studies: Geological and geomechanical assessment to inform exploration decisions

This project would be a collaborative effort to determine the geological and engineering viability of the Horton Bluff formations in the Windsor–Kennetcook Basin, an area with previous indications of hydrocarbons. The research involves reprocessing and modernizing seismic data (held by the Province), applying advanced imaging and inversion techniques to improve understanding of subsurface structure, stratigraphy, and potential hydrocarbon indicators, and integrating these results with detailed geological and geomechanical analyses of existing core and cuttings. This work will identify high-potential zones, assess possible subsurface hazards, pinpoint data gaps, and outline where new seismic acquisition or stratigraphic test holes may be needed. By leveraging existing datasets and applying state-of-the-art analytical methods, the project provides a scientifically robust foundation for future exploration decisions, reduces uncertainty before new field investments, and strengthens the province’s ability to evaluate resource potential using transparent, evidence-based subsurface characterization.

Groundwater and Wastewater Studies: Baseline community monitoring of water resources and evaluation of treatment and disposal practices to inform future policy

Groundwater and wastewater researchers will collaborate on a comprehensive program to protect Nova Scotia’s water resources as onshore oil and natural gas exploration moves forward. The program would establish strong baseline data on surface and groundwater quality and quantity and dissolved gases in key basins and expand monitoring during drilling to quickly detect any changes linked to exploration activities. The work may include identifying natural and established subsurface features that could influence groundwater movement. The program also studies how to safely handle, treat, and potentially reuse or extract value (such as critical minerals) from flowback and produced water, which is created during drilling and hydraulic fracturing. By combining baseline science, ongoing monitoring, and proactive planning for wastewater management, the program helps ensure that communities, ecosystems, and drinking water supplies remain protected. It also equips the province with the evidence needed

for responsible resource development and supports transparent, science-based decision-making that builds public confidence.

Methane Emissions Studies: Quantify baseline emissions to inform future policy.

The proposed research aims to give Nova Scotia the evidence it needs to responsibly evaluate onshore natural gas by focusing on methane emissions - the issue most critical to public trust, regulation, and market access. The work would establish the first reliable baseline of natural methane seeps across key regions, using mobile labs, isotopic sampling, and drones to distinguish natural methane from any future industrial emissions. It would also conduct real-time, independent emissions monitoring during exploratory drilling to show exactly what methane levels look like in Nova Scotia's complex, forested landscapes and to demonstrate that emissions can be accurately detected and quantified. Finally, a regulatory scan would compare methane rules and outcomes across Canada and emerging international standards, helping Nova Scotia understand what effective, modern oversight requires. Together, this research strengthens community confidence, fills major knowledge gaps, and gives the province the tools and evidence needed to make informed decisions about whether and how onshore gas development could meet environmental and economic expectations.

Seismic Analysis: Establishing a clear seismic baseline to Inform future development

The proposed seismicity project will study Nova Scotia's past and present earthquake activity to create a solid baseline before onshore natural gas exploration begins. Using modern seismology tools - including machine-learning analysis of 20 years of archived earthquake data and a new, temporary network of 30 seismometers in key basins - the research will identify how often small earthquakes occur naturally, where they happen, and what faults may be active. This baseline is essential because activities like drilling, hydraulic fracturing, and wastewater disposal can change underground stresses and sometimes trigger small or even felt earthquakes. By understanding the region's natural seismic behaviour in advance, the province and communities gain the information needed to distinguish natural events from industry-related ones, assess risks, design protective rules, and build public confidence that seismic impacts will be monitored transparently and managed responsibly.

Transport & Infrastructure Studies: Analyze transport and infrastructure needs to inform future development.

This project will focus on understanding how people and goods move in the regions where potential onshore energy development may occur, and what new or improved infrastructure would be needed to support that development safely and efficiently. Using expertise in travel behaviour modelling, GIS analysis, and transportation simulation, the team would assess current road capacity, traffic patterns, emergency-response access, and the condition of rural transportation networks. The research would also examine how increased industrial activity - such as heavy-vehicle trips, equipment movement, or workforce commuting - might affect safety, congestion, and community wellbeing. The benefit of this work is that it would give the province and communities a clear, evidence-based picture of what infrastructure upgrades or planning measures are required before development occurs, ensuring that any future activity is supported by efficient transport routes, and minimized community disruption.

Community Health Impact Studies: Understand community health supports and needs to inform future policy development.

This project will develop a community based research approach on energy transitions, environmental monitoring, and health in the Nova Scotia context. The research will assess community health needs through inputs from rural and lower-income populations. It will also translate environmental and health information into plain-language resources to help patients and caregivers understand monitoring data and how to raise concerns with primary care. At the same time, it will equip health care providers with information and clinical guidance to better respond to questions around health risks and to coordinate care. This approach prepares communities for potential energy production by strengthening health literacy and creating a repeatable model for future community engagement during resource development.

Exploratory Drilling Analysis: Analysis of drilling results and reservoir characterization using datasets provided by proponents or the Department of Energy.

This activity will involve the review and interpretation of data generated through exploratory drilling activities. Using datasets provided by proponents or the Department of Energy, the work may include examination and synthesis of drilling results and other subsurface information

typically collected during drilling programs. Where appropriate, these data could be considered in the context of existing geological and geophysical information to improve understanding of subsurface conditions and reservoir characteristics and to identify key uncertainties and limitations relevant to future policy considerations.

SCHEDULE B - PAYMENTS

This schedule to the Agreement describes the payment terms.

B.1 Budget and Eligible Use of funds

Provincial funds may only be expended on the Program permitted under this Agreement and for no other purpose unless expressly agreed otherwise by the parties in writing.

Category	Budget	Eligible Expenditure
A) Salaries and benefits	\$845,000	Salaries and benefit costs of Program staff
B) Direct program operating costs	\$130,000	Non-salary costs directly attributable to the Program
C) External consultants	\$775,000	Funds paid to external consultants
D) Research	\$4,000,000	Direct and indirect costs of research
E) Exploration incentives	\$24,250,000	Funds disbursed to approved proponents

Dalhousie may, without amending this Agreement, increase expenditure in budget categories A, B and C by up to 10% of the amounts allocated to those categories, provided that any such increase is funded through the reallocation of amounts from other budget line items (excluding categories D and E). Where expenditure in categories A, B, C and D is less than the amount allocated and such savings can be reasonably confirmed, Dalhousie commits to reallocating those unspent amounts to category E, subject to the overall budget cap under this Agreement.

“Eligible Expenditure” means an expenditure incurred by the Dalhousie or other payments made under the Program between the execution of this Agreement and the Agreement End date that is eligible for payment in accordance with the terms and conditions outlined below.

The following are Eligible Expenditures, if directly incurred for the purposes of the Program if the terms and conditions set out in this Agreement are met by Dalhousie and consistent with summary breakdown outlined below:

Eligible Expenditure	Allocation
(a) Salaries and benefits of the Project staff (costs that are “caused” by and directly attributable to the Program.)	These costs are to be allocated based on employee assignments specific to the Program
(b) Direct Program Costs (costs that are “caused” by and directly attributable to the Program.)	
(c) Administrative and Operational Overhead Costs (costs that are not directly “caused” by the Program which include without limitation: rent, insurance, IT equipment, senior management and administrative staff and governance including audit and professional fees.)	These costs are to be allocated based on headcount and program area assigned specifically to the Program. These costs are to be reported at the individual program level and not at the Project or Portfolio level, in the event that there is more than one individual program within a Project.

<p>(d) Funds disbursed to 3rd party recipients in accordance with the Agreement and as approved by the Province.</p>	
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Expenditures, other than those herein allowed, are ineligible unless specifically approved in writing by the Province prior to the time the expenditures are incurred.

B.2 Payment

Amounts to be paid will be invoiced as follows:

- \$5 million shall be paid before March 31, 2026 for government fiscal year 1 of the Services.
- \$25 million shall be as follows for government fiscal year 2 of the Services.
 - \$10 Million before May 30, 2026;
 - \$10 Million before September 30, 2026; and
 - \$5 Million before March 31, 2027.

Notwithstanding the above, each allocation will not be issued until approved by the Province to ensure compliance with this agreement.

- The Province may holdback 10% of the amounts being paid to Dalhousie for categories A, B, and D listed in the budget table above (i.e. excluding exploration incentives) until Dalhousie has provided their Final Report and it has been accepted by the Province.

Payments will be made under the provisions of Article 2 of this Agreement.

B.3 Investment of delayed use funds

The Recipient shall invest any payments for the Program that are not reasonably expected to be required for ninety (90) days following receipt in short-term Canadian investment grade securities with a rating of AA or higher, or a high yield account, whichever provides a higher interest rate. Any investment income or gains (minus applicable fees) must be reported by Dalhousie to the Province and shall be added to the funds available for the Program under this Agreement.