



EQUITABLE  
ORIGIN  
CERTIFIED



**HAMMERHEAD**  
ENERGY

## Site Overview

<b>Operator:</b>	<a href="#">Hammerhead Energy Inc.</a>
<b>Certified Unit:</b>	<b>Gold Creek and Karr Assets*</b>
<b>Location:</b>	Grovedale, Alberta, Canada
<b>Area:</b>	~100,000 net Montney acres
<b>Segments of Supply Chain Covered:</b>	Production, Gathering, and Processing
<b>Production volume:</b>	39 Mboe/d (14 Mbb/d crude oil; 126 MMcf/d natural gas; 4 Mbb/d NGLs)
<b>Assessment Body:</b>	<a href="#">Impact Resolutions Ltd.</a>

*\*The Certifiable Unit for this reversion is inclusive solely of Hammerhead Energy's Assets above prior to November 2023, and does not extend to Crescent Point Energy assets, even where such assets may be contiguous.*





The purpose of this report is to publicly document the EO100™ Certification and annual re-verification assessments conducted for HEI's operations near Grande Prairie, Alberta, Canada. The assessment scope included the *Gold Creek and Karr Assets*, which was treated as a single Certified Unit, as the well pads, gas plants, compressor stations, and associated infrastructure in the same geographical area, operated under the same management system and affecting the same stakeholders and Indigenous communities. All supporting assessment documents remain confidential.

## Site Profile

Hammerhead Resources Inc. (HEI) is a publicly traded oil and natural gas exploration, development, and production company listed on the Nasdaq and TSX in the first quarter of 2023 under the symbol “HEIS.” HEI has its corporate office in Calgary, Alberta, with a field office in Grande Prairie, Alberta. Since its establishment in 2009, HEI has aggregated, controls, and operates approximately 100,000 prospective acres in the Montney formation of Western Canada’s Deep Basin, developing multi-zone, liquids-rich oil and gas plays. .

For the purpose of this report, HEI’s relevant operational assets *Gold Creek and Karr* are located approximately 20 kilometers from the hamlet of Grovedale, within the Municipal District of Greenview No. 16. These include 174 active producing wells over 54 pad sites, 6 wells suspended, 23 active disposal wells over 10 pad sites, 317 km of active operating pipelines, and >80 Mboe/d of processing capacity. HEI's production output from these assets is 54% natural gas and 46% crude oil and NGLs.

HEI’s vision is to become one of the top five Montney producers as they work to achieve net zero Scope 1 and 2 emissions by 2030, and demonstrate leadership in sustainability disclosures and ESG performance. HEI has embarked on a decarbonization investment campaign across its asset base with its carbon capture and storage (CCS) program, estimated to require \$240 million of capital between 2023 and 2029. The CCS program will reduce Scope 1 and Scope 2 emissions by approximately 79% on an absolute basis and about 89% on a per BOE basis by 2029, as compared to 2021 levels, with a further target to achieve net zero by 2030. HEI has internal resources, the Alternative Energy team, whose mandate is to evaluate existing and potential technological advances that support producing a low-carbon product on their path to net zero Scope 1 and Scope 2 emissions.

On November 5, 2023, following completion of the third-party assessment process outlined below, it was publicly announced that Canadian oil firm Crescent Point Energy (CPG) would acquire HEI . The designated EO100 Certificate for the reverification period for the *Gold Creek and Karr Assets* does not reflect this acquisition. The Certifiable Unit of this reverification is solely inclusive of the *Gold Creek and Karr Assets* as owned and operated by HEI prior to acquisition, and does not extend to or represent any assets owned or operated by Crescent Point Energy, even where such assets may be geographically contiguous with the HEI assets. This summary report will refer to HEI as the operator of the CU throughout.

### **Stakeholders and Indigenous Communities**

HEI engages with several key stakeholders including shareholders, landowners, communities, contactors, suppliers, governments, Indigenous Peoples, and Employees.



HEI's lease areas impact the traditional lands of three Treaty 8 Signatory communities – the Horse Lake First Nation, Sturgeon Lake Cree Nation and Sucker Creek First Nation. The lease areas also impact the traditional lands of the Aseniwuche Winewak Nation (AWN) as well as Metis Nation of Alberta Region 4 - East Prairie Metis Settlement and Gift Lake Metis Settlement. HHR engages and consults with all of these Indigenous communities.

## Certification Results

HEI's *Gold Creek and Karr Assets* have met the requirements for certification under the EO100™ Standard for Responsible Energy Development (2017) and the EO100™ Technical Supplement for Onshore Natural Gas and Light Oil Production (2022).

The EO100™ Standard encompasses the following Principles:

1. Corporate Governance, Transparency & Ethics
2. Human Rights, Social Impact & Community Development
3. Indigenous People's Rights
4. Fair Labor & Working Conditions
5. Climate Change, Biodiversity & Environment

HEI remains committed to improving its implementation of the EO100™ Standard and engaged Equitable Origin-approved independent Assessors, Impact Resolutions Ltd., to conduct the re-verification assessment from August to November 2023.

During this period, the Assessment team conducted verification activities that included a review of policies, practices and procedures, visits to pre-selected sites, and interviews with employees, consultants, contractors, and management. Draft findings were subject to review and comment by the EO secretariat.

The Assessment concluded that on the basis of evidence reviewed, HEI has succeeded in meeting or partially meeting all the applicable Level 1 Performance Targets (see Figure 1), as well as demonstrating beyond-compliance best practices and examples of peer/sector leadership.

In addition, HEI has demonstrably begun implementing the Continuous Improvement Plan that was a condition of initial certification. It has assigned responsibility and begun to close gaps identified by the initial certification assessment and subsequently prioritized by management.

During this Assessment, the Assessors confirmed that HEI is progressing with its management systems and documentation development. HEI future assessment scoring will improve upon creating fit-for-purpose documents relative to their scope, risks, and impacts. HEI has installed some erosion control mechanisms. Vegetation management control requires more work to meet the Standard's requirements fully.

Assessors observed several best or leading practices.

Leading practices observed include:

- Continuous methane emissions monitoring

- Tie N2 into all pig senders and receivers not tied into flare systems to eliminate methane venting from pig barrels

Best practices observed include:

- Limited flow back programs restricting gas flow to testers for 24 hours from 72-hour tests to minimize flaring
- Drilling and completion activities utilizing diesel/natural gas mixed fuel for powering their operations where natural gas is available at brownfield sites

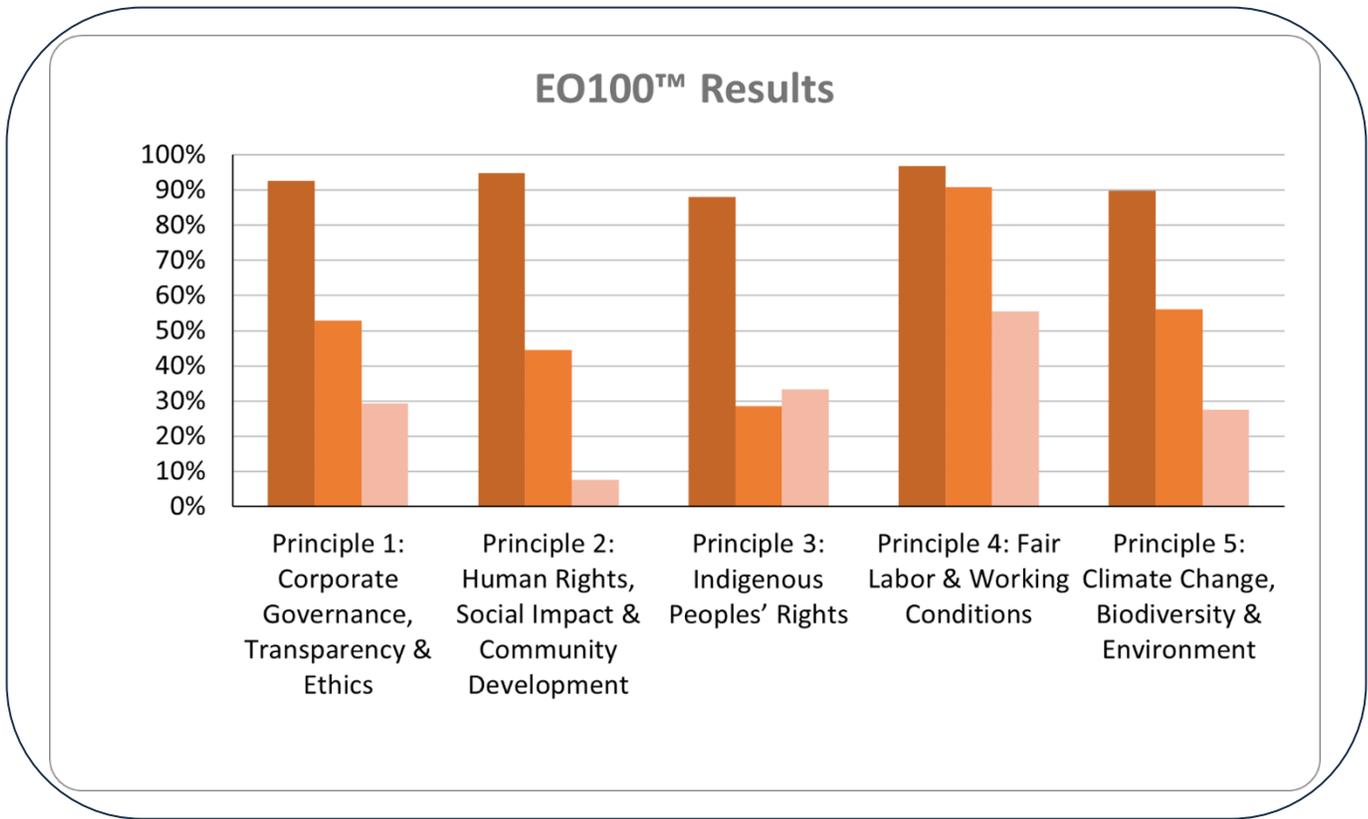
The Assessment finds that HEI should formalize its relationships with project host Indigenous Peoples. Formalized relationships would enhance project outcomes and likely contribute to ongoing support. Upon HEI finalizing their Indigenous relations strategies, the Assessors desire to interview East Prairie Metis Settlement, Horse Lake First Nation, and Sturgeon Lake Cree Nation to complete community interviews during this certification period.

Table 1 shows the results summarized by Principle for each Performance Target level.

**Table 1: Summary Results by Principle**

**B**  
Letter  
Grade

Principle	2023 Re-Verification Assessment
1: Corporate Governance, Transparency & Ethics	93%
2: Human Rights, Social Impact & Community Development	95%
3: Indigenous Peoples' Rights	88%
4: Fair Labor & Working Conditions	97%
5: Climate Change, Biodiversity & Environment	90%



**Figure 1: EO100™ 2023 Re-Verification Assessment Results**

## EO100™ Certification Summary

<b>Certificate Issuer:</b>	<a href="#">Equitable Origin, Inc.</a>
<b>Operator:</b>	Hammerhead Energy, Inc.
<b>Certified Unit:</b>	<i>Gold Creek and Karr Assets</i>
<b>Location of Certified Unit:</b>	Grovedale, Alberta, Canada
<b>Certification date:</b>	19 December 2022
<b>Re-verification date:</b>	16 November 2023
<b>Expiration date:</b>	16 November 2025
<b>Certification Standard:</b>	EO100™ Standard for Responsible Energy Development (2017) and the EO100™ Technical Supplement: Onshore Natural Gas and Light Oil Production (2022)
<b>Assessment Body:</b>	Impact Resolutions Ltd.
<b>Certificate Number:</b>	EO100-16112023-CAN

## EO100™ Certification Summary



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**B**  
Letter Grade

**Operator:** Hammerhead Energy Inc.  
**Certified Unit:** Gold Creek and Karr Assets  
**Certification Standard:** EO100™ Standard for Responsible Energy Development (2017) and the EO100™ Technical Supplement: Onshore Natural Gas and Light Oil Production (2022)

**Location of Certified Unit:** Grovedale, Alberta, Canada  
**Certification Date:** 19 December 2022  
**Re-verification Date:** 16 November 2023  
**Expiration Date:** 16 November 2025  
**Assessment Dates:** August to November 2023  
**Assessor:** Impact Resolutions Ltd.



Jason Switzer  
CEO, Equitable Origin

### Contact Information:

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If organizations or individuals have concerns, complaints, or comments about the operator's EO100™ Certification, they should first contact the Certified Operator directly: 403-930-0560.

Equitable Origin: [contact@equitableorigin.org](mailto:contact@equitableorigin.org)

For more information on Equitable Origin's Certification System Comments, Complaints and Appeals processes, please visit our website: [www.energystandards.org](http://www.energystandards.org)