

DRILLING TECHNOLOGY CHALLENGE

We will begin the webinar shortly

October 22, 2025 2:00 P.M.





Speaker introductions



Justin RiemerChief Executive Officer



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Housekeeping

- Microphones are muted
- If you called by telephone, select "telephone" and enter your audio PIN
- Type questions into the "Questions" section of the control panel
- We answer as many questions as possible after the presentation
- If you have technical difficulty during the webinar (interface or audio) contact Neil at nwedin@eralberta.ca
- Webinar is being recorded and will be posted on our website



Agenda

- About Emissions Reduction Alberta (ERA)
- Drilling Technology Challenge Overview
- Program objectives
- Scope and eligibility
- Submissions and evaluation process
- Timelines
- Advice for preparing a successful submission
- Q&A



ERA-AT-A-GLANCE

VISION

Alberta has a diversified economy with competitive industries that deliver sustainable environmental outcomes and attract investment

OPERATING MODEL

Provide grants to novel, first in kind technology demonstrations & energy efficiency incentives for Alberta's businesses

MISSION

Reduce emissions & grow Alberta's economy by accelerating the development & adoption of innovative technology solutions



We support a host of technologies to achieve broad environmental and competitiveness improvements:

- Decarbonization
- Water treatment
- - Energy efficiency Soil remediation
- Recycling

Lean, low-cost administration providing good value for Albertans





Supported by the Government of Alberta

 ERA receives its funding from the Government of Alberta through the Technology Innovation Emissions Reduction (TIER) Fund.

 ERA's Board and Management prioritize alignment with the Government of Alberta and ensure strong ties and collaboration at all levels.









TECHNOLOGY INNOVATION

\$993M
TOTAL INVESTMENT



320
PROJECTS

28.8
MILLION TONNES

OF CUMULATIVE EMISSIONS REDUCTION BY 2030 82.2
MILLION TONNES

OF CUMULATIVE EMISSIONS REDUCTION BY 2050

\$10.3 BILLION TOTAL PROJECT VALUE



5.8:1

FROM PUBLIC AND PRIVATE INVESTORS

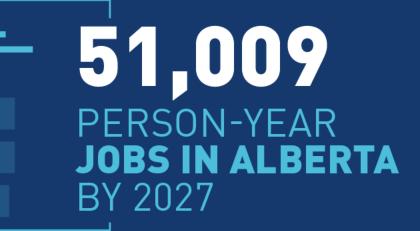
ACCELERATING UPTAKE OF COMMERCIAL-READY TECHNOLOGIES THROUGH THE ENERGY EFFICIENCY PROGRAMS

\$57M 6 INVESTED

PROJECTS SUPPORTED THROUGH THE ENERGY SAVINGS FOR BUSINESS PORTFOLIO

4.48 MT OF LIFETIME EMISSIONS REDUCED

ALL PROJECTS



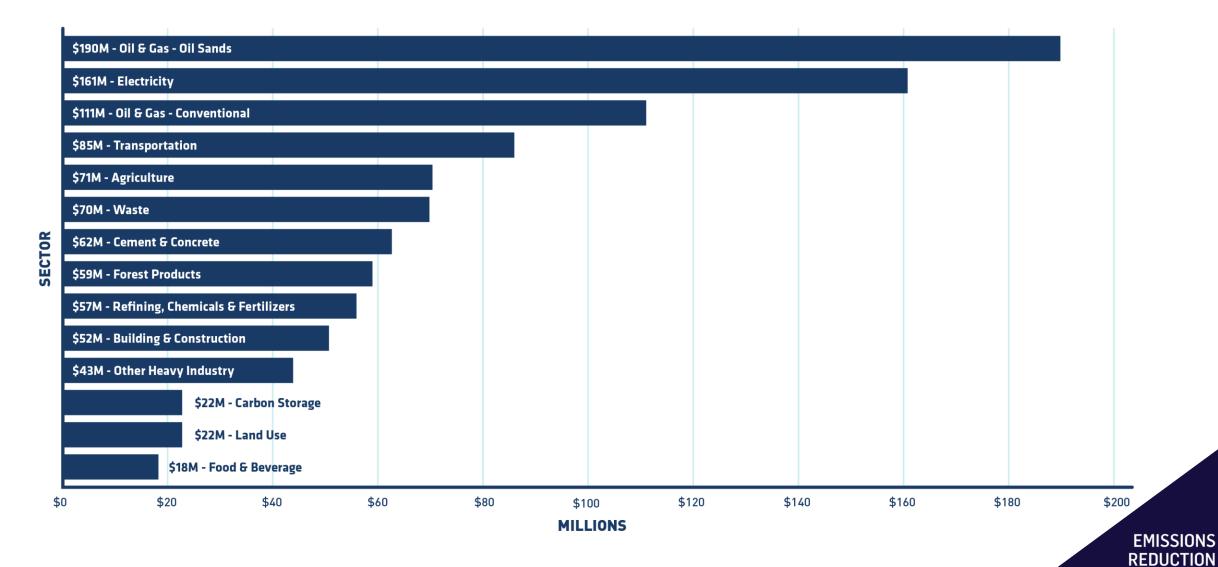
\$8.19 BILLION GDP IMPACT TO ALBERTA BY 2027



FERSON-YEAR
JOBS IN CANADA
BY 2027

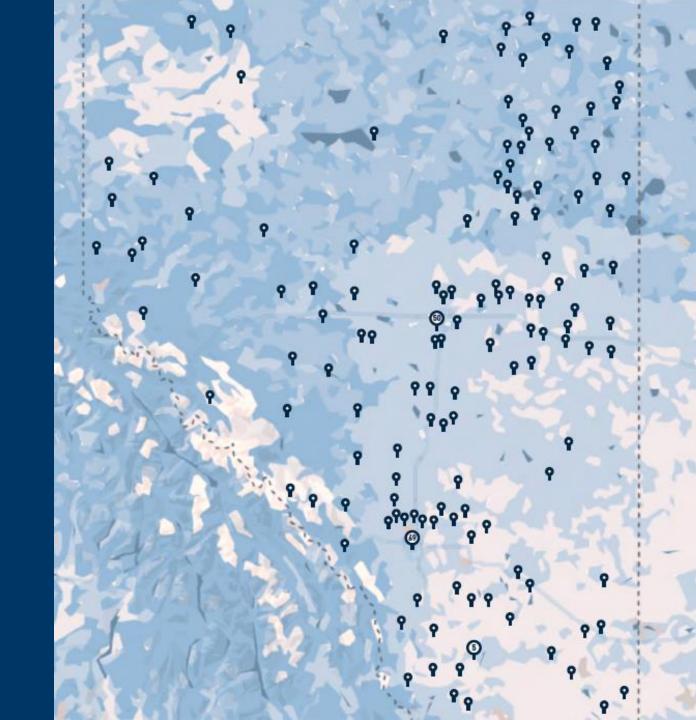
\$10.99 BILLION GDP IMPACT TO CANADA BY 2027

FUNDING BY SECTOR



ALBERTA

MAP OF ERA FUNDED PROJECTS



Technology Focus Areas

- Carbon Management
- Improved Efficiency
- Emerging Energy
- Industrial Decarbonization
- Circular Economy





RESHAPING ENERGY SYSTEMS



INDUSTRIAL TRANSFORMATION CHALLENGE



ACCELERATING HYDROGEN CHALLENGE





DRILLING TECHNOLOGY CHALLENGE

Up to **\$35 million** to build on more than a century of expertise





Why?

- Alberta's century of drilling innovation makes it the leader in the next wave of safe, low-cost, low-emission subsurface technologies.
- Alberta-led advancements in geothermal, lithium, and other areas continue to strengthen its reputation as a powerhouse in energy innovation.
- Moving innovation from the drawing board to deployment will help de-risk ideas and deliver real results.





Funding available

- Up to \$35 million in potential funding
- Maximum \$8 million ERA contribution per project
- Minimum funding contribution of \$250,000
- Funding must be matched at least 1:1

See *Eligible Expense and Cost Instructions* for details regarding eligibility of costs





Technology Examples

- Advanced Drilling Methods
- Downhole Tooling and Sensors
- Automation and Digital Optimization
- Energy-Efficient and Low-Impact Systems
- Geothermal and Critical Mineral-Specific Innovations
- Enabling Infrastructure and Support Systems





Out-of-scope technologies and projects

- Business-as-usual technologies or solutions
- Incremental efficiency improvements that do not go beyond legislated requirements
- Scopes that represent only a portion of a complete project, such as:
 - Standalone infrastructure, facilities, or building envelopes
 - Standalone pre-construction studies (FEED, feasibility, etc.)
- Geological assessments (except in the context of downhole tooling)
 - Conventional exploration wells for resource characterization



Stage of development

Field Test / Pilot:

- Technology or innovation is ready to be field-tested in an operational environment
- Scale-up of prototypes to representative pilot scale and subsequent in-field testing of pilot units

Demonstration:

- Technology is approaching final commercial product and representative systems have been built
- Demonstration of near- or fully-commercial scale systems in an operational environment

First-of-kind implementation:

- Technology is ready for first-of-kind commercial deployment
- Design, construction, and operation of the technology in its final commercial form, with the intent to operate the technology for its full commercial life





Project structure

- Projects must commence within 120 days of approval, currently planned for June 2026.
- Applicants may request a delayed start date of up to 12 months.
- Maximum project length is three years, plus up to three years additional time for operation and data collection, where applicable.



Submission and evaluation process





Timelines

Action	By whom	Timing
Application Submission Deadline	Applicants	January 29, 2026
Shortlist Notification	ERA	March 2026
Presentations	Applicants	April 2026
Funding Decision Notification	ERA	June 2026



Outcomes reporting and knowledge sharing

- Funding recipients must submit a project completion report, outlining outcomes, achievements, and lessons learned:
 - GHG reductions (actual and projected)
 - job creation
 - environmental benefits
 - economic benefits
- Participants may be required to commit to:
 - writing reports
 - hosting knowledge-sharing workshops
 - participating in lessons-learned or other knowledge-sharing initiatives
- ERA anticipates that all funded projects will participate in meaningful engagement and information sharing with regulators, First Nations communities, and other relevant stakeholders



Preparing an application

- Start now: http://eralberta.ca/apply-for-funding/
- Register on Grant Manager: https://erims.outcome-plus.com/
- Read the guidelines documents
 - Call for Expressions of Interest
 - Eligible Expense and Cost Instructions
- Review the evaluation criteria:
 - Technology Advancement
 - Implementation & Readiness
 - Environmental Performance
 - Economic & Ancillary Benefits
 - Stakeholder Engagement
 - Commercialization & Market Fit





Questions?





Wrap up and next steps

- Unanswered questions?
- Review the guidelines and supporting materials
- Email remaining questions to <u>applications@eralberta.ca</u>
- Begin your submission today





