



Gas Processing Association
February 27, 2019

The NAL Transformation Story



Company Profile - Business Operations



Private Company

In business since 1990

Top 30 Producer in Canada

39,168 boe per day of production¹

Drilling and
Completion
Activities



Processing
Activities



Rail
Terminal
Activities



Truck
Terminal
Activities



The Industry is Being Disrupted



*Rules
& Regulations*

Politics



*Commodity
Price*



*Social
Pressure*

Figure 1: Historical Equity Performance

Daily; January 2017 to Current



SOURCE: Bloomberg, ¹VanEck Vectors Coal ETF, ²S&P/TSX Oil and Gas E&P Index, ³S&P 500 Oil and Gas E&P Index

Source: Tough Medicine, January 22, 2019, ARC Energy Research Institute

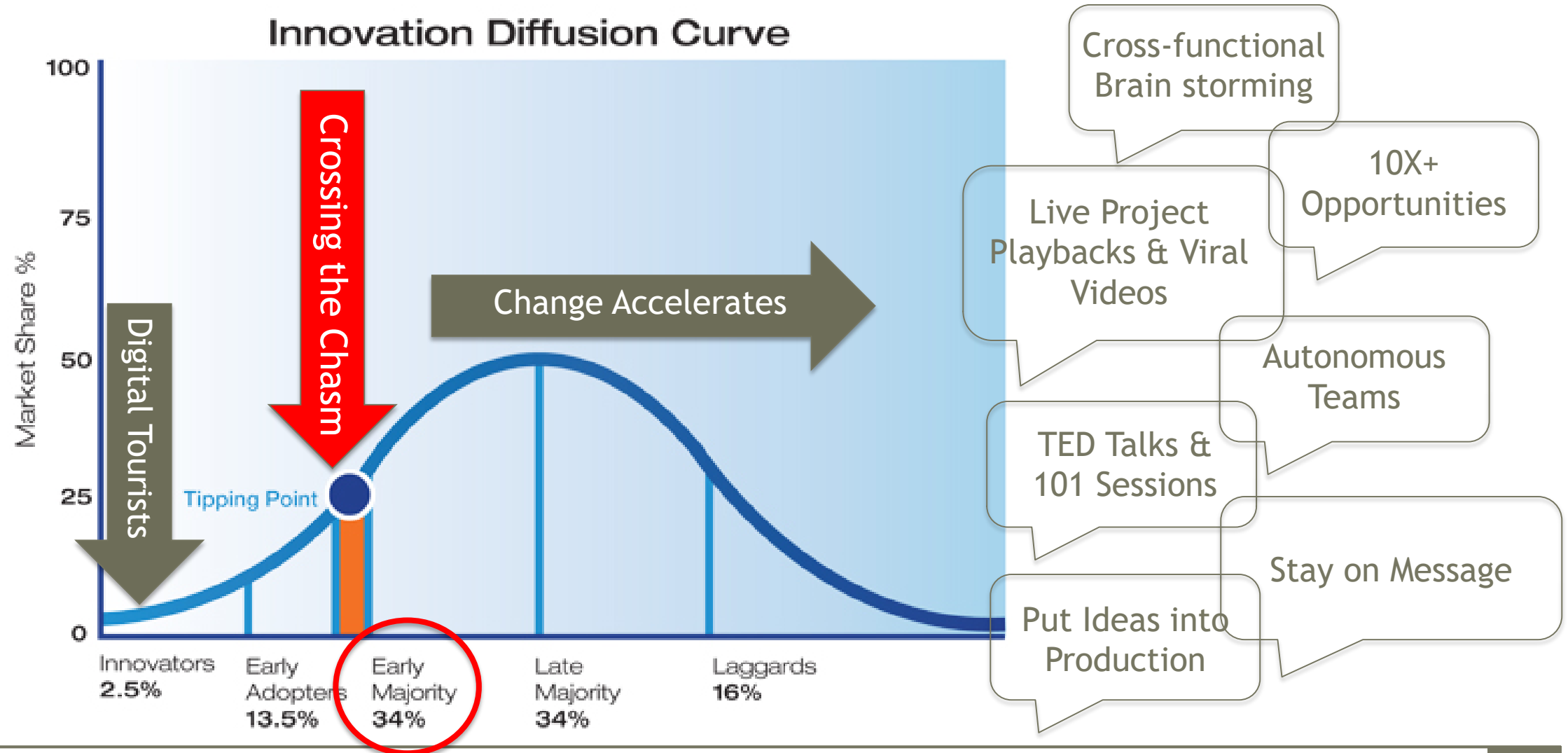
Is There a New Way?



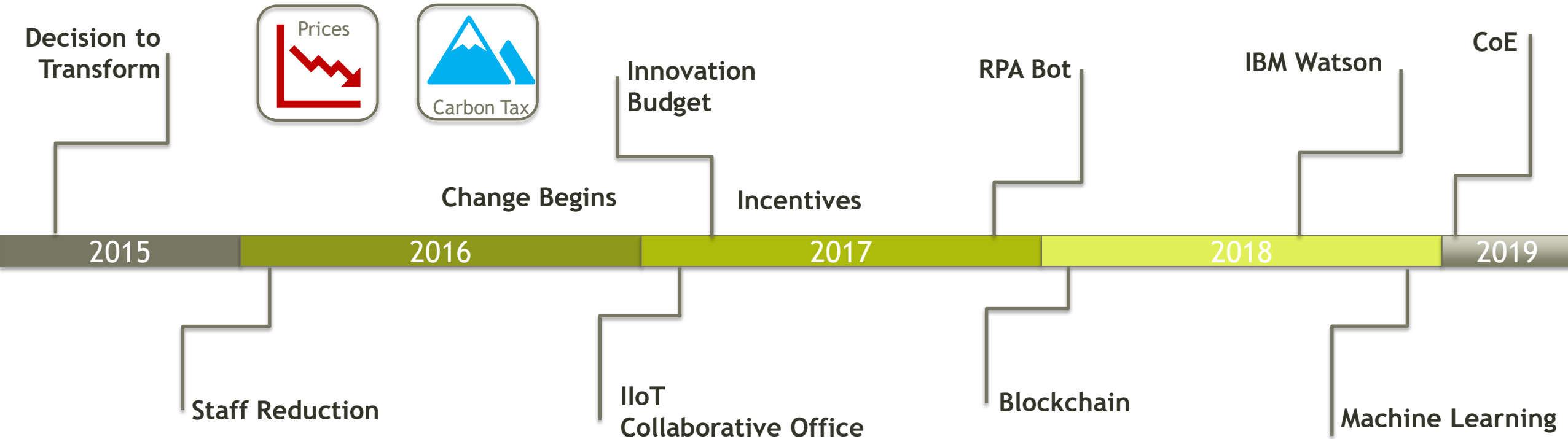
The Change Model



Influencing the Early Majority is Key



The Transformation Story



Transformation by the Numbers

Operate by Exception **IIoT**
63% Fewer site visits

RPA 45x
Bots up to Faster than Humans

Cognitive Expecting
Computing **25%** Longer Asset Life

Royalty Transaction **1st**
on Ledger **Blockchain**

Collaborative Office Space
Increase in Work Capacity **25%**

Machine Learning 18x
Reading Documents Faster than humans

4MM Digital Documents
Rising by 50,000/yr

200MM Records from Multiple Sources in One Data Set
Business Intelligence







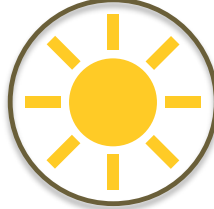
Source to Pay Electronic **98%**
Transactions

Geosteering 5% More Time in Target Zone

Carbon 27%
Intensity Lower

Center of Excellence **100%**
All Employees have the Opportunity to Innovate

Barriers and Opportunities

					
	Culture	Leadership	Skills	Capital	Workload
	Focused on the Past	Siloed and Fragmented	Legacy	Risk Averse	Manual and Heavy
	Culture of Innovation	CEO as Change Leader	New Core Competencies	Self Funding Projects	Collaborative Cross-functional Teams

NAL's Transformation Playbook



Educate Yourself



Tap into the Experts



Set a Smart Risk Budget



Find your Champions



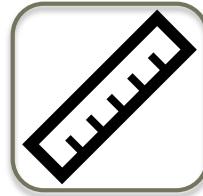
Start Small with POCs



Be Agile



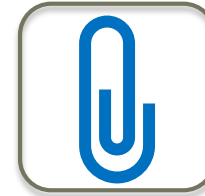
Early Wins



Measure Value



Establish a CoE in Digital



Fail Cheap

How do you keep it going?

Keep Filling the Hopper

Find Sponsors & Champions

Clear Vision
& Stay on
Message

Pipeline of New
Opportunities

Collaborate

Experiment

Learn Fast &
Scale

Develop
New
Skills

Centre of Excellence



Final Message

- “Good Enough” is just not good enough
- Starts at the top, be persistent on your vision
- Be prepared for disbelief and resistance
- It is a continuous journey, be willing to fail & pivot