

February 28, 2025

Roger Garnett
Director, Planning & Community Services
County of Vermilion River
Box 69
Kitscoty, AB T0B 2P0

Re: Request for Council Revision to Tax Relaxation Motion - Kenilworth 1 DER Project

Dear Roger,

I am writing on behalf of Versorium Energy to formally request a revision to the tax relaxation motion passed by the County of Vermilion River at the September 28, 2021 Council meeting for its Kenilworth 1 Distributed Energy Resource (DER) Project, located on SE-1-51-4 W4M.

Versorium seeks approval from the Council to amend the motion due to the company not advancing construction of the Kenilworth 1 DER Project until it secured the necessary capital investment in April 2023. With the Kenilworth 1 DER Project reaching commercial operations in 2024, we respectfully request that the Council revise the tax relaxation motion to read:

"That the County of Vermilion River approve a tax break for 2024 and 2025 to Versorium Energy, for 50 percent of the taxes per year over the two-year period for the development on SE-1-51-4 W4M."

In addition to the Kenilworth 1 DER Project reaching commercial operations, I am pleased to share that the Briker 1 DER and Northern Valley 1 DER Projects also achieved commercial operations in 2024. Briker 1 DER is located in the County, and all three Projects are supported by gas supply agreements with the County, which play a crucial role in ensuring the success of Versorium's projects and foster long-term mutually beneficial partnerships with the County.

Versorium is also actively exploring additional project site locations within the County and has engaged with the County of Vermilion River's gas utility regarding the availability of gas resources. These ongoing discussions underscore our dedication to further investment in the region, and we remain eager to contribute to the County's growth through our developments.

We sincerely thank the County of Vermilion River for working collaboratively with Versorium on its current operating projects, and we look forward to working together on future development opportunities.

Thank you for your attention to this request. We hope to hear from you soon regarding the revision of the tax relaxation motion.

VERSORIUM ENERGY LTD.



Jeff Tynchy
Manager, Stakeholder and Community Engagement