BC OGRIS

British Columbia Oil and Gas
Research and Innovation Society

Annual Report

Fiscal Year 2025/26









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Message from the BC OGRIS Board of Directors

Fiscal year 2025/26 was another productive year for BC OGRIS as we continued to support practical, science-based research and initiatives that advance environmental stewardship and responsible energy development in British Columbia. Through collaboration amongst industry, regulators, researchers, Indigenous communities, and government, we continued to address priority knowledge gaps and provide information that supports informed decision-making.

During the year, BC OGRIS invested in research and monitoring initiatives focused on methane emissions, water and air quality, induced seismicity, and well abandonment. We also continued our support of the Aboriginal Liaison Program--strengthening Indigenous involvement in environmental stewardship and resource management.

Looking ahead, we will continue to advance research in methane emissions, decarbonization, and a major initiative to enhance land disturbance data for northeast British Columbia. A complete and up-to-date dataset on land disturbances will help improve environmental management and support informed land-use decision-making.

A key priority for 2026/27 will be completing a comprehensive strategic review and developing a three-year strategic plan for 2027-2029. This work will establish BC OGRIS's future strategic priorities, governance framework, funding approach, and organizational direction, ensuring we remain well positioned to meet emerging challenges and opportunities.

On behalf of the Board of Directors, thank you to our researchers, Indigenous partners, member organizations, funding contributors, and support personnel. Your expertise, dedication, and collaboration continue to make BC OGRIS a trusted and effective organization.

We look forward to building on more than 25 years of successful collaboration and supporting practical, independent, and science-informed solutions for British Columbia.

Mike Fulsom
Chair, BC OGRIS Board of Directors

Annual Report on the BC OGRIS (2025/26)

About BC OGRIS

The BC Oil and Gas Research and Innovation Society (BC OGRIS) [1] is a stand-alone organization which focuses on addressing knowledge gaps to inform environmental, operational and health and safety policy and industry practices related to oil and gas exploration and development in BC. BC OGRIS also supports the planning and implementation of environmental, operational and health and safety programs in the oil and gas sector of B.C.

As a not-for-profit society, BC OGRIS receives investments, funds research projects and initiatives and provides governance and quality assurance over projects we support.

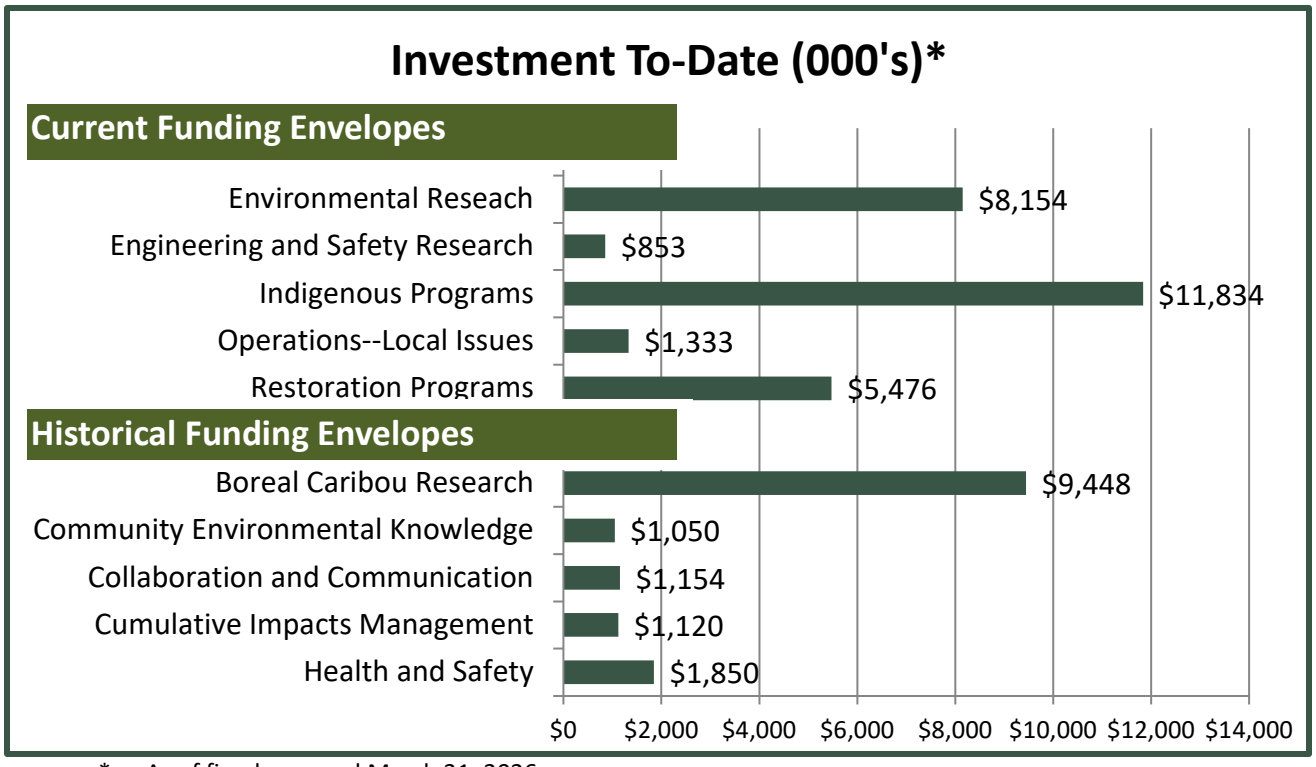


[1] Formed in 2015, BC OGRIS carried on business previously conducted as the Science and Community Environmental Knowledge (SCEK) Fund.

About BC OGRIS (cont.)

This report summarizes BC OGRIS activities in fiscal year 2025/26. Key values of cross-sector representation, accountability and governance with low overhead combine to make BC OGRIS a valued research entity in the B.C. oil and gas sector.

The chart below summarizes over 25 years, and $41 million, in investing in research projects and programs since inception in 1999—initially as the Environmental Fund that evolved into the Science, Community and Environmental Knowledge (SCEK) Fund and now BC OGRIS.



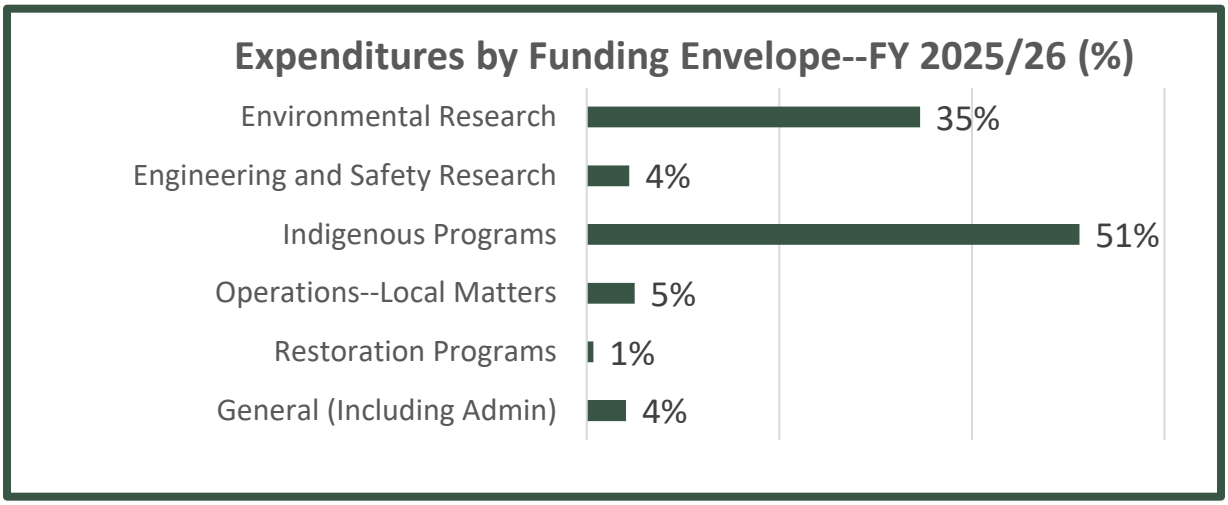
* As of fiscal year end March 31, 2026

* Since project expenditures commenced in 1999.

* Note: BC OGRIS managed a Treaty 8 Nation Restoration Fund between 2022 and 2024 (not included in chart). The fund was completed and closed in 2024/25 with disbursements of $53,367K.

About BC OGRIS (cont.)

The table below outlines expenditures by funding envelope, as a percentage of total expenditures, in fiscal year 2025/26.

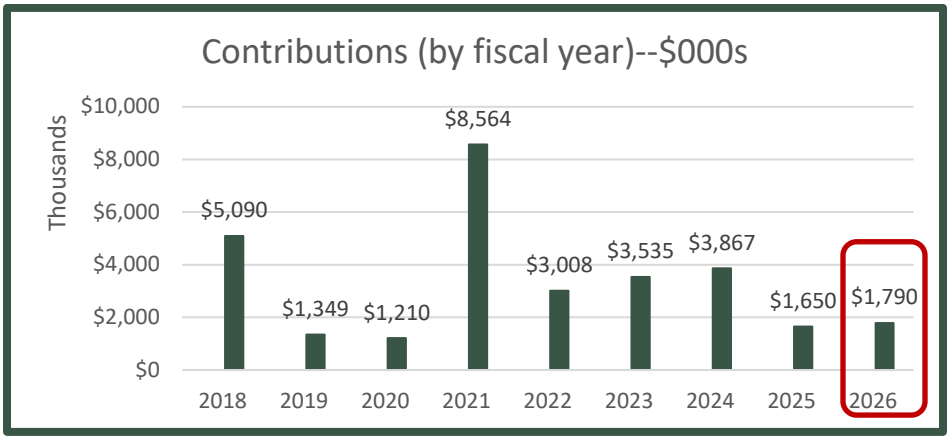


Receive Investments

In 2025/26, BC OGRIS received contributions totalling $1.79 million:

- The B.C. Ministry of Water, Land and Resource Stewardship provided contributions for specific initiatives in the Indigenous Programs funding envelope.
- The Canadian Energy Regulator provided contributions for specific initiatives in the Indigenous Programs funding envelope (via the BC Energy Regulator).
- The B.C. Ministry of Energy and Climate Solutions provided contributions for specific initiatives in the Methane funding envelope.

The BC OGRIS Board of Directors targets 95% of contributions going directly to projects and initiatives with the remainder covering financial and governance activities. This approach of minimizing overhead and fixed assets is attractive to our contributors as demonstrated by continued contributions year over year.



Note: 2022 also included a contribution of $50 million for the Treaty 8 Nation Restoration Fund (not included in chart).

Fund Research Projects and Initiatives

BC OGRIS supports research projects and initiatives in several funding envelopes—described below. Information and deliverables from projects supported can be found at: www.bcogris.ca.



Environmental Research

Addressing knowledge gaps related to the impact of oil and gas activities on methane and climate change, water, air, and other related areas—focused on data collection and avoiding, minimizing and/or mitigating the impact of oil and gas activities in these environmental areas.

In 2025/26, BC OGRIS funding supported the following:

- Methane—supporting research identified by the BC Oil & Gas Methane Emissions Research Collabourative—initially in the areas of measuring emissions from compressor engines and controlled tanks. These projects are scheduled to complete in FY 2026/27 with new projects studying surface casing vent flow pressure relief devices and defining alternative Leak Detection and Repair

Programs for B.C.

- Water—continuing with year eight of supporting the monitoring of streamflow in small watersheds in first nation communities of northeast B.C. In addition, the project sampling groundwater at twenty-two monitoring wells in northeast B.C. completed.
- Decarbonization—in FY 2026/27, a new project to study potential electrification of upstream oil and gas activities will commence.

Expenditures (2025/26) (000s)	Projects (2025/26)	Partnerships (% BC OGRIS funding)	Future Commitments (2026/27) (000s)
$1,227	4	100%	$954

Engineering and Safety Research

Addressing knowledge gaps in engineering and safety in the areas of pipelines, wells, facilities, and other related areas.

In 2025/26, BC OGRIS funding supported the following:

- Continuing with the third phase studying the oxidation of fugitive methane in natural soils of Northeast B.C. The results of Phase 3, considering seasonal differences in oxidation rates, is scheduled for release in early FY 2026/27.
- Completing the project to review the guidelines and regulations for safe and sustainable oilfield disposal, injection and carbon capture and storage operations in B.C.

Expenditures (2025/26) (000s)	Projects (2025/26)	Partnerships (% BC OGRIS funding)	Future Commitments (2026/27) (000s)
$157	2	100%	$11

Indigenous Programs

Building relations and common understanding by engaging Indigenous peoples in the oversight of resource development and management activities.

In 2025/26, BC OGRIS funding supported the following:

- Aboriginal Liaison Program—continuing our nineth year of supporting the program that includes ten Liaison positions across nine First Nations. Liaisons observe and report to their communities about resource development activities on their

traditional territories. The Liaisons engage with natural resource and emergency management agencies to increase understanding of local traditional knowledge and the impacts of resource development within their traditional territories.

- First Nation Disturbance Restoration Pilot—restoring a borrow pit site utilizing traditional knowledge and techniques.

Expenditures (2025/26) (000s)	Projects (2025/26)	Partnerships (% BC OGRIS funding)	Future Commitments (2026/27) (000s)
$1,814	11	100%	$1,588

Operations—Local Matters

A funding envelope for researching and addressing local issues of an operational nature. This includes studies around air monitoring, seismicity, noise, light, traffic densities and other factors related to oil and gas activities at the local (community) level.

In 2025/26, BC OGRIS funding supported the following:

- Seismicity—continued with our fourteenth year of supporting the Northeast B.C. Seismic Array Network in monitoring and reporting on seismic activity. In addition, the project to study the impact of completion types on induced seismicity was completed.
- Air Monitoring—continuing with our fourteenth year of supporting the air monitoring station at Farmington, B.C. While the project shows that levels of common air pollutants associated with oil and gas activities are generally very low in the Peace region of B.C., the network continues to provide valuable information on air quality.

Expenditures (2025/26) (000s)	Projects (2025/26)	Partnerships (% BC OGRIS funding)	Future Commitments (2026/27) (000s)
$176	3	100%	$97

Restoration Programs

Restoration Programs

In 2025/26, we started a fifteen month project to enhance the disturbance dataset for the Northeast Region of B.C. to support accurate cumulative effects assessments and informed land-use decision making. The project will continue through FY 2026/27.

Expenditures (2025/26) (000s)	Projects (2025/26)	Partnerships (% BC OGRIS funding)	Future Commitments (2026/27) (000s)
$25	1	100%	$430

Provide Governance and Quality Assurance

Expenditures

Project expenditures in 2025/26 were $2.4 million.

The annual financial audit of the BC OGRIS was completed by external auditors. The audit statement and the audited financial reports are included at the end of this report and available from the BC OGRIS website at http://www.bcogris.ca/about.

Governance

BC OGRIS is governed by a Board of Directors consisting of three directors. The Board of Directors met eight times in 2025/26 to select research investments and fulfil duties such as financial and administrative support services for research projects. The Board places a high value on good governance and maximizing the impact of our contributions by leveraging funding with partners and other research organizations while targeting BC OGRIS specific overhead around five percent of project expenditures. Quality assurance over research projects and initiatives to ensure appropriate and applicable research continues to be a high priority for the Board.

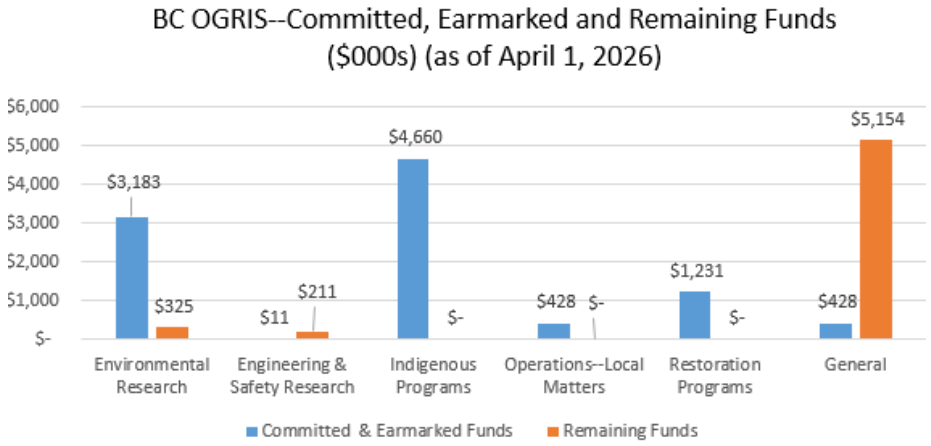
Communications Activity

Research findings from BC OGRIS funded projects and initiatives are shared with organizations in the oil and gas industry as well as regulators and government agencies, indigenous peoples and other stakeholders.

Activities to communicate project and BC OGRIS wide information include the following:

- **BC OGRIS Annual Report**—reporting out to BC OGRIS members on the Society's research activities and accomplishments.
- **BC OGRIS Website**—containing a listing of BC OGRIS projects and initiatives and their deliverables (www.bcogris.ca).
- **Project/Initiative Specific Communications**—disseminating project and initiative specific activities, findings and implications to applicable industry, regulator and government public interest policy and operations personnel (undertaken by the Researcher).
- **Social media**—disseminating information on projects and funding opportunities via social media.
- **Conferences, webinars and podcasts**—to disseminate findings from our research projects to specialized target audiences.

Plans for 2026/27

Financial	• Expenditures of $3.7 million are committed to existing research with a further $6.2 million ear-marked for future research requested by our contributors. • A budget of $5.7 million is unallocated and available for supporting new research.
Projects	
	• Maintain existing multi-year funding commitments. • Work with members to identify high priority knowledge gaps.
Communications	• Continue communication activities including an annual report, website and social media posts along with project specific presentations and media releases. • Carry out communication activities such as webinars, podcasts and conferences to showcase findings and implications of research projects supported by BC OGRIS.
Other	• Carry out a strategic review and discussion to develop a 3 year strategic vision (2027-2029) incorporating strategic priorities, governance, funding and confirmation of our vision and mission.

Independent Auditor's Report

To the Members of BC Oil and Gas Research and Innovation Society

Report on the Financial Statements

Opinion

We have audited the financial statements of BC Oil and Gas Research and Innovation Society (the "BC OGRIS"), which comprise the statement of financial position as at March 31, 2026, and the statements of revenues and expenditures and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the BC OGRIS as at March 31, 2026, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the BC OGRIS in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the BC OGRIS in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the BC OGRIS's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the BC OGRIS or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the BC OGRIS's financial reporting process.

(continues)

Jas Dusanj, CPA, CA + Kris Wirk, CPA, CA + Paul van Koll CPA, CA
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Dusanj + Wirk CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report to the Members of BC Oil and Gas Research and Innovation Society
(continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the BC OGRIS's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the BC OGRIS's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the BC OGRIS to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Dusanj & Wirk

Victoria, British Columbia
September 17, 2026

Chartered Professional Accountants

BC Oil and Gas Research and Innovation Society

Statement of Financial Position

(in 000's)

March 31, 2026

	2026 $	2025 $
Assets		
Current		
Cash and cash equivalents	13,770	14,249
Accounts receivable	1,827	1,419
Government remittances receivable	61	24
Total assets	15,658	15,692
Liabilities		
Current		
Accounts payable and accrued liabilities	1,928	1,608
Deferred contributions *(Note 3)*	11,886	12,240
Total liabilities	13,814	13,848
Fund Balances		
Fund balances	1,844	1,844
Total liabilities and fund balances	15,658	15,692

Commitments *(Note 4)*

Approved on behalf of the Board

Geoff Morrison, Board Member

Mike Fulsom, Board Chair

The accompanying notes are an integral part of these financial statements.

BC Oil and Gas Research and Innovation Society

Statement of Revenues and Expenditures and Changes in Fund Balances

(in 000's)

Year Ended March 31, 2026

	2026 $	2025 $
Revenue		
Contributions	2,144	1,677
Interest	374	435
	2,518	2,112
Expenses		
Project costs	2,373	1,982
Professional fees	95	86
Management fees	27	24
Other expenses	23	20
	2,518	2,112
Net excess of revenue over expenses	-	-
Fund balance, beginning of year	1,844	1,844
Fund balance, end of year	1,844	1,844

The accompanying notes are an integral part of these financial statements.

BC Oil and Gas Research and Innovation Society

Statement of Cash Flows

(in 000's)

Year Ended March 31, 2026

	2026 $	2025 $
Operating activities		
Excess of revenue over expenses	-	-
Changes in non-cash working capital:		
Accounts receivable	(408)	2,345
Accounts payable and accrued liabilities	320	864
Government remittances receivable	(37)	63
Deferred contributions	(354)	(27)
Treaty 8 disbursement payable	-	(53,367)
	(479)	(50,122)
	(479)	(50,122)
Decrease in cash flow		
Cash and cash equivalents, beginning of year	14,249	64,371
Cash and cash equivalents, end of year	13,770	14,249

The accompanying notes are an integral part of these financial statements.

1. Nature of operations

BC Oil and Gas Research and Innovation Society ("BC OGRIS") is a not-for-profit society that incorporated under the Society Act of British Columbia and transitioned into the new Societies Act. BC OGRIS enables results oriented, practical, and relevant applied research to inform environmental, operational, and health and safety matters related to oil and gas exploration and development in British Columbia. BC OGRIS is classified as a not-for-profit organization under the Income Tax Act. As a result, it is not required to pay income taxes.

2. Significant accounting policies

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). and include the following significant accounting policies:

Revenue recognition

BC OGRIS follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Interest income is recognized as earned.

Project expenses

Project expenses are recognized based on the terms of the agreement. In general, this occurs when interim deliverables are met. Final project expenses are recognized when the final statement of project expenses and the final deliverables have been approved.

Use of estimates

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates. There are no significant estimates included in these financial statements.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in term deposits that mature within one year and are valued at cost.

Financial instruments

BC OGRIS financial instruments consist of the cash and cash equivalents, accounts receivable, accrued liabilities and accounts payable. BC OGRIS initially measures its financial assets and liabilities at fair value and subsequently measures all financial assets and liabilities at amortized cost.

It is management’s opinion that BC OGRIS is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values due to their short term to maturity, unless otherwise noted.

3. Deferred contributions

	Opening balance $	Received during the year $	Recognized as revenue (operating) $	Recognized as revenue (projects) $	2026 $
BC Energy Regulator	8,411	150	(144)	(1,494)	6,923
Ministry of Water	3,829	1,200	-	(506)	4,523
Ministry of Energy	-	440	-	-	440
	12,240	1,790	(144)	(2,000)	11,886

Within the deferred contributions are funds received that are to be allocated to the general operating fund. These amounts have been deferred to be recognized against future administration costs.

4. Commitments

BC OGRIS has entered into several long-term agreements. A commitment is made once the selection committee approves the project and the agreement is signed. Amounts committed to are as follows:

2026 $	2025 $
3,604	2,443

5. Remuneration

During the year, BC OGRIS paid $95 (2024: $84) in remuneration to one person who is a contractor whose remuneration, during the applicable period, was at least $75.

BC OGRIS

British Columbia Oil and Gas Research and Innovation Society

The BC Oil and Gas Research and Innovation Society (BC OGRIS) is a B.C. based not-for-profit society with membership from the BC Energy Regulator (formerly the BC Oil and Gas Commission), Canadian Association of Petroleum Producers (CAPP), and The Explorers and Producers Association of Canada (EPAC).

Vision

To continuously improve the understanding and management of the impacts of oil and gas activities in B.C.

Mission

BC OGRIS supports practical studies and initiatives that develop credible and relevant information to address knowledge gaps to inform environmental, operational and health and safety practices related to oil and gas exploration and development in B.C. BC OGRIS also supports the planning and implementation of environmental, operational and health and safety programs in the oil and gas sector of B.C.

Contact Us

For further information, please contact the BC OGRIS,

PO Box 9331 Stn Prov Govt, Victoria, B.C. V8W 9N3.

www.bcogris.ca

info@bcogris.ca

In Closing

From our beginning in 1999, we have supported over 230 projects ranging in size from short studies and reports to multi-year projects and initiatives involving multiple researchers and organizations—an investment of over $41 million in environmental, operations and safety research.

We thank all our stakeholders, researchers, technical reviewers and administration teams for their assistance in delivering these research projects and initiatives. Their support and assistance enable us to meet our goals and deliver findings that address important knowledge gaps in environmental, technical and social aspects of oil and gas development in B.C.

Comments and questions on this report and/or the BC OGRIS can be sent to info@bcogris.ca.

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