OERA Offshore Energy Research Association

2014-2015 ANNUAL REPORT

Chair's Message 2014-2015

The past year was characterized as one of strategic development as OERA continued to deliver on its vision to lead energy research to enable the sustainable development of Nova Scotia's offshore energy resources. I am pleased to report that the OERA has continued to play a vital role in providing research that helps to reduce risk and attract investment leading to a deeper understanding in making important contributions to advancing Nova Scotia's offshore energy sector. To support OERA's mandate to maintain growth in Nova Scotia's offshore energy resources, the OERA focuses on three distinct research areas:

- Tidal Energy;
- Petroleum; and
- Marine Sound

OERA takes its commitment to responsible energy development seriously. All organizations need an effective plan to carry out their work, allocate resources on an efficient basis, and achieve the highest impact for their stakeholders, and I am pleased to confirm the OERA's 2014-15 year was another a success.

OERA seeks out different perspectives from independent researchers within government, academia and industry to help fill knowledge gaps in energy research. As such, OERA works with other organizations to create leverage, share responsibilities, and attract the resources required to deliver on this important mandate.

I am pleased to highlight the following areas of activity that were of particular significance during the past year:

Canada-UK Call in Environmental Monitoring Technologies

The OERA launched its first ever joint international research competition in 2014, partnering with Innovate UK of the United Kingdom, to fund innovative research in environmental monitoring, sensing and instrumentation technologies for high flow tidal environments. The idea behind the call was to pool research funds and bring together Canadian and British talent to help resolve some of the technology challenges impacting the sector in both jurisdictions.

The joint call combined OERA and Innovate UK processes in developing a hybrid model to manage the competition in both jurisdictions. Throughout the process, the OERA and Innovate UK called upon various individuals and organizations to support the competition, including the Nova Scotia Department of Energy; administrators from the Eurogia group - which is a European not for profit that supports low carbon energy research; Canadian federal funding agencies; as well as tidal energy expertise from both Canada and the UK.

Four proposals were considered for funding, where, following a comprehensive peer review evaluation process, two projects were approved for funding. Each project will address a priority technology gap; specifically, one will improve turbulence characterization in high flow environments and the other will integrate sensing technology to improve the tracking and detection of fish and marine mammals. There will be field deployments to test their innovation at both the FORCE site in Parrsboro, NS and the EMEC site in Orkneys, UK. The combined value of the two projects is ~$1.4M where OERA is providing $500,000 of this total, with a balance of almost $1M in leveraging from others.

Tidal Value Proposition

The Value Proposition study for tidal energy development in Nova Scotia, Atlantic Canada and Canada, was a major initiative for the OERA in 2014-15. The study describes the potential opportunity that could result in developing a tidal energy industry in Canada realized over a 25 year period. Comprehensive and fact filled, the study highlights how the financial valuation changes under different factors, drivers and scenarios and details these findings. For example, the study estimates that tidal power could be a multi-billion industry for the Maritimes; Canada could supply up to 60-70% of the goods and services required for development; a contribution of up to $1.7 billion could be added Nova Scotia's GDP; and up to 22,000 jobs could be created in Nova Scotia.

The report has garnered considerable attention here in Nova Scotia, as well as across the country and internationally. Further, it is seen as an important tool to draw Ottawa's attention to the opportunity available, with the potential to generate greater federal as well as industry support in helping to build the industry.

Next steps concerning the study's use and implementation are currently being considered. The goal is to see its use by various organizations, agencies and governments, to keep up the momentum in promoting and developing the tidal energy sector here at home. The goal is to see the study used to support the further development of research capabilities here in Nova Scotia as well as our partners across the country and abroad to enable realization of the promise identified in the Value Proposition study.

Source Rock Program

In 2013 OERA consulted widely with key stakeholders including the OERA Geoscience Research Advisory Committee, the Canada Nova Scotia Offshore Petroleum Board (CNSOPB), the Geological Survey of Canada (GSC) and the Nova Scotia Department of Energy—Petroleum Resources Group and select industry representatives to identify the main priorities for future geoscience research. A broad consensus was reached to develop a systematic and integrated approach to conducting research to support exploration offshore Nova Scotia. The consultation identified further research into source rock as the highest priority.

Following the January 2014 workshop, the stakeholder group has continued to further understand petroleum source rock for offshore Nova Scotia utilizing workshops to engage leading researchers with expertise drawn from national and international partners from industry, academia and government. The intention is to take all of the work that has been done subsequent to the completion of the Play Fairway Analysis and integrate it formally into a revised Atlas.

OERA's focus continues to be on facilitating on the development of shared research objectives among the key Nova Scotia offshore sector stakeholders (i.e. Nova Scotia Department of Energy, CNSOPB, GSC, industry & academia), which in 2014 has led to the completion of the Laurentian Subbasin geoscience research project as well as the continuing effort for the Southwest Nova Scotia Expansion project. The Southwest Nova Scotia Expansion project has commenced to extend the Play Fairway Analysis that Beicip-Franlab (France) performed in 2009/2011, to the South West portion of the Nova Scotia Offshore Area. Beicip Franlab has begun their objective of performing 3D basin modeling at a regional scale to assess the timing of maturity of source rock(s), transformation ratios, hydrocarbon entrapment, prospective areas and potential plays to assist in promoting further exploration in those areas not under moratorium. The project is based on the interpretation of 6,500 line kilometers of 2D seismic lines.

Academic Research Program

The OERA has implemented an Academic Research Program to build the research capacity in Nova Scotia to support the needs of the offshore energy industry. The level of research activity and the ability to carry out research in Nova Scotia is limited in both the renewable and petroleum industries. As such, the OERA has initiated a funding program with the Nova Scotia Department of Energy to fund research that has direct relevance and benefit to the offshore energy industry. This will enable easier access to funding for graduate

students and post-doctoral fellows to support their research efforts in Nova Scotia and will develop increased research capacity in the province in areas of relevance to the offshore energy industry.

Events

The Nova Scotia Energy R&D Conference held on May 21-22, 2014, was a resounding success. Over 300 delegates, speakers and sponsors were in attendance. Industry support for the event exceeded our targets and was well above previous conferences. Delegates commented on the professionalism of the event and reported that this energy conference was one of the best events they'd attended within the energy sector.

The 7th biannual Nova Scotia Energy R&D Conference is scheduled for May 2016 and will be held at St. Francis Xavier University, bringing the conference back to a grass roots research & development forum. The conference has built a strong reputation and solid credibility among people in the industry as well as government and academia. In addition to beginning the preparatory work for the May 2016 conference, OERA will host the Nova Scotia Tidal Energy Symposium in conjunction with the Nova Scotia Department of Energy and the Acadia Tidal Energy Institute, to be held in October 2015.

Committees

As part of the OERA's yearly governance review, the standing committee membership was re-examined for appropriate representation from industry, academia and government, as well as member competency and expertise. OERA reviewed the work load for the committees for the past year and it was noted that the number of transactions assigned to committees for review were significantly lower than previous years. This was a result of the establishment of OERA's research priorities which diminished the requirement for committee involvement in setting the annual research agenda. The utilization of a workshop structure to engage the broadest possible range of stakeholder inputs has contributed to the lack of engagement of OERA's formal committee structure, recognizing that many of the participants of the workshops are existing committee members.

Other factors that have contributed to the redundancy of OERA's committee structure include the establishment of a Memorandum of Understanding (MoU) between the OERA and the Nova Scotia Department of Energy which contains specific provisions for governance structures to support various funding grants and research projects and the utilization of Program Management Committees for OERA's programs. The OERA Board of Directors have recommended that the standing committee structure be dissolved, with current committee members being asked to serve on Program Management Committees for specific projects in accordance with their expertise and availability.

This revised committee structure allows the OERA to develop, manage and evaluate complex scientific projects in a timely and cost efficient fashion contributing to a flexible and high-impact approach to serving its stakeholders interests. The strategic and operational guidance of the committees provide the direction for follow-through of OERA's agenda while maintaining the objectives of its key stakeholders. On behalf of the OERA Board of Directors, I would like to express my gratitude to all committee members who have dedicated significant time and effort to the organization over the past year and have contributed to growth and development in both the marine renewable and non-renewable sectors.

The View Ahead

I look ahead with confidence to the opportunities in pursuit of the development of our emerging tidal energy sector and the early indications of success on Shell's late 2015 drilling program as well as continuing growth for exploration commitments in our offshore. The OERA has been prudent in fulfilling its financial and operational commitments, and continues to be able to play an important role in deepening our understanding of Nova Scotia's offshore resources as a result of legacy funding provided by original grants from the Nova Scotia Department of Energy.

I am also confident that Nova Scotia will continue to develop new research talent in both academia and industry, as was abundantly demonstrated through OERA's highly successful Student Research Travel Program. During this past year the Student Research Travel Program connected 11 students, ranging from senior undergraduates to post-doctorate fellows attending Nova Scotia based Universities, to research network assignments in countries such as Trinidad & Tobago, United Kingdom, Ireland, Bermuda, Scotland, and the United States. We have a great resource in our students who are the next stewards of our energy resources.

Of course we await with eager anticipation the results from the 2015 call for bids, the first deployment of tidal energy devices at the FORCE site and the continued consortium building as Nova Scotia continues to build international relationships.

Acknowledgements

I would like to formally acknowledge the vision, mission and commitment demonstrated by our provincial government in providing financial resources to support continuation of the collective effort to further understand Nova Scotia's offshore petroleum potential. These funds have been instrumental in enabling much of the research work and identified in this annual report through a Memorandum of Understanding signed between the OERA and the Nova Scotia Department of Energy, and continues to support the growing offshore exploration commitments by key industry players.

By continuing to place a high priority on robust corporate governance practices, OERA ensures that its stakeholders are well served through the Board's counsel on matters that include risk management, strategy and stakeholder engagement. My thanks to fellow OERA Directors as listed in the pages of this Annual Report, each whom has given generously of their time and talents. In particular I'd like to acknowledge the members who have retired during this past year: Keith De'Bell, Tom Herman, and Jim Gogan. And welcome new members David MacKinnon, Pat Wright, Sandy MacMullin, Elisa Obermann, Richard Isnor and Lesa Tanner. It has been a pleasure working with each of these dedicated individuals over the past year.

All of our achievements are a result of the energy of our people. We pride ourselves on being an organization where people want to work. Our people have passion for what we do, and the responsibility in which we do it. And because of that, I believe our culture is a huge competitive advantage.

The OERA Board of Directors has confidence that OERA's leadership, strategy, focus and talent will enable the OERA to continue its high level of performance for all stakeholders. Our Executive Director, Stephen Dempsey, continues to work collaboratively to set out a renewed research strategy for OERA. His insights and knowledge are vital to the growth of OERA and I am confident that he will continue to provide continuity of OERA's strategy, culture and values. I'd like to recognize the efforts of OERA's talented team, Jennifer Pinks, Nalani Perry, Lisa LeRoux, Carey Ryan and Karen Fraser, whose great work is a key contributor to OERA's success. OERA's employees show remarkable commitment to our stakeholders, as demonstrated by their outstanding efforts to set research standards and reduce the risks related to investment in Nova Scotia's offshore energy resources through the provision of scientific research initiatives.

We continue to express our acknowledgement of the fundamental role the Province of Nova Scotia has played to make funding available which allows the OERA to carryout ground-breaking research.

Who We Are 2014-2015

The Offshore Energy Research Association of Nova Scotia (OERA) was established in March, 2006 and operates as a not-for-profit contract research association. OERA's mandate is to foster research and development related to offshore petroleum, renewable energy resources and their interaction with the marine environment, and the diffusion of that knowledge. Our vision is to be the leading energy research organization in the country, providing efficient, timely and strategic solutions to complex research challenges. OERA membership includes the Nova Scotia Department of Energy, Acadia University, Cape Breton University, St. Francis Xavier University, Dalhousie University and Saint Mary's University.

Our members:

Saint Mary's University Since 1802
One University. One World. Yours.

Cape Breton University

Nova Scotia Department of Energy

Dalhousie University
Inspiring Minds

StFX University

Acadia University

Board of Directors 2014-2015

Joshua Leon, Chair and Director
Dalhousie University

Dale Keefe, Vice-Chair and Director
Cape Breton University

Bruce Cameron, Director and Secretary
Nova Scotia Department of Energy

Sandy MacMullin, Director
Nova Scotia Department of Energy

Richard Isnor, Director
St. Francis Xavier University

Kevin Vessey, Director
Saint Mary's University

David MacKinnon, Director
Acadia University

Jeff Somerville, Director and Treasurer

Robert MacKay, Director

Elisa Obermann, Director

Lesa Tanner, Director

Pat Wright, Director

Our Team

Our Staff

Stephen Dempsey, Executive Director
Jennifer Pinks, Research Manager
Nalani Perry, Research & Communications Coordinator
Lisa LeRoux, Operations Coordinator
Carey Ryan, Director, Research & Business Development
Karen Fraser, Accountant

Consultants

Legal: David Reid, Cox & Palmer
Audit: Grant Thornton

The strength of the team is each individual member.
The strength of each member is the team.

Our Committees 2014-2015

Environmental Research Advisory Committee

Rod Doane, *Fisheries & Oceans Canada, Chair*
Gord MacDonald, *Area 23 Snow Crab Fisherman's Association*
Sandra Farwell, *Nova Scotia Department of Energy*
Graham Daborn, *Acadia University*
Edwin DeMont, *St. Francis Xavier University*
John Wanczycki, *Environmental Services Association Nova Scotia (ESANS)*
Eric Theriault, *CNSOPB*
Daniel MacDonald, University of Massachusetts, Dartmouth
Geoff Hurley, *Hurley Environmental Inc.*
Craig Brown, *Nova Scotia Community College*
Danika VanProosdij, *Saint Mary's University*
Stephen Dempsey, *(Executive Director) OERA*

Geoscience Research Advisory Committee

Sandy MacMullan, *Nova Scotia Department of Energy*
Kim Doane, *Nova Scotia Department of Energy*
Carl Makrides, *CNSOPB*
Brent Smith, *CNSOPB*
Andrew MacRae, *Saint Mary's University*
Sonya Dehler, *Natural Resources Canada*
John Hogg, *MGM Energy Corporation*
Paul Durling, *Corridor Resources*
Mladen Nedimovic, *Dalhousie University*
Wayne St-Amour, *Nova Scotia Community College*
Stephen Dempsey (Executive Director) - *OERA*

Tidal Area Sub-Committee

Keith Towse, *LaHave Renewable Inc., Chair*
Anna Redden, *Acadia University*
Chris Peters, *Minas Energy*
Alan Howell *NS Department of Energy*
Anne-Marie Belliveau, *FORCE*
Alain Joseph, *NSCC*
Deborah Greaves, *University of Plymouth*
Peter Smith, *Fisheries & Oceans Canada*
Bruce Hatcher, *Cape Breton University*
Michael Pegg, *Dalhousie University*
Stephen Dempsey, *OERA*

Marine Sound Area Sub-Committee

Gord MacDonald, *Area 23 Snow Crab Fisherman's Association, Chair*
Eric Theriault, *CNSOPB*
Jennifer Matthews, *CAPP*
Kim Doane, *Nova Scotia Department of Energy*
Hilary Moors-Murphy, *Fisheries & Oceans Canada*
Jim Theriault, *Defense Research & Development Canada (DRDC)*
Tony LaPierre, *RPS Energy*
Alain D'Entremont, *Scotia Harvest Seafoods*
Patty King, *Fisherman's Society*
Stephen Dempsey, *OERA*

The achievements of an organization are the results of the combined effort of each individual.

Grant Thornton

Independent auditor's report

Grant Thornton LLP
Suite 1100
2000 Barrington Street
Halifax, NS
B3J 3K1

T (902) 421-1734
F (902) 420-1068
www.GrantThornton.ca

To the members of the Board of Directors of
Offshore Energy Research Association of Nova Scotia

We have audited the accompanying financial statements of Offshore Energy Research Association of Nova Scotia, which comprise the balance sheet as at March 31, 2015 and the statements of revenue and expenses and net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial statements 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 Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Offshore Energy Research Association of Nova Scotia as at March 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other matters

Without modifying our opinion, we draw attention to note 6 to the financial statements, which explains that certain comparative information for the year ended March 31, 2014 has been restated.

Grant Thornton LLP

Halifax, Canada
June 22, 2015

Chartered accountants

Offshore Energy Research Association of Nova Scotia
Statements of revenue and expenses and net assets

Year ended March 31	2015	2014 (as restated)
Revenue		
Contributions (note 4)	$ 2,437,155	$ 1,998,128
Seminars and forums (note 4)	135,718	-
Management services agreement	-	19,838
Interest income (note 3)	61,755	84,442
	2,634,628	2,102,408
Cost of research		
Projects	2,198,458	1,774,138
Research management	238,697	223,990
Seminars and forums	135,718	-
	2,572,873	1,998,128
Excess revenue before operations expenses	61,755	104,280
Expenses		
Advertising and promotion	13,533	28,015
Board and committee expenses	5,938	3,162
Business development	10,740	8,947
Information technology	9,311	42,808
Insurance	6,363	6,205
Interest and service charges	1,447	9,281
Office and miscellaneous	16,018	10,033
Professional development	2,677	-
Professional fees – audit, accounting and legal	33,218	33,918
Rent – premises	30,743	28,991
Salaries and benefits	118,303	205,107
	248,291	376,467
Project revenue recovery of administration costs	(102,190)	-
Excess expenses over revenue	$ (84,346)	$ (272,187)
Net assets, beginning of year, as previously stated	$ 3,352,292	$ 3,269,652
Prior Period adjustment (Note 6)	(354,827)	-
Net assets, as restated	2,997,465	3,269,652
Excess of expenses over revenue	(84,346)	(272,187)
Net assets, end of year	$ 2,913,119	$ 2,997,465

See accompanying notes to the financial statements.

2

Offshore Energy Research Association of Nova Scotia
Balance sheet

March 31	2015	2014 (as restated)
Assets		
Current		
Cash	**$ 1,065,153**	$ 345,162
Short term investments (note 3)	**4,686,147**	5,803,845
Receivables	**39,612**	32,692
HST recoverable	**77,506**	156,736
Prepaid expenses	**3,604**	47,358
	$ 5,872,022	$ 6,385,793
Liabilities		
Current		
Payables and accruals	**$ 415,576**	$ 429,820
Deferred revenue (note 4)	**2,543,327**	2,958,508
	2,958,903	3,388,328
Net assets	**2,913,119**	2,997,465
	$ 5,872,022	$ 6,385,793

Commitment (note 5)

On behalf of the Board

_____ Director _____ Director

See accompanying notes to the financial statements.

3

Offshore Energy Research Association of Nova Scotia
Statement of cash flows

Year ended March 31	2015	2014 (as restated)
Increase (decrease) in cash and cash equivalents		
Operating		
Excess expenses over revenue	**$ (84,346)**	$ (272,187)
Change in non-cash operating working capital		
Receivables	**(6,920)**	251,628
HST recoverable	**79,230**	70,672
Prepaid expenses	**43,754**	(40,603)
Payables and accruals	**(14,244)**	102,839
Deferred revenue	**(415,181)**	(1,531,179)
Net decrease in cash and cash equivalents	**(397,707)**	(1,418,830)
Cash and cash equivalents, beginning of year	**6,149,007**	7,567,837
Cash and cash equivalents, end of year	**$ 5,751,300**	$ 6,149,007
Cash and cash equivalents consist of:		
Cash	**$ 1,065,153**	$ 345,162
Short term investments	**4,686,147**	5,803,845
	$ 5,751,300	$ 6,149,007

See accompanying notes to the financial statements.

Offshore Energy Research Association of Nova Scotia
Notes to the financial statements

March 31, 2015

1. Nature of operations

Offshore Energy Research Association of Nova Scotia ("OERA" or the "Association") was incorporated under the Canadian Business Corporations Act on March 22, 2006. It serves communities, corporations and governments requiring information through research into the impacts of offshore energy activity. It is exempt under the Income Tax Act as a non-profit organization.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

Revenue recognition
The Association follows the deferral method of accounting for contributions. Contributions from the Provincial Department of Energy and other government sources are allocated to projects as intended upon receipt and recognized as revenue in the year which related expenditures are incurred. Contributions receivable are recorded if the amount to be received can be reasonably estimated and collection is reasonably assured. Revenue for seminars and forums, the management service agreement, and interest are recorded on the accrual basis, once collectability is reasonably assured. Project revenue recovery of overhead is recognized once funding is received and the expenditures have been incurred.

Deferred revenue
Deferred revenue consists of that portion of contributions received but not yet earned.

Revenue received as grants or contributions and intended for specific project expenditures as envisioned when the grant was made are recorded as deferred revenue. Once an actual expenditure is incurred, an equal or appropriate amount of deferral is recognized as revenue in the year. Deferred revenue thereby consists of contributions received from government for specific purposes for which expenditure contracts may not yet be undertaken.

Cash and cash equivalents
Cash and cash equivalents for the purpose of the statement of cash flows include cash on hand, balances with banks and short term investments.

Contracts for office services
Expenditures for salaries and benefits are allocated between research projects and overhead expenses on an estimated basis. The expense named "Salaries and benefits" is the Association's staff costs of administration including the applicable portion of the costs of the Executive Director.

Use of estimates
Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known.

Offshore Energy Research Association of Nova Scotia
Notes to the financial statements
March 31, 2015

2. Summary of significant accounting policies (continued)

Financial instruments
The Association considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Association accounts for the following as financial instruments:

- cash and cash equivalents
- receivables
- payables and accruals

A financial asset or liability is recognized when the Association becomes party to contractual provisions of the instrument.

Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying value, unless otherwise noted.

Initial measurement
The Association's financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Subsequent measurement
At each reporting date, the Association measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for equities quoted in an active market, which must be measured at fair value. The financial instruments measured at amortized cost are cash and cash equivalents, accounts receivable, grants receivable and accounts payable.

For financial assets measured at cost or amortized cost, the Association regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Association determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Foreign Currency Risk
Marketable securities denominated in foreign currency are translated at exchange rates as of the date of the Statement of Financial Position. Transactions denominated in foreign currencies are translated at the exchange rate in effect on the transaction date. Exchange gains and losses are accounted for in investment gains and losses.

3. Short term investments

	Cost	Accrued Interest	Total	**2015 Market**	2014 Market
RBC Investment Savings Account	$ 4,686,147	$ -	$ 4,686,147	**$ 4,686,147**	$ 5,803,845

Interest earned on the investments was $61,755 (2014 - $84,442).

Offshore Energy Research Association of Nova Scotia
Notes to the financial statements
March 31, 2015

4. Deferred revenue

	Funding	Recognized as revenue (contributions)	**2015 Deferred revenue**	2014 (as restated) Deferred revenue
Research projects	$ 2,145,069	$ 2,488,250	**$ 2,528,327**	$ 2,871,508
Seminars and forums	63,718	135,718	**15,000**	87,000
	$ 2,208,787	$ 2,623,968	**$ 2,543,327**	$ 2,958,508

5. Commitment Note

The company's total future minimum rental payments under the rental agreement over the next two years are as follows:

2016	**$ 33,120**
2017	**$ 8,280**

6. Prior period adjustment

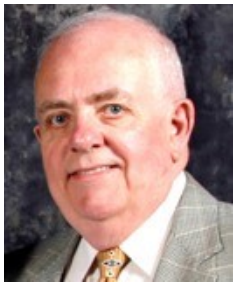
The association has determined that contribution revenue was overstated in 2014 as the criteria for revenue recognition had not been achieved. As a result, the following financial statement items have been increased (decreased) by the following amounts:

Balance sheet at March 31, 2014:		
Deferred Revenue	$	345,827
Net Assets	$	(345,827)
Net Assets as at April 1, 2014	$	(345,827)
Statements of revenue and expenses for the year ended March 31, 2014:		
Revenue - Contributions	$	(345,827)
Cost of research		(345,827)
Expenses		345,827
Excess of revenues over expenses	$	(345,827)

7. Comparative figures

Certain of the figures for 2014 have been reclassified to conform to the financial statement presentation adopted for 2015.

Board of Directors 2014-2015



Robert MacKay
Director

Bob MacKay is the principal of RAMentor Strategic Consulting and provides strategic planning advice to companies in their business dealings with governments and the petroleum sector.

Prior to his retirement in 2004 from the public service of the Province of Nova Scotia, Bob MacKay held a number of senior executive positions in the government of Nova Scotia, the most recent of which were Senior Advisor to the Premier and as Chief Executive Officer of the Office of Economic Development. During the 1990's, Mr. MacKay served as Deputy Minister for the Technology and Science Secretariat, Intergovernmental Affairs, Priorities and Planning Secretariat and dual roles as Premier's Deputy and Secretary to the Executive Council.

Prior to joining the provincial government, Mr. MacKay was a business management consultant specializing in the energy sector. His consultancy business followed 11 years with Petro-Canada where he had operational responsibility for the company's activities in the Maritimes and provided staff support for undertakings throughout Atlantic Canada. Since 2009, Mr. MacKay had been the chairperson of the Transitional Board, Nova Scotia Agricultural College (NSAC), who's task was to develop a new governance model for NSAC as it ceased to be part of a Provincial Government Department. NSAC is now part of Dalhousie University as a Faculty of Agriculture and is governed as such.

David MacKinnon
Director

David MacKinnon is the Dean of Research and Graduate Studies at Acadia University, as well as a Professor in, and former Director of, the School of Education. Prior to coming to Acadia, David worked as a petroleum geologist in Calgary. His research and scholarship focuses on leadership for social justice and adolescent sexuality. He was the principal investigator for the *CMEC AIDS/ Sexuality Teacher In-service Project,* co-principal investigator of the *Canadian Youth, Sexual Health, and HIV/AIDS Study*, both funded through Health Canada, as well as serving as a co-investigator of the *Amherst Initiative for Healthy Adolescent Sexuality.* Dr. MacKinnon was also co-investigator and Atlantic research coordinator for the *CEA Exemplary Schools Project,* and a co-investigator on SSHRC-funded grants focusing on school to work transitions for youth. Aside from his academic work, he is closely associated with the Nova Scotia Educational Leadership Consortium (NSELC), an organization that offers professional development modules and workshops for practicing and prospective administrators and school leaders. He co-developed and frequently facilitates a three-day NSELC module entitled *Schooling and Social Justice*.

Bruce Cameron
Director and Secretary

BRUCE CAMERON is Executive Director Sustainable and Renewable Energy. He leads the Department of Energy on renewable energy, electricity policy, energy conservation and efficiency and growing the use of natural gas. He is the Government's representative on the Board of the Province's offshore energy research associations – OERA. Mr. Cameron did his undergraduate work in the social sciences at Carleton University in Ottawa and received an MBA from Dalhousie University in 1985.

Mr. Cameron has been involved in energy issues and policies since 1999 in a variety of leadership roles. He also spent three and a half years with the Nova Scotia Department of Finance.

Board of Directors 2014-2015

Elisa Obermann
Director

Elisa Obermann is the Atlantic Director of Marine Renewables Canada. In this role, Elisa works to support and strengthen collaboration in the Atlantic region of Canada, but much of her work also spans nationally and internatonally. With a strong background in policy development and communications, Elisa plays a key role in engaging industry, supply chain companies, researchers, and the government to advance the development of a marine renewable energy industry in Canada that can be globally competitive.

Elisa also held a role as Operations Director at the Fundy Ocean Research Center for Energy (FORCE), Canada's lead in-stream tidal demonstration and development centre.

Prior to joining Marine Renewables Canada, Elisa worked at Nova Scotia Department of Energy where she focused on renewable energy policy and regulatory development including the province's Renewable Electricity Plan and marine renewable energy policy. She also spent several years in the private sector, specialized in corporate communications and marketing. Elisa holds a Bachelor of Arts in English and a Masters in Public Administration from Dalhousie University.

Dale Keefe
Vice Chair & Director

C. Dale Keefe is Vice-President Academic & Research (Provost) and professor of chemistry at Cape Breton University. Dr. Keefe completed his BSc(Hon) in Chemistry and Mathematics from Memorial University and his PhD in Physical Chemistry from the University of Alberta. After an NSERC post-doctoral fellowship at the University of Ottawa, he joined the faculty at Cape Breton University. His research is on the study of weak interactions in liquids, particularly hydrocarbons, to better understand how the interactions between molecules affect the physical properties of the liquids. He has supervised more than 30 research students and published more than 50 scientific papers. In 2006, Dr. Keefe was awarded the prestigious Canada Research Chair in Molecular Spectroscopy. In 2010, he was appointed Dean of Research at CBU and in 2011 Graduate Studies was added to his portfolio. In 2014, he was appointed Vice-President Academic & Research (Provost).

Lesa Tanner
Director

Lesa Tanner is a native Newfoundlander who has been living in Halifax, Nova Scotia for 14 years and has been involved in the oil and gas industry in Atlantic and Eastern Canada for over 20 years.

In her position as Atlantic & Eastern Canada Business Development Manager, Lesa's primary role is to assist in the successful execution of large scale seismic programs from the initial bidding to the final report. Lesa is the local industry, governmental and regulatory liaison and has extensive experience in all aspects of seismic project management and operations in Canada.

Lesa's first exposure to the offshore industry was immediately after post-secondary school when she began working with an engineering consortium in the design and construction of the Hibernia's Gravity Base Structure. Upon Hibernia's first oil, Lesa joined Schlumberger Canada in 1997 and shifted her focus to WesternGeco's seismic exploration activities. 2014 marked Lesa's involvement in her 30th seismic program in Canadian waters with some of the world's most technologically advanced seismic vessels.

Board of Directors 2014-2015

Joshua Leon
Chair & Director

JOSHUA LEON is the Dean of Engineering at Dalhousie University. He previously was Professor and Head of the Department of Electrical and Computer Engineering at the University of Calgary. Before moving to Calgary, Dr. Leon was a faculty member in the Institute of Biomedical Engineering and the Department of Electrical and Computer Engineering at the Ecole Polytechnique de Montreal. He earned his BSc and Master's degrees in Mathematics and a PhD in Biophysics at Dalhousie University.

Throughout his career Dr. Leon has been a very active researcher. He has published over 80 peer reviewed articles on computational science, electromagnetics, bioelectric phenomena and cardiac electrophysiology. His current research focus is on the acceleration of numerical software using Graphics Processing Units (GPU).

Dr. Leon is a co-founder of Acceleware, a publicly traded company based in Calgary Alberta. They are the recognized world leader in General Purpose GPU computing.

Kevin Vessey
Director

J. Kevin Vessey is the Associate Vice President of Research and Dean of Graduate Studies at Saint Mary's University. Dr. Vessey received his BSc and MSc from Dalhousie University and his PhD from Queen's University. Aside from his 16 years as a Professor of Plant Science at the University of Manitoba, he has also been a Researcher Associate at North Carolina State University, and a Visiting Scientist at the Institut National de la Recherche Agronomique, France. Dr. Vessey took up his current positions at Saint Mary's University in 2005.

Dr. Vessey's teaching and research area is plant physiology, particularly the functional interactions between crop plants and beneficial micro-organisms, and the optimizing of oil-seed crops as biodiesel feedstocks. He has published over 65 peer-reviewed scholarly articles and book chapters and has co-edited one book. He has supervised over twenty graduate students and has been awarded several regional and national research awards.

Positions in which Dr. Vessey has recently served, or is currently serving, include Grant Selection Committees of the Natural Sciences and Engineering Research Council, Advisory Committees for the NS-CIHR Research Partnership Program, the Nova Scotia Research and Innovation Trust, Petroleum Research Atlantic Canada, and TRIUMF (the Tri-University Meson Facility), and the Boards of Directors for the Atlantic Environmental Sciences Network, Offshore Energy Technology Research Association, and Plant Inoculants Canada.

Sandy MacMullin
Director

Roderick Alexander (Sandy) MacMullin is currently Executive Director of the Petroleum Resources Branch with the Nova Scotia Department of Energy. His Branch is responsible for providing strategic policy advice to the Government of Nova Scotia, Canada regarding upstream oil and gas exploration and development activities, coordinating special onshore and offshore studies to investigate petroleum resource potential, and the technical promotion of Nova Scotia's oil and gas potential to investors. His Branch also coordinates the regulation of onshore petroleum exploration and development activity.

Mr. MacMullin earned a Bachelor of Engineering degree from the Technical University of Nova Scotia in 1981. Prior to his employment with the Department, Mr. MacMullin held various positions within the Nova Scotia provincial government beginning in 1991, including assignments with the Departments of Mines and Energy, and Natural Resources and the Nova Scotia Petroleum Directorate. During the 1981 to 1991 time period, Mr. MacMullin was employed as a petroleum reservoir engineer for the Canada Oil and Gas Lands Administration (COGLA) in Ottawa working mainly on offshore Nova Scotia oil and gas fields.

Board of Directors 2014-2015

Richard Isnor
Director

Richard Isnor is the new Associate Vice President, Research & Graduate Studies, St. Francis Xavier University. Prior to joining StFX, he was Manager of the Atlantic Regional Office for the Natural Sciences and Engineering Research Council of Canada (NSERC), based in Moncton, NB. Previously, he was Director of Innovation Policy and Science at the International Development Research Centre in Ottawa and also worked for three years with the National Research Council of Canada managing Biotechnology Research Initiatives and the NRC Genomics and Health Initiative.

Richard holds a D. Phil. in Science and Technology Policy Studies from the University of Sussex, UK; a Master's in Environmental Studies from Dalhousie University; and a B. Sc. (Hons) in Biochemistry from Mount Allison University. His primary interest is in science policy and the public administration of research; he has worked in science and technology policy or research administrative positions for Environment Canada, Natural Resources Canada, the Privy Council Office, as well as the Nunavut Research Institute.

Pat Wright
Director

Pat Wright has near 40 years experience in the fields of engineering, environmental services and management consulting. Resident in Halifax for many years, he retired as a senior partner and director from a major Canadian consulting company in which he had overall responsibility for the company's national resource sector business. Through DesRin Consulting, Pat provides support to clients in planning, teaming, risk analysis, business development, project delivery and business coaching.

Mr. Wright's strengths are in strategic program and project management. He has led or contributed to a number of significant project development and implementation initiatives. He has served on Boards of Directors for his former company, for various joint venture companies and for the Consulting Engineers of Nova Scotia. He has been recognized as a Fellow of Engineers Canada and was the 2010 Engineers Nova Scotia.

Jeff Somerville
Treasurer & Director

A well-respected business and community leader, Jeff became a partner in Venor Search Group in August 2012 to lead its Executive Search Practice. Possessing a vast network and strong connections within Halifax and Atlantic Canada, Jeff has worked in a variety of roles in the region for the past 20 years from leadership in the financial services sector to small business and academia.

Originally from Winnipeg, Jeff earned his BSc (Mathematics) from UBC. He enjoyed a successful 24 year career with the TD Bank, highlighted by the five years he spent in Halifax in the early '90's as Senior Vice President and Region Head for Atlantic Canada. Though Jeff was transferred back to Toronto in 1997, his heart remained in Halifax and he and his wife Angie decided in 2000 to leave the TD and return to Nova Scotia. Jeff then turned his hand to entrepreneurship as managing partner of Premier Executives Suites in its early years and, in 2003, was named one of Atlantic Canada's Top 50 CEO's. From 2003 to 2006, Jeff was Vice-President Business Development at Nova Scotia Community College, and since 2006, he has been an independent consultant, helping a wide range of businesses realize their goals.

An active community volunteer, Jeff has served as Chair of the Halifax Chamber of Commerce and Chair of both the Laing House Association and Laing House Foundation, Treasurer of OTANS, and VP Fund Development at Symphony Nova Scotia. In addition to his board membership at OERA Jeff is a partner at The Carleton Music Bar and Grill, member of the Board of both Nova Scotia College of Art and Design , the Sobey`s Pension Investment Committee and is a member of the Atlantic Signature Mortgage and Loans Advisory Board.

1690 Hollis Street
10th Floor
Halifax, Nova Scotia
B3J 3J9