CANADA DEVELOPMENT INVESTMENT CORPORATION

2016 to 2020
CORPORATE PLAN SUMMARY

and

2016 CAPITAL BUDGET

December 31, 2015

CDEV CORPORATE PLAN SUMMARY
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1.0 EXECUTIVE SUMMARY

WHO WE ARE

Canada Development Investment Corporation ("the Corporation" or "CDEV") was incorporated in 1982 under the provisions of the *Canada Business Corporations Act* and is wholly-owned by Her Majesty in Right of Canada. The Corporation is an agent Crown corporation listed in Schedule III, Part II of the *Financial Administration Act* ("FAA") and is not subject to the provisions of the *Income Tax Act*. CDEV reports to Parliament through the Minister of Finance ("the Minister"). In 2013 we changed our brand initials to "CDEV" from "CDIC". CDEV has three wholly-owned subsidiaries: Canada Hibernia Holding Corporation ("CHHC"), Canada Eldor Inc. ("CEI"), and Canada GEN Investment Corporation ("GEN").

WHAT WE DO

Our Vision: To be the Government of Canada's primary resource for the evaluation, management and divestiture of its commercial assets.

Our Mission: Acting in the best interests of Canada, on behalf of the Minister of Finance, we bring excellent business judgement and commercial practices to the evaluation, management and divestiture of assets of the Government of Canada.

CDEV's activities are driven by the priorities of the Government through discussions with and mandates received from the Minister of Finance and through the Government's budget and policy pronouncements. CDEV has historically been used as a means of ensuring that the Government's interests that are assigned to it have been managed with a commercial focus. To date we have managed and sold some fifteen companies for the Government with total proceeds exceeding $9 billion. We currently manage Canada's interest in the Hibernia oil field, liabilities of CEI, and are managing the sales processes of Government assets.

We are continuing to secure financial, legal and technical analysis of such corporate holdings of the Government of Canada as are requested by the Minister of Finance. This is to assist with the Government's review of corporate assets in its endeavour to ensure the use of resources is efficient, effective and focused on priorities. We maintain the capacity to divest CDEV's existing holdings and acquire or divest any other government interests assigned to us upon the direction of the Minister of Finance.

OUR RECENT ACTIVITIES

On April 6, 2015 GEN sold all of its remaining 73 million common shares for proceeds of $3.25 billion. This transaction was the largest unregistered block sale in U.S. history.

We have been active through 2015 in our role as agent to sell Ridley Terminals Inc. ("RTI") and the Dominion Coal Blocks ("DCB"). However the lower commodity prices, which directly affects the operations of these entities, has made the sales prospects difficult. We continue to fulfill our mandate to keep our subsidiary CHHC in a state of readiness for potential divestiture.

The ownership interest of CHHC in the Hibernia field continues to perform well but results in 2015 were below plan and were negatively impacted by lower oil prices and lower platform production and hence sales volumes. In addition to ongoing operations, the major focus has been on implementing the development of the Hibernia Southern Extension Unit ("HSEU"). In 2015 the first water injection well in the HSE was successfully completed. In 2015 a new oil shuttle tanker system was negotiated and implemented called Basin Wide Transportation System which provides CHHC transportation services for its share of crude oil.

CEI continues to manage the liabilities resulting from past activities of Eldorado Nuclear, the assets of which were merged with Saskatchewan Mining and Development Corporation in 1988 to form Cameco Corporation. CEI continues to pay for costs relating to the decommissioning of the former Beaverlodge mine site and for retiree benefits of certain former employees. No significant changes in the liability have occurred.

We held our annual public meeting on October 14, 2015 in Calgary, AB fulfilling requirements under the FAA.

WHAT WE PLAN TO DO IN THE NEXT FIVE YEARS

CHHC was established in March 1993, for the sole purpose of holding, managing, administering and operating an 8.5% working interest in the Hibernia project. CHHC's primary goal is to manage its ownership in the Hibernia project and other Hibernia-related developments assuring that the shareholder's interest is protected and its value is maximized where possible. An expert management team based in Calgary performs this function. CDEV's role is to maintain the asset in a state of readiness should Canada elect to divest of the asset and, should Canada decide to divest, to take appropriate steps to fulfill that decision. To this goal, CHHC retained its technical advisor to prepare a technical and economic reserve evaluation report with an effective date of December 2014. Dividends from CHHC are not expected to be as strong as in some recent years in most part due to the projected low oil prices. CHHC's share of production is expected to be stable near 8.3 million barrels through 2018 with some decline thereafter.

In 2016 we expect to continue our role as agent for potential divestitures of Government assets. For these roles, financial, legal and technical advisors have been retained. In the financial plans attached, we have included the expected expenditures for advisory services. We have assumed that all advisory and transaction expenditures incurred as agent will be recovered through the sales process when complete. We will retain suitable funds to retain the ability to perform our mandate if we no longer have assets that earn income or can be monetized. In the attached financial projections we continue to show a cash position of approximately $100 million at the CDEV level to fund potential contingencies including the below detailed Panama lawsuit which has a total claim of over $300 million, and given the lower and more volatile earnings and higher capital expenditures of CHHC. As well, CDEV no longer receives dividend income from GEN, earned from GM shares.

CEI through Cameco, the manager and licensee of the Beaverlodge mine site, continues to manage the properties for which it has been granted a license. Projects are being undertaken to reach the goal of transferring the properties to the Institutional Control programme of the government of Saskatchewan within eight years. The total expected costs of these projects and other fees are approximately $16 million. CEI will continue to pay Cameco for certain expenses regarding retirement benefits. We plan to withdraw $5 million from the Consolidated Revenue Fund to pay for some of these costs.

We will assist in the review of government assets when requested to do so. Our primary functions include preparing well-defined statements of work in conjunction with the Department of Finance, conducting a thorough and fair advisor selection process, and managing relationships with the advisor and the management team of the asset under review. We will ensure that the process produces insightful reports on a timely basis that will provide a sound basis for decision making by the Government.

2.0 MANDATE AND FUTURE ROLE

The Articles of Incorporation give CDEV a broad mandate. We were incorporated to provide a commercial vehicle for Government equity investment and to manage commercial holdings of Canada. Our primary objective is to carry out our activities in the best interests of Canada, operating in a commercial manner.

In November 2007, the Minister of Finance wrote the Chairman and indicated that the future operations of CDEV "should reflect a future focused on the ongoing management of its current holdings in a commercial manner, providing assistance to the Government in new policy directions suited to CDEV's capabilities, while maintaining the capacity to divest CDEV's existing holdings, and any other Government interests assigned to it for divestiture, upon the direction of the Minister of Finance".

2.1 Corporate Governance

CDEV is managed by a team based in Toronto headed by the Executive Vice-President, who work closely with consultants, legal counsel, the Board and management of its subsidiaries to ensure the effective functioning of the Corporation and its subsidiaries. Led by the Executive-Vice President we have six employees plus three contractors. CHHC has separate management based in Calgary that is experienced in the oil industry.

The Corporation reports to Parliament through the Minister of Finance. CDEV's Board of Directors supervises and oversees the conduct of the business and affairs of CDEV. The Board of CDEV currently consists of the Chairman and five other directors. See Appendix A for the Corporation's organization chart and current listing of CDEV's directors and officers. All members of the Board are independent of CDEV management. The Board carries out its responsibilities regarding the financial statements of the Corporation through its Audit Committee. Corporate governance is dealt with by the Nominating and Governance ("N and G") Committee, which continues to review CDEV's governance practices in the spirit of continuous improvement and to address new requirements. In addition, the N and G Committee assists in determining the composition and structure of the Board and recommending to the Governor in Council candidates for Board membership and for the position of Chair. CDEV will continue to closely monitor the evolving guidance in governance matters and public sector best practices and implement changes in its governance practices as appropriate. Attendance at Board and committee meetings is outstanding and each director dedicates appropriate time outside of board meetings to the governance of the Corporation. In 2015 a new Chair was appointed. There is currently one vacancy on the Board.

Effective communication with the Government and the public is conducted through the Corporate Plan and Corporate Plan Summary, as approved by the Board of Directors, the Annual Report, the interim quarterly reports, the corporate website, and an annual public meeting. As well, meetings are held as required with the Minister of Finance and officials of the Government of Canada.

3.0 CORPORATE PROFILE

CDEV was incorporated in 1982 and has historically been used as a means of ensuring that the Government's interests have been managed with a commercial focus and made more effectively accountable. Over the years we have been given responsibility to hold and manage, or divest numerous Government holdings as directed or approved by the Minister. Since 1984 we have successfully divested assets for over $9 billion in proceeds.

CDEV has three wholly-owned subsidiaries: Canada Eldor Inc., Canada Hibernia Holding Corporation, and Canada GEN Investment Corporation.

In 2008 at the request of the Minister, we incorporated a new subsidiary, PPP Canada Inc. ("PPP") and provided initial financing on a loan basis and managerial services to this company. On May 8, 2008, PPP was deemed a parent Crown Corporation. Accordingly, although we remain the sole shareholder, we have no responsibility for this company and PPP reports directly to Parliament through the Minister of Finance.

We retain contractors and consultants to augment our capabilities on specific projects. We also hire legal and technical advisors for these sales roles.

4.0 CORPORATE PERFORMANCE

4.1 Assessment of 2015 Results

Our actual performance in 2015 as compared to the objectives outlined in our 2015-2019 Corporate Plan is as follows:

Our 2015 Objectives - Our main objectives were to manage the interests of the Government assigned to us, in a commercial manner. These were the main areas of focus for 2015:

- Manage our working interest in the Hibernia oil field through our subsidiary CHHC and ensure that this asset is ready for sale when deemed appropriate.
- Manage the sales processes of RTI and DCB.
- Continue to keep CHHC in a state of readiness of a potential sale.
- Continue our involvement in the Government's CAMR programme as requested by the Minister.
- Manage our operations to maintain our ability to perform all tasks given to us in an efficient manner. This includes the use of contracted experts and consultants to undertake projects that are specialized and short-term in nature.
- In response to the Government's operating budget freeze, continue to identify and implement new ways to reduce operating expenditures that are under our control but which do not adversely impact our performance under the mandates given to us. The main operating efficiency tactic is to attain significant discounts from the professional advisors we hire for projects and for internal purposes. We also endeavor to reduce travel cost where possible by reducing the number of trips and continuing to seek lower cost travel fares.
- Remain available and prepared to address the needs of the Government for any future endeavour that is suitable given our capabilities and expertise.

Our 2015 Performance:

a) We continued to oversee, as shareholder, CHHC's 8.5% working interest in the original Hibernia project and interests in other Hibernia-related developments. The working interest is managed through our subsidiary CHHC. CHHC paid $30 million in dividends in 2015, $39 million less than plan. Net income was $54 million compared to plan of $113 million. Results were impacted by lower oil prices and lower platform production, partially offset by the lower Canadian dollar.

b) On April 6, 2015 GEN sold all of its remaining 73 million GM common shareholdings at a price of US $35.61 per share for total proceeds of US $2,613 million (C $3,254 million). The sale was by way of an unregistered block trade after undertaking a competitive process. A dividend of US $2,530 million (C $3,188 million) was paid to the Government from the proceeds. GEN also earned dividend income of $28 million in 2015 from the common shares of GM that it held earlier in the year. In Q1 2015, GEN paid a dividend of $468 million made up of proceeds of the preferred shares that were purchased by GM on December 31, 2014.

The total proceeds from all sales or dividends-in-kind at fair value of GM assets since 2010 totals $7.4 billion. This represents a gain of $4.3 billion above the cost value on July 10, 2009, the day GEN received the GM assets, or a gain of 136% over almost six years. GEN also earned dividends of $380 million over this period.

c) Through 2015 we continued our role as Agent of the Government in the sale of RTI. As CDEV awaited further instruction from the government, we continued to monitor RTI, interact with management, and provide information and analysis to our counterparts at Finance.

During 2015 we continued to work on our second sale mandate acting as agent for the government in the sale of the DCB. We provided support to Finance and NRCan to assist in their discussions with British Columbia and local First Nations to facilitate the sale.

d) We did not undertake any CAMR projects in 2015.

e) Cameco continues to monitor and manage the Beaverlodge site and provides CEI with monthly invoices indicating costs incurred. These were paid after review by CEI. For 2015, payments to Cameco were $3 million. CEI paid approximately $0.1 million for the year to cover claims and administrative costs for the benefit plan of retired employees.

f) Operations: In 2015 we continued our utilization of contract personnel to keep our costs variable to reflect the fluctuating requirements of our changing mandates and projects assigned to us. Our full-time equivalent (“FTE”) headcount remains unchanged Other actions to reduce costs include the use of lower priced flight passes, the use of telephone meetings where appropriate, cancellation of one scheduled board meeting, , rate freezes from some of our consultants, and a reduction of certain project costs. However we have continued to ensure that we are properly staffed to take on any new endeavours on behalf of the Government.

4.2 Analysis of External Business Environment

The ongoing management of our holdings will depend, in part, on market conditions specific to the underlying company or investment.

The volume of work required of CDEV management is difficult to predict as it depends significantly on the requests of the Minister for assistance with reviews of corporate assets or any divestment mandates.

The assets we are acting as agent to sell are involved in the coal industry. The prices for coal remain depressed. This may impact our ability to sell the assets. As well, for the successful sale of either one of these assets, it is necessary to interact and attain agreements with other stakeholders such as adjacent land owners, First Nations, landlords, or other governments. The ability to reach satisfactory agreements with them affects the potential success of these agency roles.

The performance of CHHC is impacted by the normal variability associated with crude oil pricing, specifically the "Brent" price of crude oil, the CAD/USD foreign exchange rate, production rates, capital expenditures, operating expenditures and reservoir performance. However, given the relatively low cost structure of the Hibernia project, expected crude oil prices and foreign exchange fluctuations do not impact the sustainability of the project.

CEI's financial obligations to Cameco may be affected by ongoing changes in the regulatory requirements enacted in particular by the Canadian Nuclear Safety Commission ("CNSC") and the Government of Saskatchewan.

5.0 OBJECTIVES AND STRATEGIES FOR THE PERIOD 2016 TO 2020

Canada Development Investment Corporation

Our main objectives are to manage the interests of the Government assigned to us, in a commercial manner. These are the main areas of focus for 2016 and beyond:

- Manage our working interest in the Hibernia oil field through our subsidiary CHHC and ensure that this asset is ready for sale when deemed appropriate. CHHC continues to retain its technical advisor and maintains all of its technical information in a form to help keep it prepared for a potential sale.
- Manage the sales processes of assets assigned to CDEV for divestiture. We will continue to retain financial, technical and legal advisors for these projects to remain prepared for any acceleration of the sales processes.
- Continue to maintain CHHC in a state of readiness for a potential divestiture.
- Assist in the review of government assets as requested by the Minister.
- Manage our operations to maintain our ability to perform all tasks given to us in an efficient manner. This includes the use of contracted experts and consultants to undertake projects that are specialized and short-term in nature.
- Continue to identify and implement new ways to reduce operating expenditures that are under our control but which do not adversly impact our performance under the mandates given to us. We note that a great deal of our professional fee expenses are not controllable and vary depending on the work requested of CDEV.
- In accordance with the Directive received on July 16th, 2015, we have aligned our travel and expenditure guidelines and practices with Treasury Board policies, directives and related instruments on travel, hospitality, conference and event expenditures in a manner that is consistent with legal obligations.This change is expected to result in a minor reduction in our travel costs as we have always managed our travel expenditures in a prudent manner and travel only when virtual meeting formats are not effective for the issue.
- Remain available and prepared to address the needs of the Government for any future endeavour that is suitable given our capabilities and expertise.
- Retain sufficient funds to be able to fulfill our mandate and be prepared for any contingencies including the Panama lawsuit. Also, since CHHC's cash flow will be severely impacted by current low oil prices and continued capital expenditures, we increased CDEV's normal cash retention amount to $100 million. Previously CDEV received GEN dividends funded from the GM common and preferred shares but these are no longer owned.

Section 6.3 further discusses key financial assumptions for the pro-forma financial statements and schedules included as part of this Corporate Plan.

Panama Lawsuit

In 2015, CDEV was served with Panama-based litigation. CDEV is a co-defendant in this litigation with Nordion Inc. and Multidata Systems International Corp. The litigation relates to medical devices manufactured by Nordion and its predecessor Theratronics that were improperly used and delivered excessive radiation to cancer patients in Panama in 2000. Nordion and Theratronics were both previously owned by CDEV, which fully divested Nordion in 1991 and Theratronics in 1998. CDEV had previously been served with litigation in the United States in 2001 for the same Panama-based facts, but had succeeded in achieving a dismissal of CDEV as defendant in 2003. The plaintiff's claims are for US $300 million jointly against all defendants.

CDEV has engaged counsel in Panama and has filed a response with the court denying any liability. CDEV management and counsel believe that the most likely outcome of this litigation for CDEV is the dismissal of CDEV as a defendant. However, there remains a small but non-negligible risk of a different outcome.

Travel costs and guidelines

In mid-2015 CDEV, along with other Crown Corporations, received a Directive to align its Travel and Expenditure Guidelines with those of the Treasury Board Secretariat. The travel and expense guidelines of CDEV were already, by and large, in alignment with those of TBS' travel *Directive, Guideline and Special Travel Authority*. Travel costs for all of our companies was $348 thousand in 2015 and is planned for $353 thousand in 2016.

We confirm that CDEV is in alignment with TBS travel *Directive, Guideline and Special Travel Authority*.

5.1 Canada Hibernia Holding Corporation

Please see the attached Appendix B for detailed information on the objectives and strategies of CHHC. At a high level, we note that planned CHHC 2016 sales volume of 3.1 million barrels is expected to be higher than 2015 actual (2.5 million barrels) due to higher platform production offset by the lower participation in HSE of 5.6% compared to 8.5% in the main field. Dividends are expected to increase in 2016 to $50 million from $30 million in 2015 due to higher sales volumes and higher expected oil prices.

5.2 Canada GEN Investment Corporation

GEN holds approximately $0.7 million in cash and has no significant liabilities nor ongoing expenditures.

5.3 Canada Eldor Inc.

CEI has mine site restoration liabilities related to a decommissioned uranium mine of Eldorado Nuclear in northern Saskatchewan and costs related to post-employment benefits of former employees. CEI is also a defendant in a class action lawsuit going back several years in the Deloro township of Ontario.

5.3.1 CEI – Mine Site Restoration (near Beaverlodge Lake, Saskatchewan)

Beaverlodge is a former uranium mine site which has been inactive since prior to the sale of Eldorado assets to Cameco. Pursuant to the Purchase and Sale Agreement, CEI is responsible for all costs associated with the decommissioning of this site which was transferred to Cameco at the time of the sale. Cameco is responsible for the monitoring and management of the site and CEI reimburses Cameco for actual costs plus a 15% management fee. CEI accrues these costs based on estimates provided by Cameco. CEI evaluates any potential efforts by Cameco staff in managing the process. CEI has hired independent consultants to assist it in monitoring Cameco's performance.

Status of Overall Project and Outstanding Issues

The CNSC approved a license renewal for the Beaverlodge properties in 2013 for a period of ten years to 2023. It is expected that by the end of the license term, most or all 65 individual properties will be transferred to the Institutional Control ("IC") programme of the Government of Saskatchewan.

Cameco updates its work plan annually with cost estimates for the balance of this project. As at December 31, 2015 costs are estimated at $16 million and the project is scheduled to be completed in 2023. We will withdraw $5 million from the CRF in 2016 to pay for site restoration costs.

5.3.2 CEI - Defined Benefit Obligations

Pursuant to the Purchase and Sale Agreement, CEI is responsible for the management of the benefit plan for all Eldorado and Eldor employees who retired prior to October 1988. These benefits include life insurance, health and dental benefits. The retirement benefit obligations are $2 million at December 31, 2015.

5.3.3 CEI - Contingency: Litigation related to the Deloro lawsuit

In 2000, CEI was named a party to a class action lawsuit relating to contamination in the Deloro area in Ontario. The Statement of Claim was filed against the Province of Ontario, the Attorney General of Canada, the Atomic Energy Control Board, BOC Canada Limited (a private company) and CEI. CEI was included in this action as a result of an allegation that Eldorado Mining and Refining Limited sold some waste (in the 1940's) to BOC who then further refined the waste. The remnants of this are alleged to have been a part of the creation of the contamination. Previous conversations with officials at Natural Resources Canada indicate that this is substantially an issue for the Province of Ontario. The Department of Justice was appointed as counsel and a Notice of Intent to Defend was served on the plaintiffs. For several years there has been no activity on this matter and the outcome remains undeterminable at this time.

5.4 Review of Corporate Assets and Agency Sales Roles

5.4.1 Review of Corporate Assets

We remain capable to undertake responsibility for any components of reviews of corporate assets assigned to us by the Department of Finance.

5.4.2 Agency Sales Roles in general

For the current or any future mandates to act as agent in the sale of a corporate asset of the Government, we identify and hire required financial and other advisors to evaluate the asset, provide advice to the Government on the possibilities and requirements to undertake a sale, manage a sales process as required, and help facilitate the execution of a potential sale. The timing for any sale is not known. In the financial projections in section 6, we have included the expected expenditures for advisory services. We have assumed that all advisory and transaction expenditures incurred as agent will be recovered by CDEV through the sales process, when complete and hence on a net basis there is no impact on our planned results if a transaction closes in the plan period.

5.4.3 Ridley Terminals Inc.

The Ridley Terminals sale process has been delayed since June 2014 due to issues relating to objections of local First Nations. In this time, the coal market has deteriorated significantly and RTI’s business has deteriorated in line with it.

5.4.4 Dominion Coal Blocks

The sale process for the Dominion Coal Blocks has been delayed. The deterioration of the coal market has also severely reduced the marketability of coal properties like the DCB. CDEV continues to monitor the situation.

5.5 Risks and risk mitigation

We and our subsidiaries are subject to a number of risks. Those risks related to CHHC are detailed in its Corporate Plan (see Appendix B).

Now that GEN no longer holds the GM investments, it is not subject to automotive industry risks, stock market risks or financial exchange risks. We are not aware of any significant risks or liabilities arising to GEN from its prior holdings. It does not hold significant assets.

CEI is subject to considerable liabilities, as discussed above, due to its undertakings to Cameco as part of the 1988 Purchase and Sale Agreement. Provisions for the future costs related to the Beaverlodge mine site and defined benefits are currently estimated at $16 million. CEI has approximately $4 million in cash and short-term investments and $22 million in funds deposited with the CRF to fund these liabilities. Whether these funds are adequate is unknown due to the potential but unknown liabilities related to the 1988 agreement including site restoration and retiree benefits and a lawsuit which CEI faces.

CDEV has no significant contingent liabilities at present other than the Panama lawsuit. Since the level and type of activity under sales agency roles or other undertakings requested by the Minister are hard to predict, we have working capital of $100 million at

CDEV (above our typical level of $20 million) to provide for future project costs or contingencies. A higher retained cash balance is necessary at CDEV because CDEV cannot receive appropriations from the Government, dividends from CHHC are subject to greater fluctuation from changing oil prices and higher retained cash balances, and CDEV no longer receives dividends from GEN's GM shares.

Reviews of corporate assets are funded by cash resources of CDEV. Given the cash available from CHHC dividends, the costs associated with these activities do not materially increase the risks to CDEV.

CDEV manages its information technology using a third-party service provider that provides up-to-date technical expertise. This however cannot cover all potential IT risks including downtime. We regularly evaluate our IT services to mitigate IT risks. To improve uptime reliability we moved our IT server to a disaster hardened environment in 2015. In 2015 we had an external consultant evaluate our IT security capabilities who identified no material or significant weaknesses. We acted upon recommendations provided, to improve IT security.

6.0 FINANCIAL SECTION

6.1 Financial Overview for 2015

Consolidated profit for 2015 was $2,246 million which includes GEN's $2,131 million gain on sale of the GM common shares in April 2015 and CHHC income of $54 million, less costs to operate CDEV, as shown on Schedules 4. Dividends paid in 2015 (cash flow statement - Schedule 2 below) were $3,264 million (excluding the dividend related to the GM preferred share sale, declared on December 31, 2014, but paid in January 2015), $3,234 million were related to the proceeds of the GM common sale and $30 million from CHHC profits.

As shown in Schedule 4, professional fees were $3.3 million due to reduced project activity. Salaries were $3.4 million, equal to plan. The foreign exchange gain is primarily related to the GM share sale.

Included in this plan are five-year pro-forma financial projections as follows (December year-end) (On the following Schedules, numbers may not add due to rounding):

Schedule 1 - Consolidated Statements of Financial Position
Schedule 2 - Consolidated Statements of Cash Flows
Schedule 3 - Consolidated Statements of Changes in Shareholder's Equity
Schedule 4 - Consolidated Statements of Comprehensive Income

Key assumptions for the above schedules are outlined below in Section 6.3.

6.2 Quarterly Financial Reporting

We issue Quarterly Financial Statements which are posted in both English and French on our website (www.cdev.gc.ca) within 60 days of a quarter end.

6.3 Key Assumptions in Financial Projections

This Corporate Plan is based on the following assumptions:

Canada Development Investment Corporation (non-consolidated)

1) Operating Costs - Financial projections assume management and the Board continue to closely manage costs. Administration costs (Salary, Benefits and Other) are approximately $2 million annually throughout the planning period which is the same as the 2015 actual. Divestiture and asset review costs are projected to be approximately $3.6 million per year for 2016 to 2020. Costs for agency roles, excluding success-based financial advisory fees in from 2016 to 2020 are planned at $1 million each year. Any advisory or success-based fees are expected to be recovered through the sales processes in the period they are incurred but this is not included in the attached financial projections due to the inability to predict the amount or timing of any transaction.

2) Dividends paid to the Government

2015	$3,264 million
2016	59
2017	102
2018	88
2019	70
2020	73

Dividends in 2016 are lower than 2015 due to lower earnings of CHHC and higher retained cash balances at CHHC given lower oil prices and continued capital expenditures.

3) Foreign Exchange Rate – For 2016: C$ 1.33 CAD to US $1.00; 2017 $1.31, 2018 $1.25, 2019 $1.21, 2020: $1.17 is used for CDEV and all of its subsidiaries.

Canada Hibernia Holding Corporation

4) Operating Revenues and Costs – CHHC's revenues and costs are discussed in detail in Appendix B.

5) Dividends paid – CHHC will pay dividends to its parent as discussed above.

Canada Eldor Inc.

6) Operating Expenses - CEI's operating expenses are projected at $0.2 million in 2016 to 2020. These are primarily management fees charged by CDEV plus director fees.

7) Site Restoration (Beaverlodge) - CEI has accrued anticipated costs of approximately \$16 million for the decommissioning of the Beaverlodge site which is anticipated to be completed by 2023 but may be extended depending on plans developed with Cameco. Most of the costs will be incurred in the next five years.

8) Retiree Benefits – Annual benefits and administration payments are estimated at \$0.2 million which are provided for in the defined benefit obligation liability.

9) Litigation - No payments are assumed for the lawsuit which CEI is defending other than for minimal legal advisor costs.

10) CRF - Interest is accrued on CEI's funds on deposit in the CRF at a rate equal to 90% of the Government's 90-day Treasury Bill rate. We will withdraw \$5 million from the CRF in 2016 to pay for site restoration costs.

Canada GEN Investment Corporation

11) GEN will have minimal operating expenses.

6.4 Capital Budget

Neither we, nor our wholly owned subsidiaries CHHC, CEI or GEN, require any capital funding for the 2016 fiscal year. Any capital outlays by CHHC are funded from operating cash flow. The capital expenditures by CHHC are discussed in the CHHC Corporate Plan and the amounts are noted in Schedule 2 line item: "Purchase of property and equipment". CDEV, GEN and CEI are not involved in capital intensive businesses.

Schedule 1 - Proforma Consolidated Statements of Financial Position

$ millions (Dec 31)

	2014 Actual	2015 Plan	2015 Actual	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Assets								
Currents assets:								
Cash and cash equivalents	609.42	86.87	244.79	199.67	192.55	188.20	180.02	172.33
Accounts receivable	38.53	40.02	20.28	36.09	15.39	15.39	15.39	15.39
Income taxes recoverable	12.10	0.40	7.92	4.05	4.05	4.05	4.05	4.05
Inventory	0.70	3.02	5.25	0.70	0.70	0.70	0.70	0.70
Prepaid expenses	0.29	0.28	0.26	0.28	0.28	0.28	0.28	0.28
Cash on deposit in CRF	4.23	2.12	3.58	1.38	2.69	1.60	1.58	1.37
	665.27	**132.71**	**282.08**	**242.17**	**215.65**	**210.22**	**202.02**	**194.12**
Non current assets:								
Cash on deposit in CRF (CEI)	-	17.62	18.05	15.39	14.17	10.35	10.44	10.71
Abandonment and risk fund (CHHC)	114.63	98.17	97.83	103.35	108.99	109.63	110.28	110.93
Property & equipment	159.59	194.88	224.11	250.04	258.40	275.45	303.34	304.19
Cash and equivalents held in escrow	5.97	11.92	4.60	11.92	11.92	11.92	11.92	11.92
Investments	2,971.37	3,980.66	-	-	-	-	-	-
Deferred tax asset	13.98	15.17	11.38	5.92	2.63	-	-	-
	3,265.54	**4,318.42**	**355.97**	**386.62**	**396.11**	**407.35**	**435.98**	**437.75**
	3,930.81	**4,451.13**	**638.05**	**628.79**	**611.76**	**617.57**	**638.00**	**631.87**
Liabilities and Shareholder's Equity								
Current liabilities								
Accounts payable and accrued liabilities	27.32	19.86	35.57	21.88	19.06	19.06	19.06	19.03
Dividend payable	466.99	-	-	-	-	-	-	-
Current portion defined benefit obligation	0.23	0.25	0.18	0.19	0.19	0.19	0.19	0.19
Current portion of site restoration	3.98	1.87	3.38	1.19	2.50	1.41	1.39	1.18
	498.52	**21.98**	**39.13**	**23.26**	**21.75**	**20.66**	**20.64**	**20.40**
Long term liabilities								
Provision for decommissioning obligation	95.93	77.94	130.91	132.81	132.85	135.51	142.70	144.16
Provision for site restoration	15.42	10.21	13.09	12.26	10.00	8.79	7.59	6.58
Defined benefit obligation	1.82	1.59	1.77	1.61	1.48	1.36	1.23	1.11
	113.17	**89.74**	**145.77**	**146.68**	**144.33**	**145.66**	**151.52**	**151.85**
Shareholder's Equity								
Share capital	-	-	-	-	-	-	-	-
Contributed surplus	1,726.53	2,310.14	603.29	603.30	603.30	603.30	603.30	603.30
Accumulated deficit	(255.55)	(266.54)	(150.14)	(144.45)	(157.62)	(152.05)	(137.46)	(143.68)
Accumulated other comprehensive income	1,848.14	2,295.81	-	-	-	-	-	-
	3,319.12	**4,339.41**	**453.15**	**458.85**	**445.68**	**451.25**	**465.84**	**459.62**
	3,930.81	**4,451.13**	**638.05**	**628.79**	**611.76**	**617.57**	**638.00**	**631.87**

Note - see Appendix B for CHHC detailed Financial Statement

Schedule 2 - Proforma Consolidated Statements of Cashflow

$ millions (Dec 31)

	2014 Actual	2015 Plan	2015 Actual	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Cash provided by (used in):								
Operating activities:								
Profit for the year	**1,187.82**	**253.38**	**2,246.30**	**63.31**	**88.83**	**93.57**	**84.59**	**66.78**
Adjustments for								
Depletion and depreciation	47.46	40.89	28.70	34.32	34.96	32.55	28.68	25.77
Income tax expense	51.62	42.65	20.79	28.65	38.23	39.94	36.35	29.22
Defined benefits paid in excess of expenses	(0.15)	(0.17)	(0.10)	(0.13)	(0.13)	(0.13)	(0.13)	(0.13)
Finance interest	0.04	-	-	-	-	-	-	-
Interest income from CRF	(0.98)	(1.02)	(0.60)	(0.60)	(0.73)	(0.74)	(0.72)	(0.72)
Unwind of discount on decomissioning	1.98	2.05	2.34	2.50	2.63	2.76	2.90	3.05
Net foreign exchange gain (loss)	(0.08)	-	(33.45)	-	-	-	-	-
Change in fair value of preferred shares	(17.99)	-	-	-	-	-	-	-
Gain on derecognition of investment in common shares	(858.10)	-	(2,130.99)	-	-	-	-	-
Change in provision for site restoration	4.43	(1.86)	(0.93)	(2.73)	(0.96)	(2.29)	(1.22)	(1.22)
Decommissioning obligations settled	(3.53)	(2.00)	(2.70)	(0.72)	(2.59)	(1.70)	(1.70)	(1.70)
Income taxes paid	(66.95)	(42.07)	(14.01)	(24.31)	(34.94)	(35.71)	(30.36)	(29.11)
	345.57	291.85	115.34	100.29	125.30	128.25	118.39	91.94
Change in non-cash working capital	24.87	0.96	6.57	0.99	17.91	-	-	-
	370.44	**292.81**	**121.91**	**101.28**	**143.21**	**128.25**	**118.39**	**91.94**
Financing activities:								
Dividends paid	(278.40)	(209.36)	(2,607.88)	(59.00)	(102.00)	(88.00)	(70.00)	(73.00)
Dividends paid from contributed surplus -Common	-	-	(1,123.24)	-	-	-	-	-
Dividends paid from contributed surplus- Pref	-	(447.00)	-	-	-	-	-	-
Finance interest paid	(0.03)	-	-	-	-	-	-	-
Lease obligation payments	(1.98)	-	-	-	-	-	-	-
	(280.41)	**(656.36)**	**(3,731.12)**	**(59.00)**	**(102.00)**	**(88.00)**	**(70.00)**	**(73.00)**
Investing:								
Proceeds on sale of investments	-	-	3,287.67	-	-	-	-	-
Proceeds from share redemption	466.99	-	-	-	-	-	-	-
Purchase of property and equipment	(49.95)	(83.40)	(62.50)	(49.66)	(43.32)	(49.60)	(56.57)	(26.62)
Withdrawal from CRF	5.00	2.00	-	5.00	-	5.00	-	-
Cash and cash equivalents held in escrow	-	(5.95)	1.36	(5.95)	-	-	-	-
Cash and cash equivalents held in abandonment & risk fund	-	-	-	(5.00)	(5.00)	-	-	-
Change in non-cash working capital	(4.42)	-	18.05	-	-	-	-	-
	417.62	**(87.35)**	**3,244.58**	**(55.61)**	**(48.32)**	**(44.60)**	**(56.57)**	**(26.62)**
Increase (decrease) in cash & cash equivalents	507.65	(450.90)	(364.63)	(13.33)	(7.11)	(4.35)	(8.18)	(7.70)
Cash and cash equivalents, beginning of year	101.77	537.77	609.42	213.00	199.67	192.55	188.20	180.02
Cash and cash equivalents, end of year	**609.42**	**86.87**	**244.79**	**199.67**	**192.55**	**188.20**	**180.02**	**172.33**

Schedule 3 - Proforma Consolidated Statements of Changes in Shareholder's Equity

$ millions (Dec 31)

	2014 Actual	2015 Plan	2015 Actual	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Share Capital								
Balance, beginning and end of year	-	-	-	-	-	-	-	-
Contributed Surplus								
Balance, beginning of year	**2,757.15**	**2,310.14**	**1,726.53**	**603.30**	**603.30**	**603.30**	**603.30**	**603.30**
Dividends	(466.99)	-	(1,123.23)	-	-	-	-	-
Dividend in kind	(561.62)	-	-	-	-	-	-	-
Transfer to accumulated deficit	(2.01)	-	-	-	-	-	-	-
Balance, end of year	**1,726.53**	**2,310.14**	**603.30**	**603.30**	**603.30**	**603.30**	**603.30**	**603.30**
Accumulated deficit								
Balance, beginning of year	(308.89)	(310.56)	(255.56)	(148.76)	(144.45)	(157.62)	(152.05)	(137.46)
Profit	1,187.82	253.38	2,246.30	63.31	88.83	93.57	84.59	66.78
Dividends	(278.39)	(209.36)	(2,140.89)	(59.00)	(102.00)	(88.00)	(70.00)	(73.00)
Dividends in kind	(858.10)	-	-	-	-	-	-	-
Transfer from contributed surplus	2.01	-	-	-	-	-	-	-
Balance, end of year	**(255.55)**	**(266.54)**	**(150.15)**	**(144.45)**	**(157.62)**	**(152.05)**	**(137.46)**	**(143.68)**
Accumulated other comprehensive income								
Balance, beginning of year	3,100.46	2,225.36	1,848.14	-	-	-	-	-
Realized gain on sale of GM shares	(858.10)	-	(2,130.99)	-	-	-	-	-
Net change in fair value of financial assets	(394.23)	70.45	282.85	-	-	-	-	-
Balance, end of year	**1,848.14**	**2,295.81**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholder's equity	**3,319.12**	**4,339.41**	**453.15**	**458.85**	**445.68**	**451.25**	**465.84**	**459.62**

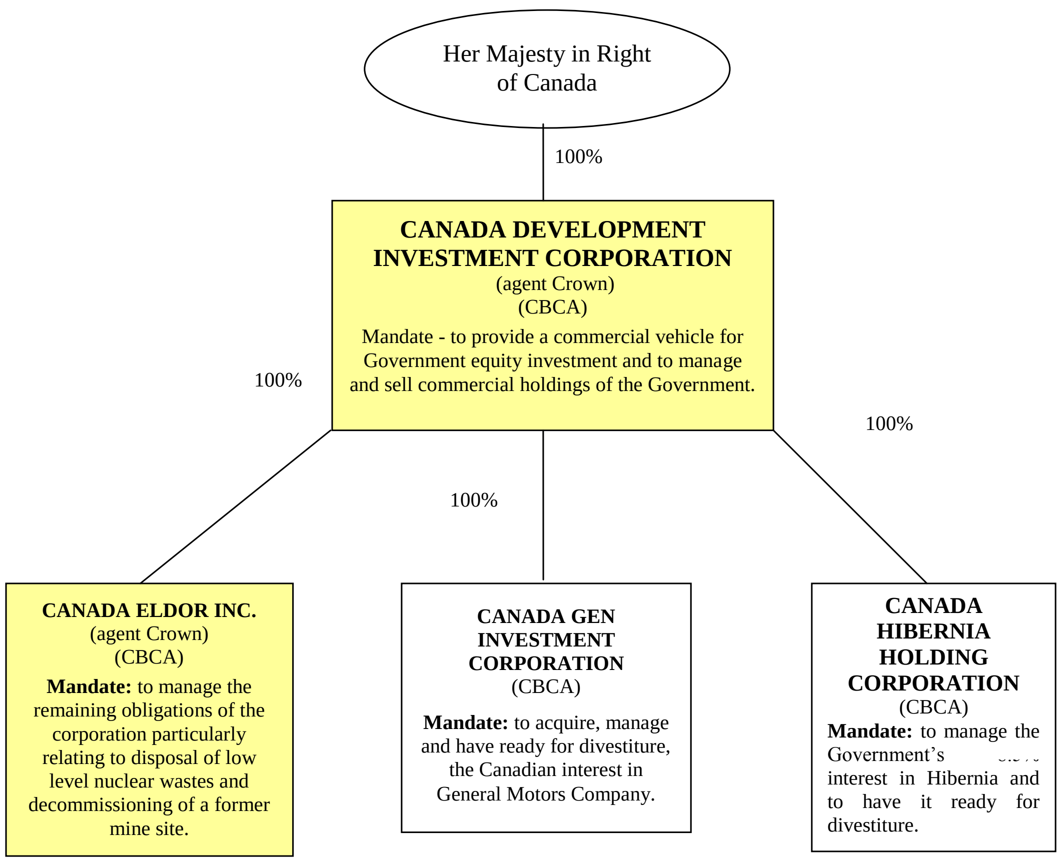
Schedule 4 - Proforma Consolidated Statements of Comprehensive Income (Loss)

$ millions (Dec 31)

	2014 Actual	2015 Plan	2015 Actual	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Revenue								
Net crude oil revenue	262.34	226.15	127.76	164.21	196.73	204.12	185.03	159.25
Dividends	189.01	149.27	28.10	-	-	-	-	-
Gain on sale of investment	858.10	-	2,130.99	-	-	-	-	-
Interest income	2.54	2.31	2.57	1.97	2.11	2.12	2.10	2.10
	1,311.99	377.73	2,289.42	166.18	198.84	206.24	187.13	161.35
Expenses								
Depletion and depreciation	47.46	40.89	28.70	34.32	34.96	32.55	28.68	25.77
Production and operating expenses	26.09	25.76	24.85	26.63	24.13	27.25	24.47	26.35
Change in value of investment in preferred shares	(17.99)	-	-	-	-	-	-	-
Professional fees	6.55	8.26	3.25	6.15	5.66	5.76	5.69	5.66
Foreign exchange loss (gain)	(0.63)	-	(40.32)	-	-	-	-	-
Salaries and benefits	3.47	3.36	3.39	3.30	3.11	3.09	3.15	3.20
Change in estimates of provision for site restoration	4.16	-	(1.15)	-	-	-	-	-
Other expenses	1.07	1.05	1.00	1.00	0.99	1.04	1.04	1.08
Defined benefit expense	0.08	0.08	0.06	0.07	0.07	0.07	0.07	0.07
	70.26	79.40	19.78	71.47	68.92	69.76	63.10	62.13
Finance costs								
Unwind of discount on decommissioning obligations	1.98	2.05	2.34	2.50	2.63	2.76	2.90	3.05
Interest on finance lease obligation	0.03	-	-	-	-	-	-	-
Unwind of discount on provision for site restoration	0.27	0.25	0.21	0.25	0.23	0.21	0.19	0.17
	2.28	2.30	2.55	2.75	2.86	2.97	3.09	3.22
Profit before income taxes	**1,239.45**	**296.03**	**2,267.09**	**91.96**	**127.06**	**133.51**	**120.94**	**96.00**
Income taxes								
Current	55.76	42.07	18.19	24.31	34.94	35.71	30.36	29.11
Deferred	(4.14)	0.58	2.60	4.34	3.29	4.23	5.99	0.11
	51.62	42.65	20.79	28.65	38.23	39.94	36.35	29.22
Profit	**1,187.83**	**253.38**	**2,246.30**	**63.31**	**88.83**	**93.57**	**84.59**	**66.78**
Other comprehensive income (loss)								
Change in fair value of available-for-sale financial assets	(394.23)	70.45	282.85	-	-	-	-	-
Realized gain on available-for-sale financial assets transferred to profit or loss	(858.10)	-	(2,130.99)	-	-	-	-	-
	(1,252.32)	**70.45**	**(1,848.14)**	**-**	**-**	**-**	**-**	**-**
Comprehensive income (loss)	**(64.50)**	**323.83**	**398.16**	**63.31**	**88.83**	**93.57**	**84.59**	**66.78**

Appendix A

CANADA DEVELOPMENT INVESTMENT CORPORATION



Note - PPP Canada Inc has been proclaimed a parent Crown Corporation and although CDEV is its sole shareholder it has no further management responsibility for this company.

Appendix A (cont.)

Board of Directors

Michael P. Mackasey, MBA [(2) (3)]
Chair
Canada Development Investment Corporation
Managing Director
Macquarie Capital Markets Canada
Mississauga, Ontario

Mary Ritchie, FCPA FCA [(1)]
CEO
Richford Holdings Ltd.
Edmonton, Alberta

Ted Howell, CPA CA, MBA [(1) (3)]
Director
St. John's, Newfoundland and Labrador

Sandra Rosch, MBA [(2) (3)]
President
Stonecrest Capital Inc.
Toronto, Ontario

Jennifer Reynolds, MBA [(1)]
President and CEO
Women in Capital Markets
Toronto, Ontario

Nicholas Wemyss, PGeo [(2) (3)]
Director
Victoria, British Columbia

Committees of the Board
(1) Audit Committee
(2) Nominating and Governance Committee
(3) Human Resources and Compensation Committee

Officers

Michael Carter
Executive Vice-President

Andrew Stafl, CPA CA, MBA
Vice-President, Finance

Zoltan Ambrus, LL.B., MBA
Vice-President

Appendix B

CHHC

CANADA HIBERNIA HOLDING CORPORATION

A wholly owned subsidiary of

Canada Development Investment Corporation

2016 CORPORATE PLAN SUMMARY

(2016 – 2020)

December , 2015

Table of Contents

1.0 Hibernia Project - Summary

Canada Hibernia Holding Corporation (CHHC), a wholly-owned subsidiary of Canada Development Investment Corporation (CDEV), was formed in March 1993 for the purpose of holding, managing, administering and operating the Government of Canada's then 8.5% working interest in the Hibernia offshore oil project, located 315 km east of St. John's, Newfoundland and Labrador.

Hibernia continues to be a very successful venture. By the end of 2015, CHHC had paid cumulative dividends of $1.9 billion[1], $226 million in federal Net Profits Interest (NPI) and $595 million in federal income tax. Dividend payments commenced after CHHC had returned $431 million in appropriations to the Government of Canada for CHHC's share of the project's capital costs.

For 2015, CHHC paid dividends of $30 million compared to the Plan forecast of $69 million as a result of lower cash flows and a decision to increase working capital as a contingency for crude oil price volatility and other uncertain items. The lower cash flows are a result of lower crude oil prices (partially offset by a weaker Canadian dollar (CAD)) and lower production volumes from delayed Hibernia Southern Extension (HSE) Unit drilling, partially offset by lower capital expenditures. At year-end 2015, CHHC's cash position was $139 million as compared to CHHC's normal minimum of $60 million as a result of the decision to increase working capital as noted above.

For 2016, dividends are forecasted at $59 million which is lower than the $107 million projected in last year's Plan for 2016. These lower dividends are due to much lower oil prices than in the previous Plan and lower near-term crude oil volumes than previously forecast arising from delayed HSE Unit drilling in 2013-2015 as well as higher than minimum working capital balances to cover identified contingencies.

CHHC's primary goal is to manage the shareholder's ownership in the Hibernia project assuring that the shareholder's interest is protected, its value is maximized and all decision-making is conducted in a commercially prudent manner.

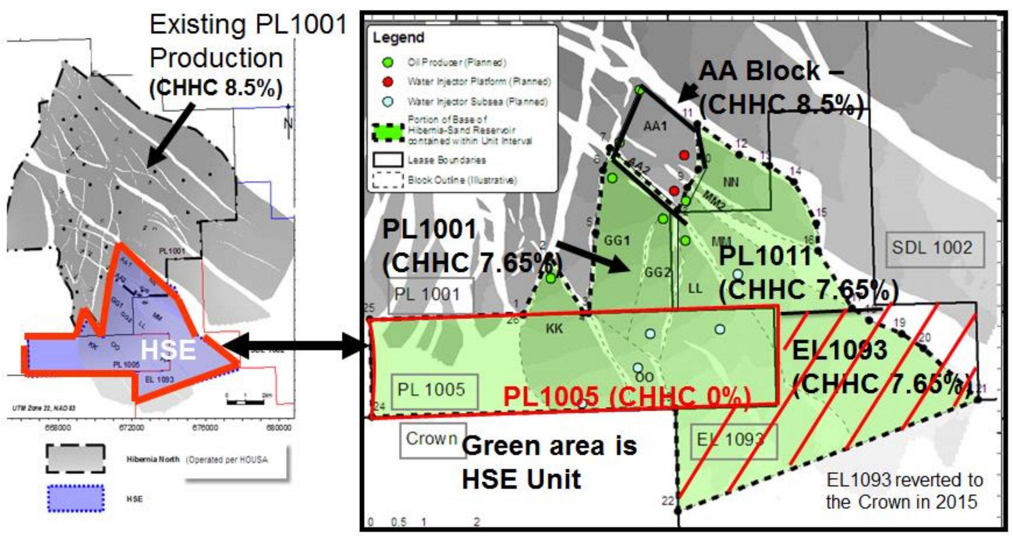
CHHC pursues this goal by active participation in all Hibernia committees which oversee the strategic direction of the project, by providing input on operational matters including safety and environmental protection, by managing the revenue stream, by ensuring adherence to all government regulations and contractual obligations, through diligent involvement in transporting and marketing activities for CHHC's share of oil production, and by setting aside funds to provide for the eventual abandonment of Hibernia.

CHHC is a single asset company deriving its cash flow solely from its Hibernia production operating assets and activities which include its share of Hibernia oil production, Hibernia facility use and processing fees, and operating contracts for local tanker transport and reserved capacity at the NTL oil transshipment terminal.

[1] All financial data is in Canadian dollars unless otherwise noted.

While CHHC's initial share of funding was obtained through appropriations from the Government of Canada, funding since 1998 has come from the sale of CHHC's portion of crude oil produced at Hibernia plus some small (by comparison) facility use, processing fees and interest on accounts. CHHC is responsible for having sufficient cash and deposits available to fund its capital and operating costs, royalties, NPI, income taxes, administrative costs and future abandonment costs without requiring additional government appropriations. CHHC is also responsible for paying federal and provincial income taxes, royalties and the NPI on the same basis as private sector companies.

CHHC has an 8.5% working interest in the portion of the Hibernia field PL1001 production license area originally approved for development and shown in the gray color on the diagram on the left below within the dashed lines. CHHC also has an 8.5% working interest in the AA block shown in gray in the right hand diagram below. The other Owners in these PL1001 areas (Main Field) are: ExxonMobil (33.125%), Chevron (26.875%), Suncor (20.0%), Murphy (6.5%) and Statoil (5.0%). The Main Field owners are also the owners of Hibernia Management and Development Company Ltd. (HMDC) and the offshore platform and facilities in proportion to their Main Field ownership.



Note 1: The "Main Field" is the "Existing PL1001 Production (CHHC 8.5%) area shown in gray on the left diagram above plus the "AA Block (CHHC 8.5%)" portion of the HSE area shown in gray on the diagram on the right.
Note 2: The "HSE Unit" area at the Hibernia sands level is shown in the above right-hand diagram in the green color.

The unitization[2] of a portion of PL1001, PL1011 (originally EL1093) and PL1005 resulted in the formation of the Hibernia Southern Extension Unit (HSE Unit). The HSE Unit lands for the Hibernia sands formation and CHHC's working interest for each lease are shown by the green area on the above right-hand diagram.

[2] A common oilfield practice where owners reach a contractual agreement to share production, costs and investments on lands and assets with different ownership to enable co-coordinated development of a common reservoir(s) or pool(s)

CHHC's initial HSE Unit working interest was 5.08482% but was adjusted to approximately 5.73% on December 1, 2015 as a result of an interim redetermination as provided for in the Unit Agreement. The Unit Agreement prescribes additional redeterminations before the Final Redetermination, according to defined criteria.

The HSE Unit came about as a result of development drilling that demonstrated that the oil-water contact was much lower than first anticipated and extended the field limits into the PL1005 lease which has different ownership than the rest of the field.

On February 16, 2010, Nalcor[3] acquired a 10% equity interest in defined Unit lands with proportionate contributions from all the Hibernia Owners.

The project is operated by the Hibernia Management and Development Company (HMDC) on behalf of the owners, with the management, administrative and technical staff provided under contract from ExxonMobil Corporation. The HSE Unit is operated in a similar manner. While the day-to-day operations of the field are managed by ExxonMobil, all Owners play an active role in decision-making.

All activities undertaken to date and contemplated in the Corporate Plan remain within the mandate of CHHC.

2.0 Review of 2015 Operations

The 2015 results discussed below are the actual 2015 full-year results.

For 2015, CHHC paid dividends of $30 million compared to the Plan forecast of $69 million as a result of lower crude oil prices partially offset by weaker CAD, lower crude oil production volumes from the HSE Unit drilling being behind schedule, and a decision to increase working capital to improve liquidity to handle contingencies. CHHC's cash was increased to $139 million at year-end 2015, compared to $61 million in the Plan.

For 2015, CHHC recognized gross crude oil revenue of $168 million, net crude oil revenue of $128 million, and net income of $54 million (see Schedule II). CHHC working interest production in 2015 was 7,500 bopd or 13% below Plan of 8,600 bopd WI. Production was lower than Plan due to development delays in the HSE Unit including an abnormally heavy ice season in 2015.

The oil price for 2015 averaged CAD $66 per barrel (bbl), vs. the planned amount of CAD $103 per bbl.

During 2015, CHHC paid to the Province[4] an average effective royalty rate of 19% of gross crude oil revenue (compared to 23% in the Plan), derived from: a 30% net royalty rate for the vast majority of the Hibernia Main Field, a 42.5% net royalty rate for the AA blocks portion of the Main Field, a sliding scale net royalty rate of 37.5% on the PL1001 portion of the HSE Unit

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[3] Nalcor is the provincial energy company of the Province of Newfoundland and Labrador
[4] The Province of Newfoundland and Labrador

and a 5% gross royalty rate on the PL1011 portion of the HSE Unit. In addition, CHHC paid 10% NPI payments to Canada on PL1001 production.

Operating costs were slightly below Plan due to certain credits related to inventory adjustments, while transportation expenses were consistent with Plan. Administrative expenses were also consistent with Plan.

CHHC's share of capital spending for 2015 was $63 million, comprised of $51 million relating to 2015 capital activity plus a $12 million capital adjustment relating to the first HSE Unit working interest adjustment of December 1, 2015 described earlier. The $51 million relating to 2015 activity was $32 million lower than Plan due to the deferral of projects.

According to the terms of the Unit Agreement, the first working interest adjustment occurred. As a result, CHHC's Unit working interest changed from 5.08% to 5.73% on December 1.

The oil producer OPKK1 commenced full production in September after the subsea water injection well WIKK2 was completed in 2015 and achieved full rates of water injection. In 2015, Unit Owners authorized drilling an additional water injection well (WIGG1-2). The oil producer OPMM1 was drilled and will produce intermittently until the companion water injection well comes on stream in 2016.

The summer installation campaign of the HSE Unit BNA subsea equipment went better than expected. Accordingly, all of the facilities subsurface and surface work for the 2 HSE Unit projects (Hibernia sands and Unit BNA sands) developments was completed in 2015.

The field work for 4D seismic acquisition program on over 600 square kilometers was completed in 2015.

Hibernia has an excellent safety and environment performance, operates a safe workplace and continues to be in compliance with regulations. There were no lost time incidents in 2015, although there was one lost time incident in 2013.

With respect to environmental compliance, there was an unauthorized release of 6,000 liters of hydrocarbons on December 18, 2013 from the offshore loading system. HMDC was charged with 4 counts in relation to this release and the Crown elected to proceed by summary conviction. HMDC pleaded "not guilty". At year-end 2015, a trial date has not yet been set.

3.0 Objectives for 2016

CHHC's major business objectives for 2016 are to deliver operating and financial performance in accordance with the budget, continue effective implementation of HSE Unit development, to encourage the development of secondary producing zone (BNA[5]) resources, continue to play an active role in monitoring and implementation of the basin wide transportation system, and promote the profitable diversification of markets for sales of Hibernia crude.

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[5] Ben Nevis - Avalon (BNA) sands are shallower in depth than the main producing Hibernia sands

4.0 Marketing and Transportation

The price that CHHC receives for its production is based on the Dated Brent benchmark which is used for crude supply to refineries with access to offshore crude imports. Brent fluctuates with global supply and demand issues, including a wide range of geopolitical factors and is priced in US dollars.

CHHC continues to jointly market its oil with Suncor. With the aging of the tankers and new fields coming on production, all Grand Banks fields (Hibernia, Terra Nova and White Rose and Hebron by 2017) owners are now sharing in a more efficient system of transportation of crude oil from the fields going forward. The new transportation system is operated by Teekay and NTL[6], in a way now that each owner nominates capacity as operationally needed, no longer requiring direct ownership or capital lease of a tanker.

5.0 Risks

The Corporate Plan has the normal variability associated with crude oil pricing, foreign exchange rates, capital expenditures, operating expenses and reservoir performance. Of these variables, the following are deemed important to CHHC for the 2016 Corporate Plan.

a) Operational and Technical Risks
b) Commodity Price Risk
c) Foreign Currency Risk
d) Regulations and Royalties Risk
e) Environmental Risks
f) Abandonment and Risk Reserve
g) Information and Data Security
h) Credit Risk

For the HSE Unit and planned BNA expansion projects, the major subsurface uncertainties are related to reservoir quality, water injection rates, sand control, reservoir faults, inter-block connectivity, and oil-water contact depth. For drilling from the platform rigs, the complexity factors are increasing for platform drilled wells because the wells are being completed at greater distances from the platform with more complex completion techniques.

CHHC has elected not to engage in hedging to protect against crude price volatility or foreign exchange hedging. The current marketing arrangement with Suncor and the sharing of revenues from multiple cargoes reduces the exposure to fluctuating prices over the year.

6.0 Financial Section

CHHC has planned for a CHHC working interest average production rate of 8,430 bopd in 2016 (gross field rate of 113,500 bopd). CHHC working interest production is expected to be 12% (930 bopd) higher in 2016 compared to 2015 due to increased production from the HSE Unit, the decreased downtime compared to 2015 with its triennial platform shut down, offset by decline of the Main Field. Main Field production is projected to decline until 2019 and then rise from new production from the capital investments in additional Main Field BNA reservoir development.

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[6] NTL is Newfoundland Transshipment Ltd.; the transshipment terminal located at Whiffen Head, NL

When integrated with the transportation and lifting schedule, the 2016 production budget is expected to result in the sale for CHHC's account of 3.08 million barrels of oil.

Gross oil revenue for 2016 is projected to total $225 million, 34% higher than forecast for 2015 due to a combination of higher realized crude oil prices and higher sales volumes. The price assumption for 2016 is a Canadian realized price to $73 per barrel in the 2016 Plan compared to $66 per barrel in 2015.

Royalties and NPI expense in 2016 are expected to increase more significantly than revenue (increase of 53%) due to a higher average combined royalty and NPI rate of 27% compared to 24% in 2015. The increase is primarily due to a lower level of capital cost deductions from lower capital spending.

Net operating cash flow is forecast to be $111 million, after project expenses (operating and transportation expenses less facility/processing fees) of $27 million, royalty payments of $47 million, NPI payments of $14 million, general and administrative costs of $3 million and income taxes of $24 million, and including interest income of $1 million.

CHHC's share of planned capital expenditures in 2016 is $50 million, 21% lower than 2015 forecast capital expenditures of $63 million. The decrease relates mainly to the deferral of projects, partially offset by a higher HSE Unit working interest.

The $50 million of planned 2016 CHHC working interest capital expenditures is composed of $44 million for drilling (77% in the HSE Unit) and $6 million for facilities and other projects (33% in the HSE Unit).

2016 Plan dividends of $59 million are $29 million higher than 2015 dividends, due to higher net crude oil revenue (resulting from more favorable budgeted oil prices and sales volumes) and lower capital expenditures. The 2016 dividends in this year's Plan of $59 million are below the 2016 dividends of $107 million budgeted in last year's Plan, due mainly to lower oil prices and the need for higher working capital to cover contingencies.

CHHC's cash flows are sensitive to fluctuations in crude oil prices, exchange rates and production volumes.

A US$5 per bbl change in oil price is estimated to result in a $9 million change in net cash flow and resulting dividends in 2016, and a 10,000 bopd change in gross Hibernia oil production is estimated to result in a $12 million change in net cash flow.

7.0 Organization

Since its inception in 1993, CHHC has been staffed by a modest number of experienced energy industry professionals. At the end of 2015, the staff consisted of 8 full and part-time employee positions (6.6 full-time equivalent), and 1 part-time contractor. Reservoir evaluation, legal, audit, insurance, administrative and other advisory services are also accessed when required.

8.0 Pro forma Financial Statements

CHHC prepares its financial statements in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), with effect from January 1, 2010.

Attached are Schedules I, II and III.

Canada Hibernia Holding Corporation **Schedule I**
Proforma Statements of Financial Position
December 31, 2014 To 2020
Cdn$ millions

	2014 Actual	2015 Plan	2015 Actual	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Assets								
Current assets:								
Cash and short term investments	114.61	60.51	139.17	100.13	100.73	100.47	100.28	100.60
Accounts receivable	38.83	40.02	20.36	36.09	15.39	15.39	15.39	15.39
Prepaid expenses	0.28	0.28	0.25	0.28	0.28	0.28	0.28	0.28
Inventory	0.70	3.02	5.25	0.70	0.70	0.70	0.70	0.70
Total current assets	**154.42**	**103.83**	**165.03**	**137.20**	**117.10**	**116.84**	**116.65**	**116.97**
Property and equipment:								
Hibernia project facilities and wells	342.18	423.88	438.02	497.89	541.21	590.81	647.38	674.00
Crude oil tanker	13.55	13.55	-	-	-	-	-	-
Total property and equipment at cost	355.73	437.43	438.02	497.89	541.21	590.81	647.38	674.00
Less accumulated depletion and depreciation	(196.14)	(242.55)	(213.91)	(247.85)	(282.81)	(315.36)	(344.04)	(369.81)
Net property and equipment	**159.59**	**194.88**	**224.11**	**250.04**	**258.40**	**275.45**	**303.34**	**304.19**
Other assets:								
Deferred tax asset	13.98	15.17	11.38	5.92	2.63	-	-	-
Cash held in escrow	5.97	11.92	4.60	11.92	11.92	11.92	11.92	11.92
Abandonment and risk fund	97.34	98.17	97.83	103.35	108.99	109.63	110.28	110.93
Total other assets	**117.29**	**125.26**	**113.81**	**121.19**	**123.54**	**121.55**	**122.20**	**122.85**
	431.30	**423.97**	**502.95**	**508.43**	**499.04**	**513.84**	**542.19**	**544.01**
Liabilities and Shareholder's Equity								
Current liabilities:								
Accounts payable and accrued liabilities	27.08	19.83	35.96	21.89	19.10	19.10	19.10	19.10
Income taxes payable	(12.10)	(0.40)	(7.92)	(4.05)	(4.05)	(4.05)	(4.05)	(4.05)
Total current liabilities	**14.98**	**19.43**	**28.04**	**17.84**	**15.05**	**15.05**	**15.05**	**15.05**
Other liabilities:								
Deferred tax liability	-	-	-	-	-	1.60	7.59	7.70
Decommissioning liability	95.94	77.94	130.91	132.81	132.85	133.91	135.11	136.46
Total other liabilities	**95.94**	**77.94**	**130.91**	**132.81**	**132.85**	**135.51**	**142.70**	**144.16**
Shareholder's equity:								
Retained earnings	320.38	326.60	344.00	357.78	351.14	363.28	384.44	384.80
Total shareholder's equity	**320.38**	**326.60**	**344.00**	**357.78**	**351.14**	**363.28**	**384.44**	**384.80**
	431.30	**423.97**	**502.95**	**508.43**	**499.04**	**513.84**	**542.19**	**544.01**

Canada Hibernia Holding Corporation — Schedule II

Proforma Statements Of Income And Retained Earnings

Years Ended December 31, 2014 To 2020

Cdn$ millions

	2014 Actual	2015 Plan	2015 Actual	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Revenue								
Crude oil sales	403.67	323.08	168.10	224.94	287.20	291.60	264.32	243.14
Royalty	(108.21)	(74.32)	(31.31)	(47.23)	(68.93)	(67.07)	(60.79)	(65.65)
Net profits interest	(33.12)	(22.61)	(9.03)	(13.50)	(21.54)	(20.41)	(18.50)	(18.24)
Net crude oil sales	262.34	226.15	127.76	164.21	196.73	204.12	185.03	159.25
Interest income	2.06	1.85	1.75	1.22	1.39	1.39	1.40	1.40
Facility use and processing fee income	0.47	2.52	1.66	2.43	3.33	4.59	3.51	2.25
Total revenue	**264.87**	**230.52**	**131.17**	**167.86**	**201.45**	**210.10**	**189.94**	**162.90**
Expenses								
Field operating	21.04	22.00	20.62	21.68	19.94	24.84	21.81	23.06
Transportation	5.52	6.28	5.88	7.38	7.52	7.00	6.17	5.54
Administration	3.34	3.43	3.47	3.25	2.81	2.87	2.87	2.90
Interest - capital lease	0.03	-	-	-	-	-	-	-
Depletion and depreciation	47.46	40.89	28.70	34.32	34.96	32.55	28.68	25.77
Accretion	1.98	2.05	2.34	2.50	2.63	2.76	2.90	3.05
Other	(1.12)	-	(4.25)	-	-	-	-	-
Total expenses	**78.25**	**74.65**	**56.76**	**69.13**	**67.86**	**70.02**	**62.43**	**60.32**
Net income before tax	**186.62**	**155.87**	**74.41**	**98.73**	**133.59**	**140.08**	**127.51**	**102.58**
Income taxes								
Deferred income tax	(4.14)	0.58	2.60	4.34	3.29	4.23	5.99	0.11
Current income tax	55.76	42.07	18.19	24.31	34.94	35.71	30.36	29.11
Total income taxes	51.62	42.65	20.79	28.65	38.23	39.94	36.35	29.22
Net income	**135.00**	**113.22**	**53.62**	**70.08**	**95.36**	**100.14**	**91.16**	**73.36**
Retained earnings:								
Beginning of year	282.38	282.38	320.38	346.70	357.78	351.14	363.28	384.44
Dividends	(97.00)	(69.00)	(30.00)	(59.00)	(102.00)	(88.00)	(70.00)	(73.00)
End of year	**320.38**	**326.60**	**344.00**	**357.78**	**351.14**	**363.28**	**384.44**	**384.80**

Canada Hibernia Holding Corporation

Schedule III

Proforma Statements Of Cash Flow

Years Ended December 31, 2014 To 2020

Cdn$ millions

	2014 Actual	2015 Plan	2015 Actual	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan
Operating activities:								
Net income for year	135.00	113.22	53.62	70.08	95.36	100.14	91.16	73.36
Depletion and depreciation	47.46	40.89	28.70	34.32	34.96	32.55	28.68	25.77
Accretion	1.98	2.05	2.34	2.50	2.63	2.76	2.90	3.05
Interest, net	(2.03)	(1.85)	(1.75)	(1.22)	(1.39)	(1.39)	(1.40)	(1.40)
Income tax expense	51.62	42.65	20.79	28.65	38.23	39.94	36.35	29.22
Unrealized foreign exchange gain	(0.08)	-	-	-	-	-	-	-
Abandonment activities	(1.70)	(2.00)	(0.71)	(0.72)	(2.59)	(1.70)	(1.70)	(1.70)
Income taxes paid	(66.95)	(42.07)	(14.02)	(24.31)	(34.94)	(35.71)	(30.36)	(29.11)
Changes in non-cash working capital	24.68	0.94	7.42	0.99	17.91	-	-	-
	189.98	**153.83**	**96.39**	**110.29**	**150.17**	**136.59**	**125.63**	**99.19**
Investing activities:								
Hibernia project facilities and wells	(49.95)	(83.40)	(62.50)	(49.66)	(43.32)	(49.60)	(56.57)	(26.62)
Interest received	2.06	1.85	1.75	1.22	1.39	1.39	1.40	1.40
Cash held in escrow	-	(5.95)	1.37	(5.95)	-	-	-	-
Abandonment and risk fund	(0.79)	(0.83)	(0.49)	(5.48)	(5.64)	(0.64)	(0.65)	(0.65)
Changes in non-cash working capital	(4.41)	-	18.05	-	-	-	-	-
	(53.09)	**(88.33)**	**(41.82)**	**(59.87)**	**(47.57)**	**(48.85)**	**(55.82)**	**(25.87)**
Financing activities:								
Dividends paid to CDEV	(97.00)	(69.00)	(30.00)	(59.00)	(102.00)	(88.00)	(70.00)	(73.00)
Interest paid	(0.03)	-	-	-	-	-	-	-
Lease obligation payments	(1.98)	-	-	-	-	-	-	-
	(99.01)	**(69.00)**	**(30.00)**	**(59.00)**	**(102.00)**	**(88.00)**	**(70.00)**	**(73.00)**
Change in cash	**37.88**	**(3.50)**	**24.57**	**(8.58)**	**0.60**	**(0.26)**	**(0.19)**	**0.32**
Cash, beginning of year	**76.73**	**64.01**	**114.60**	**108.71**	**100.13**	**100.73**	**100.47**	**100.28**
Cash, end of year	**114.61**	**60.51**	**139.17**	**100.13**	**100.73**	**100.47**	**100.28**	**100.60**