



May 12, 2016

Attention: CSUR Members

RE: CSUR Member Value for 2016

By now, your company's main member contacts will have received CSUR's Annual Report and associated materials. These are also available on the Society's website. Whereas those materials primarily focus on the Society and its performance in 2015, this letter is an opportunity to focus on 2016 and make you aware of how CSUR will continue to deliver member value while adapting to the difficult economic circumstances facing our industry.

In late 2015 the Board gave extensive consideration to its strategic plan and the future of the organization. Among the directors there was unanimity that CSUR's mission remains valid and that it continues to bring solid value to its member companies and their employees. The Board tested that belief by setting a goal for 2016 membership renewal and that goal was met, and, in fact, exceeded. In addition the Board worked diligently with the Executive on both cost constraints and revenue generation efforts over the last six months. As a result, I'm pleased to say that we are confident of sustaining CSUR well into the future. Member value will continue to be delivered in familiar ways, largely through events engaging our members as well as initiatives that inform and showcase the industry's technological capabilities to people outside our industry. Although this is how CSUR has traditionally delivered its value, there will be some shifts in our approach.

Over the past year, CSUR has been placing an increased emphasis on interacting with its broad-based membership. The Society has always welcomed the participation of its members going back to when the organization was originally founded – but the current downturn has heightened the need to understand the drivers of value for our members and the issues they are facing. In all likelihood, you've had recent direct personal contact from CSUR's Executive or directors and this will be a continuing priority throughout 2016. This ongoing engagement will allow us to understand your relevant issues and priorities and will apply to all of CSUR's membership categories; governments, regulators, academic institutions, the E&P sector, consulting firms, and the service sector.

Over the past five years our industry has seen significant changes in conferences and events. Multi-day, multi-themed conferences do not draw the level of support that they did in earlier years. Members have indicated to us that they want targeted, focused events delivering a single session of relevant information. In recognition of this, CSUR delivered the "Montney Innovation Day" and subsequently the "Deep Basin Workshop" in early 2016. The attendance and the post event feedback indicate that these types of events were very much of interest and fit our members' needs. More diversified events are currently under development, such as the recently announced "BC Day" in early June and the "Alberta Day" scheduled for early September. These

one day sessions deliver on the critical need for collaboration and engagement between industry and provincial governments on issues of relevance.

All of these sessions, and their specific format and content, were developed through constant engagement and dialogue with our membership.

Heading into 2016, fiscal restraint was required by the organization. In order to achieve our targets, CSUR's volunteers, including committee members and directors, have taken on tasks and responsibilities previously handled by the management and staff. For example, volunteers and a specific sub-set of the board have taken on a considerable portion of the society's advocacy efforts. Over the course of 2016 this will be extended to media engagement in order to improve the accuracy of journalistic coverage of our technologies. The need for factually based reporting is essential in today's world. As with our advocacy efforts, this media engagement will be consistent to CSUR's mission statement: to focus on facts related to technology that all of the broad-based membership can support. The board, executive and committees will all have a role in this engagement.

Achieving capital efficiencies must also be addressed, and for a non-profit such as CSUR these are dominated by overhead. Since the downturn began in late 2014, CSUR has been reducing G & A; initially by not filling vacated positions and more recently through staff reductions. CSUR's office lease expired at the end of April and the society has now negotiated a very attractive sub-lease agreement which has reduced its office space costs significantly.

In closing, on behalf of the Board and Executive of CSUR, I thank you for your continued support in 2016. We look forward to you and your organization being active participants in the Society. Please keep an eye out for our communications because our events are being drawn from your input. The Board and Executive are committed to ensure that CSUR remains a viable and valuable entity.

On behalf of the Board and Executive,
Yours truly,



Wally Kozak
Chairman