

RISK AND SAFETY MANAGEMENT PLAN PUBLIC NOTIFICATION REGARDING AN ENVIRONMENTAL EMERGENCY

The purpose of this document is to provide the public with information in the event of a propane emergency. Additionally, the federal Environmental Emergency Regulations require facilities using or storing regulated substances above a defined threshold of 4.5 metric tonnes (approximately 2,345 United States Water Gallons (USWG)) to notify members of the public who may be affected by an environmental emergency.

Coverage includes:

- The general public immediately surrounding the facility may be affected by the consequences of an environmental emergency occurring at the facility.

McDougall Energy Inc. (“McDougall Energy”) stores propane above the defined threshold at its facility located at 900 McNabb St. in Sault Ste. Marie, Ontario. The storage consists of (1) 30,000 USWG horizontal tank and (1) 500 USWG tank. Propane at this facility is used for the transfer of propane to and from bulk propane trucks, the filling of portable containers and the fueling of propane vehicles.

Typical hazards at this propane facility that may pose a threat to public safety include explosions and fires.

A worst-case scenario for a propane facility would consist of a fire at a bulk tank leading to a Boiling Liquid Expanding Vapour Explosion (“BLEVE”). Such an event includes rupture of the pressure vessel, resulting in an explosion with a shockwave that can propel tank fragments and a fireball.

The environmental emergency that would impact offsite property and is more likely to occur than a BLEVE would be a liquid propane release equivalent to a 2” diameter opening, resulting in a Vapour Cloud Explosion (“VCE”) or flash fire followed by a jet fire. The most likely scenario to cause a 2” leak is a transfer hose break. It should be noted that this environmental emergency has been calculated to have a probability of less than 1 in 100,000 years.

Although a VCE can impact a large area surrounding a propane release, its short emission duration generally limits environmental consequences to localized air quality degradation from smoke and combustion by-products. Similar to a BLEVE, potential harm to human health includes thermal burn and inhalation injuries within the impact radius.

As part of the Risk and Safety Management Plan, McDougall Energy has developed an Emergency Response Plan (“ERP”) / Environmental Emergency (E2) Plan to help prevent, manage, and mitigate emergencies involving propane at this facility. On-site emergency equipment and resources include emergency stop devices, emergency equipment stored in bulk trucks, and an evacuation kit.

In the event of a propane emergency, the facility will be shut down, and employees, contractors, and visitors will be evacuated to a designated muster area. This evacuation will be coordinated with local public safety authorities, including Municipal Emergency Services, who will be notified to ensure a swift and effective emergency response.

Emergency Services may decide to notify and evacuate members of the public who may be adversely affected by the propane emergency. If you are in the vicinity of the facility, please wait for instructions from municipal authorities and Emergency Services. Please follow their guidance and cooperate with any evacuation orders. Your safety is our top priority.

For more detailed information on propane and its effects on human health and the environment, we encourage you to refer to the [Propane Safety Data Sheet](#). Understanding the potential risks can empower you to take appropriate safety measures in the event of an emergency.