

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU"), dated July 16, 2025 ("Effective Date"), is made by and between NARL Marketing LP, by its general partner, NARL Marketing Inc. ("North Atlantic") and His Majesty the King, in right of the Province of Newfoundland and Labrador, as represented by the Department of Industry, Energy and Technology ("GNL"). As used herein, a reference to a "Party" shall mean either North Atlantic or GNL, individually, and references to the "Parties" shall mean North Atlantic and GNL, collectively.

WHEREAS GNL is the owner of land, port facilities and adjacent structures located in Bull Arm, NL (the "Bull Arm Fabrication Site");

AND WHEREAS the Parties wish to discuss the terms on which GNL will provide a long-term leasehold interest in the Bull Arm Fabrication Site to North Atlantic;

AND WHEREAS this MOU and the term sheet attached hereto as Exhibit "A" (the "Term Sheet") collectively set forth certain commercial and legal terms and conditions to be included in a commercial lease agreement between the Parties for the Bull Arm Fabrication Site, (the "Proposed Transaction").

NOW THEREFORE, in consideration of the mutual intentions and understandings herein, the Parties agree as follows:

1. Non-Binding.

This MOU and the Term Sheet are intended for discussion purposes only and neither of the Parties to these discussions or any of their respective affiliates shall be legally bound with respect to the transactions contemplated by this MOU or the Term Sheet, or obligated to undertake the Proposed Transaction unless and until such Parties have executed and delivered to each other a definitive, binding written agreement in respect of the Proposed Transaction, and such other definitive, binding written agreements as may be agreed between the Parties, subject in all respects to the satisfaction of any conditions precedent to effectiveness set forth therein (the "Definitive Agreement(s)").

2. Best Efforts.

The Parties agree to use their respective best efforts to negotiate the Definitive Agreement(s) at the earliest practicable time.

3. Term.

This MOU shall commence on the Effective Date and shall terminate on the earlier of the day that is twelve (12) months following the Effective Date or the date of execution of the Definitive Agreement(s).

4. Costs.

Each Party shall bear its own costs and expenses (including fees of counsel and outside advisors) in connection with the preparation, negotiation and execution of this MOU (whether or not the Proposed Transaction is consummated) and in connection with the negotiation, authorization, execution and delivery of any Definitive Agreement(s).

5. Announcements and Confidentiality.

No public announcement (whether in the form of a press release or otherwise) shall be made by or on behalf of either Party or their agents or representatives with respect to the subject matter of this MOU unless the Parties mutually agree to do so.

During the term of this MOU, either Party (as the "Disclosing Party") may disclose or make available to the other Party (as the "Receiving Party") information about its business affairs, products/services, confidential intellectual property, trade secrets, third-party confidential information and other sensitive or proprietary information, whether orally or in written, electronic or other form or media, and whether or not marked, designated, or otherwise identified as "confidential" (collectively, "Confidential Information").

Confidential Information shall not include information that, at the time of disclosure: is or becomes generally available to and known by the public other than as a result of, directly or indirectly, any breach of this Section 5 by the Receiving Party or any of its representatives; is or becomes available to the Receiving Party on a non-confidential basis from a third-party source, provided that such third party is not and was not prohibited from disclosing such Confidential Information; was known by, or in the possession of, the Receiving Party or its representatives before being disclosed by or on behalf of the Disclosing Party; was or is independently developed by the Receiving Party without reference to or use, in

whole or in part, of any of the Disclosing Party's Confidential Information; or (v) is required to be disclosed under applicable federal, provincial or territorial law, regulation or a valid order issued by a court or governmental agency of competent jurisdiction.

The Receiving Party shall: protect and safeguard the confidentiality of the Disclosing Party's Confidential Information with at least the same degree of care as the Receiving Party would protect its own Confidential Information, but in no event with less than a commercially reasonable degree of care; not use the Disclosing Party's Confidential Information, or permit it to be accessed or used, for any purpose other than to exercise its rights or perform its obligations under this MOU; and not disclose any such Confidential Information to any person or entity, except to the Receiving Party's representatives who need to know the Confidential Information to assist the Receiving Party, or act on its behalf, to exercise its rights or perform its obligations under this MOU.

6. Miscellaneous.

(a) Governing Law & Dispute Resolution. This MOU shall be governed by and construed in accordance with the laws of the Province of Newfoundland and Labrador.

(b) Entire Agreement. This MOU constitutes the entire understanding and agreement of and among the Parties with respect to the Proposed Transaction and supersedes all prior representations and agreements, verbal or written, with respect to the Proposed Transaction.

(c) Amendment & Waiver. This MOU cannot be modified orally and can only be modified by an instrument in writing signed by the Parties hereto. No provision of this MOU shall be deemed to have been waived by a Party unless such waiver is in writing and executed by the Party the waiver is being enforced against.

(d) Assignment. Neither this MOU nor any interest herein may be assigned, in whole or in part, by either Party hereto without the prior written consent of the other Party hereto, not to be unreasonably withheld or delayed except that either Party shall be entitled to assign its rights in whole or in part hereunder to a wholly-owned subsidiary or affiliated company.

(e) Headings. Paragraph headings are for convenience only and shall not limit in any way the scope or interpretation of any provision of this MOU.

(f) Enforceability. If any provision of this MOU is held void, illegal,

unenforceable or in conflict with any law of a federal, state, provincial or local government having jurisdiction over this MOU, the validity of the remaining provisions will not be affected thereby.

(g) Counterparts. This MOU may be executed in counterparts and by electronic means (including pdf and/or certificate-based digital signature) and delivered by electronic copy, and such electronic copy signatures and delivery shall be valid and binding as if original documents were delivered and all such counterparts shall together constitute one and the same agreement.

(h) No Partnership. This MOU does not constitute a joint venture, partnership, consortium or agency relationship or any other form of joint or business venture between the Parties. Under this MOU, neither Party has the right to act as an agent, partner or employee of the other and neither Party shall have the authority to bind or commit the other Party.

(i) Notices. For the purposes of notices pursuant to this MOU, the contact representatives of the Parties are:

GNL:

Contact Name: John Cowan

Email: jcowan@gov.nl.ca

Mailing Address: 50 Elizabeth Avenue, St. John's, NL A1B 4J6

North Atlantic:

Contact Name: Ted Lomond

Email: tedlomond@northatlantic.ca

Mailing Address: 29 Pippy Place, St. John's, NL A1B 3X2

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IN WITNESS WHEREOF, the Parties have executed this MOU as of the Effective Date set forth herein.


Witness "Barrister, NL"

NARL MARKETING LIMITED
PARTNERSHIP, by its general
partner, NARL MARKETING INC.

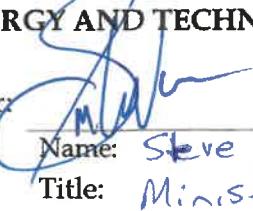
Per:


Name: Ted Lomond
Title: President & CEO


Witness
John Cowan, DM

HIS MAJESTY THE KING, in right of
the PROVINCE OF
NEWFOUNDLAND AND
LABRADOR, as represented by the
DEPARTMENT OF INDUSTRY,
ENERGY AND TECHNOLOGY

Per:


Name: Steve Crocker
Title: Minister

Concept	Term
Special Management Area	<p>Under subsection 57(1) of the Lands Act, a portion of the Bull Arm Fabrication Site (BAFS) containing an area of 10 square kilometers as shown on the attached Map falls within the Sunnyside (Bull Arm) Special Management Area (Regulation 758/96). The Sunnyside (Bull Arm) Special Management Area Regulations (Regulation 759/96) therefore apply to this MOU and Term Sheet and take precedence over any language that is contrary or inconsistent with these Regulations.</p>
Lease Term	<p>The Government of Newfoundland and Labrador (GNL) agrees to lease BAFS in its entirety to North Atlantic (NA) for a term of 30 years with NA having a renewal option at the end of the lease term.</p>
Site Purchase	<p>NA will have right of first refusal should GNL decide to divest of BAFS, or any portion thereof.</p>
Operating Costs	<p>NA will incur all site operating costs, including those outlined in Schedule 1 hereto. In incurring these costs, NA must maintain the level of service provided at the site as of the execution date of the definitive agreement. NA commits to the continuation of employment for contracted operations personnel for a minimum of 1 year.</p>
Maintenance Costs	<p>NA will incur all corrective maintenance costs associated with infrastructure used to deliver the operations services, including those outlined in Schedule 1 hereto.</p>
Capital & Maintenance Work	<p>NA commits to incur a minimum of \$10M CAD in capital expenditures over a 6-year period beginning on the execution date of the definitive agreement. Maintenance and capital expenditures costs incurred to satisfy this commitment will be recognized according to IFRS (International Financial Reporting Standards).</p>
Commitment	<p>In addition to the commitment to cover site operating and maintenance costs as described above, NA proposes a profit-sharing model whereby GNL will be entitled to receive 10% of the profit as its annual profit share payment. Profit will be determined on an annual basis (calendar year) and will be based on independently audited financial statements for the corporate entity that NA establishes to manage business activities at BAFS. Financial statements will be prepared in accordance with IFRS (International Financial Reporting Standards). Non-arm's-length transactions shall be reported at the lesser of the actual cost or fair market value. The profit calculation will not include any transactions which both (i) serve no bona fide commercial purpose and (ii) have the effect of decreasing profit.</p>
Profit Sharing	<p>Eligible revenues generated from the site will include but are not limited to those generated through the rental of any building, berthage, anchorage, wharfage or laydown area, or those generated through the provision of the following services: security, electricity, water, sewer, snow clearing, UHF radio, and firefighting. Excluded revenues from the profit calculation shall be any revenue generated through the sale of fuel, heavy haul trucking, generation of wind power and/or sale of hydrogen and its derivatives.</p>

Wind & Hydrogen Development Lands	<p>As part of the negotiation of the Definitive Agreement(s), the parties will work towards providing NA with a reserve for certain lands within the boundary of BAFS for the purposes of wind power generation and/or the production of hydrogen and its derivatives. It is intended that similar terms and conditions of the reservation described in the Recommendation Letter provided to North Atlantic Refining Limited for the Wind Hydrogen Hub by the Minister of Industry, Energy and Technology on July 24, 2024 will apply to any negotiated BAFS lands that are held in reserve for NA.</p> <p>In utilizing land within the boundary of BAFS for wind power and/or hydrogen production activities, NA will ensure sufficient setbacks are maintained so as to provide reasonable space for the expansion of existing marine and fabrication facilities.</p>
Purchased Lands	<p>GNL agrees to negotiate in good faith with NA towards the purchase of land parcels on commercially reasonable terms within the boundaries of BAFS, including, but not limited to the following:</p> <ol style="list-style-type: none"> 1. 20 acres of land for commercial purposes consistent with NA existing business. 2. 20 acres of land for the purposes of developing a Wind-to-Hydrogen Pilot Park as shown in the Plot Plans included in Schedule 2 hereto.
Subleases	<p>As part of the negotiation of the Definitive Agreement(s), the parties will work towards providing NA with exclusive rights to NA to sublease any portion of BAFS. GNL agrees not to lease, offer to lease, or engage another entity to lease BAFS, and all inquiries or offers regarding leasing shall be referred to NA.</p>
Site Access	<p>NA will negotiate in good faith with all parties seeking to utilize BAFS for activities that are compatible with the overall use of the site and will provide access to those parties on commercially reasonable terms.</p>
Health, Safety and Environmental Liability	<p>NA agrees to conduct, at its own expense, an environmental site assessment (ESA) of the BAFS. GNL agrees to indemnify NA from the costs of rectifying any environmental, health, or safety issues identified in the ESA that were pre-existing as of the date of execution of the definitive agreement.</p>
Electricity	<p>NA will have exclusive rights to the utilization of BAFS electrical transmission assets, excluding those transmission assets that are owned by Newfoundland and Labrador Hydro and/or Newfoundland Power Inc.</p>

Termination/Value Added	<p>Ownership of fixed assets at BAFS associated with NA capital expenditures will transfer to GNL upon the lease expiration date. However, in the event GNL triggers the early termination of the lease for any reason other than a breach of terms of the definitive agreement by NA, provisions will be provided for proportionate reimbursement of capital expenditures made by NA up to the lease termination date based on net book value of the fixed assets as defined in IFRS (International Financial Reporting Standards). Reimbursement would not be required in the event NA chooses to terminate the lease on its own discretion. NA will have the right to remove non-fixed assets associated with NA capital expenditures.</p>
Benefits, Agreement and Diversity and Inclusion Plan	<p>NA commits to enter into a Benefits Agreement, including a Diversity, Equity and Inclusion Plan that will apply to BAFS operations.</p>

Schedule 1

Category	Activity	Category	Activity
Security	Buildings Access Points Marine (ISPS & MARSEC) Fencing & Gates Security System Radio System	Marine	Bollards & Quays Fenders Registration
Infrastructure & Maintenance	Building Maintenance (all Structures): - Mechanical Systems - Electrical Systems - Building Envelopes including roofs - Cranes & Certification Roads & Laydowns: - Signage - Barriers - Markings - Snow clearing (Salt & Sand) - Pavement Surface - Grading - Ditches & Water Runoff Controls - Culverts	Non-tangible Services	Environmental Studies & Permits Civil studies & Design Community Outreach Business Development Marketing Bonding Insurance
Utilities	Site Power Distribution Systems: - Main and Substations - Metering & NL Power Water & Firewater Distribution Systems: - Chlorination System - Water Testing and Certification - Hydrants, Flushing & Delivery Testing Sewage Treatment Plant: - UV System - Decanters - Bubbler System - Testing & Certification	Operations	PPE & Consumables Personnel Equipment (operation & Maintenance): - Trucks - Boat(s) - Flier - Telehandler - Loader Firefighting Equipment & Agreements Simultaneous Operations Management Fuel & Electricity Telecoms & Distribution including Internet
		Capital Investment & Replacements	Roofs New Facilities & Buildings Metering
		Health & Safety & Environment	Fire Extinguishers Fire Systems AEDs Lighting & Walkways Signage Orientations Remediation & Containment Equipment Medic Station & Agreements

Schedule 2



