



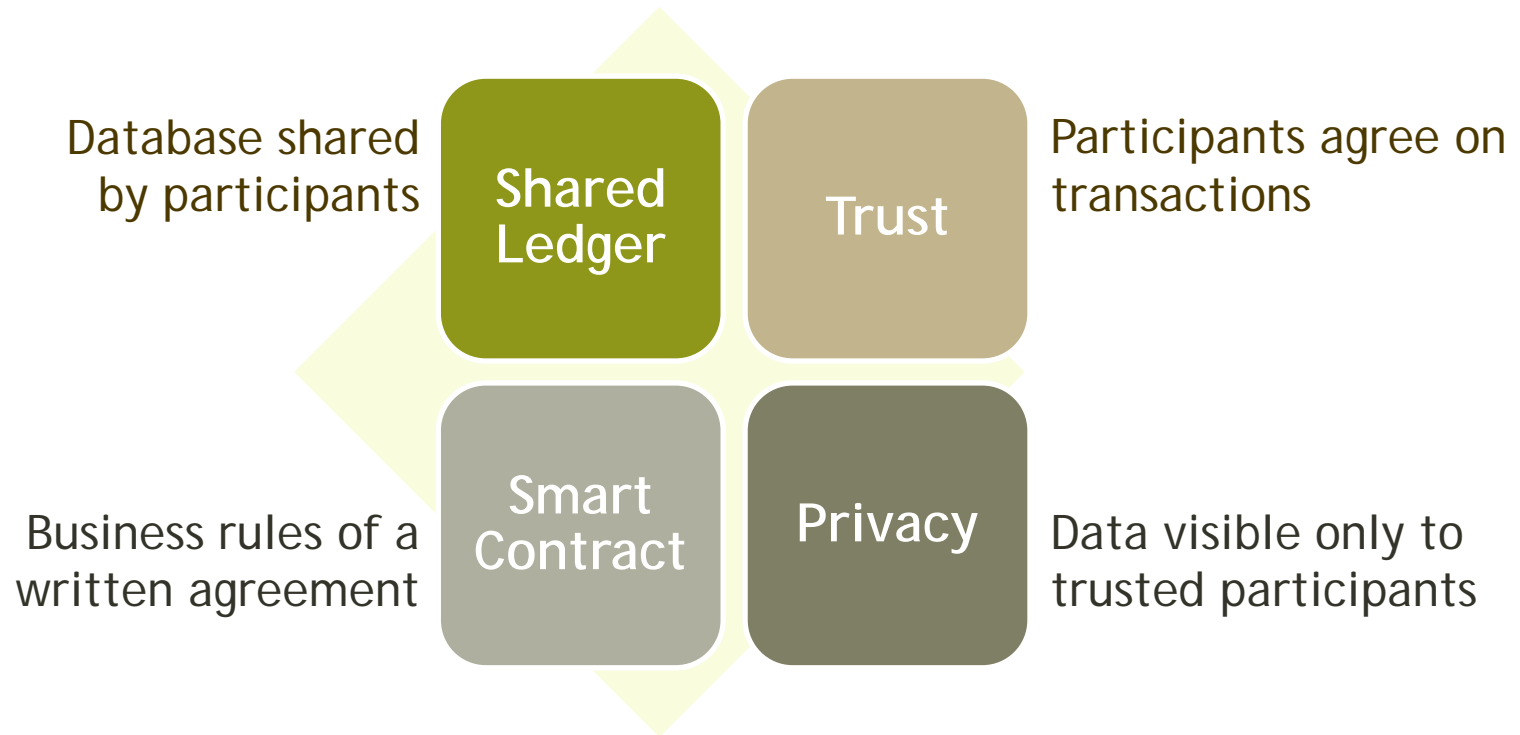
PTAC Oil & Gas in the Digital Era Forum  
September 27, 2018

# Blockchain for the Canadian Oil & Gas Industry

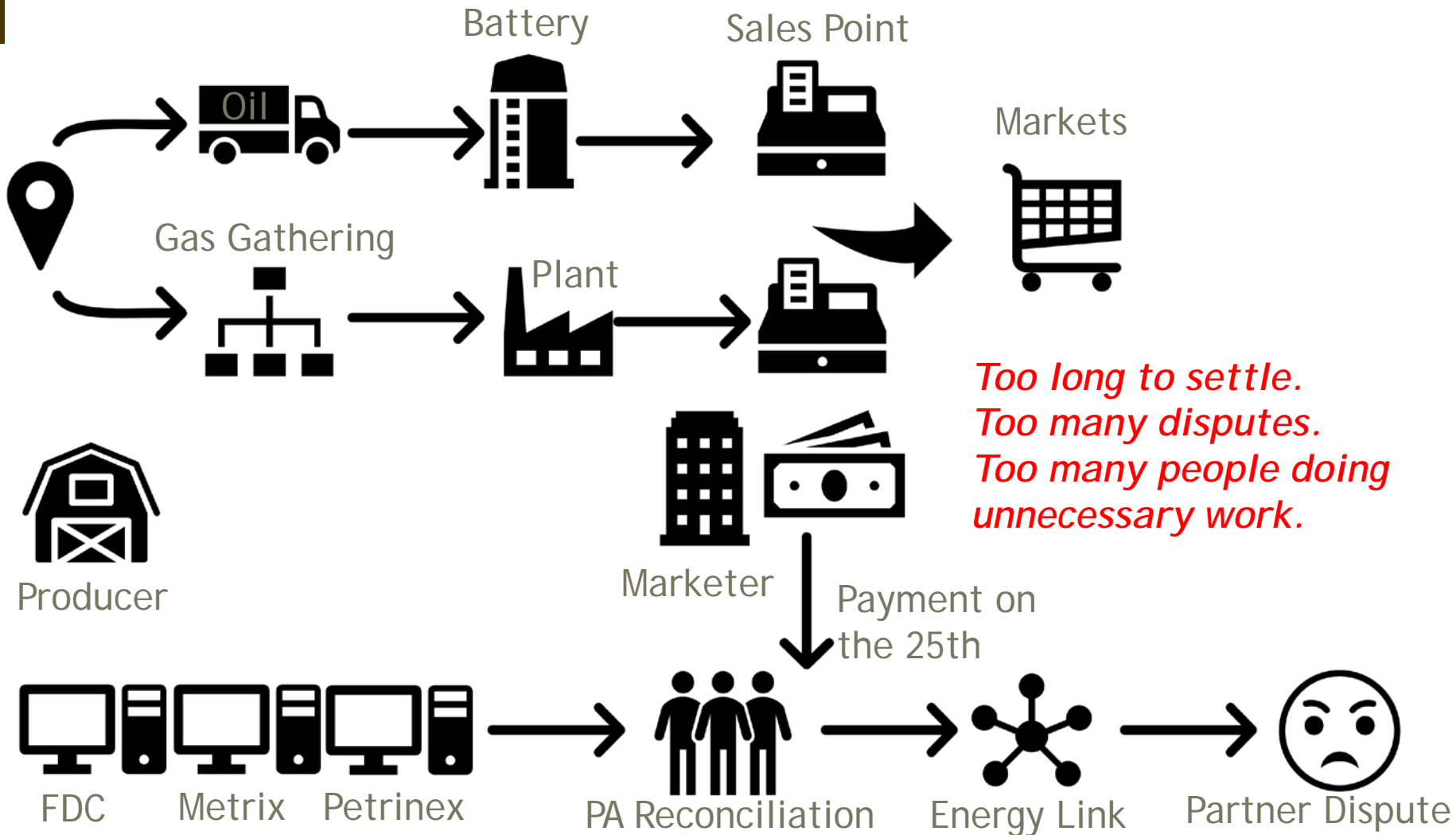


# What is a Blockchain?

A blockchain is a network of databases between stakeholders that record and share all transactions



# Current Situation



# Blockchain Implications for the Industry

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- Elimination of partner disputes
- Increased speed of payments
- Real time reporting to partners and regulators
- Reduced audit risk
- Lower costs

# The Business Case for Royalty Ledger

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- Eliminate up to 80% of the effort while increasing the speed of money exchange
- Effort per Month:
  - 30,387 individual royalty calculations
  - 5,459 invoices
  - 940 remittances
  - \$1.8 MM of payments
  - 13 Accounting FTE's for two days a month

# What NAL Has Done With Blockchain

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- Worked extensively developing the Oil & Gas platform with GuildOne since 2017
- First royalty transaction with Prairie Sky and ATB
- Building Smart Contracts with Royalty Owners
- Expecting to be transacting all freehold royalties by end of 2019
- Working on an internal blockchain to synchronize all internal data

# NAL's Next Target - A/R

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- \$6.5 MM in Accounts Receivable
- \$1 MM in people costs
  - Eight Joint Venture Accountants
  - 75% of time spent dealing with disputes
  - 6,500 lines of monthly JIB disputes

# The Future of Blockchain for Oil & Gas

