



**TO ALL SOGHU REGISTERED OIL PROCESSORS**

**NOTICE REGARDING THE UPDATE OF THE TEMPORARY AND VARIABLE INCENTIVE  
TO OIL PROCESSORS REGISTERED WITH SOGHU**

As we had previously stated in our email in April 2020, the amount of the temporary and variable incentive to oil processors registered with SOGHU is determined on the average monthly closing price of crude oil (WTI) in US dollars. The adjustment of the temporary and variable incentive will be done as per the following scale:

Monthly average price of (\$/b)	Temporary Incentive to the processor (cents/liter)
Below \$40 USD	\$0.05
Between \$40 & \$50 USD	\$0.03
Between \$50 & \$60 USD	\$0.01
Above \$60 USD	\$0.00

In the course of the month of July and August 2020, the average closing price of the WTI sets itself between \$40 and \$50 USD. Consequently, the temporary and variable incentive to oil processors registered with SOGHU will be at **\$0.03/L for volumes delivered to processors effective September 1, 2020**, and until further notice.

SOGHU will re-evaluate this program **quarterly as of October 1, 2020** according to the following scale:

**Effective October 1, 2020**

Quarterly average price of (\$/b)	Temporary Incentive to the processor (cents/liter)
Below \$40 USD	\$0.05
Between \$40 & \$50 USD	\$0.03
Between \$50 & \$60 USD	\$0.01
Above de 60\$ USD	\$0.00

Thus, the next quarterly evaluation will be on **January 1, 2021**. SOGHU reserves the right to update any and all of its terms and/or terminate the temporary and variable incentive to oil processors registered with SOGHU for any reason it deems relevant.

If you have any questions regarding the temporary and variable incentive to oil processors, please contact Jean Duchesneau via email at [jean.duchesneau@soghu.ca](mailto:jean.duchesneau@soghu.ca).

SOGHU wishes you all the best for the future. Stay safe

A handwritten signature in cursive script, appearing to read "Jean Duchesneau".

Jean Duchesneau, General Manager