



Harlingen Treatment Centre, The Netherlands

VALUES MATTER | 2014 SUSTAINABILITY HIGHLIGHTS
Excellence. Trust. Respect. Responsibility.

For Vermilion's complete sustainability report, please visit vermilionenergy.com/sustainability

VERMILION
E N E R G Y



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HANDY ABBREVIATIONS AND TERMS

In this report, we refer to Vermilion Energy Inc. as “Vermilion”, the “company”, “we” or “our”

bbl(s)	barrel(s)
boe	barrel of oil equivalent, including: crude oil, natural gas liquids and natural gas (converted on the basis of one boe for six mcf of natural gas)
boe/d	barrels of oil equivalent per day
BU	business unit
CO₂ e	carbon dioxide equivalents
GHG	greenhouse gas
GRI	Global Reporting Initiative
HSE	Health, Safety, Environment
NGLs	natural gas liquids
\$M	thousand dollars
\$MM	million dollars





Vermilion is a publicly traded, international oil and gas producer.

We are headquartered in Calgary, Alberta, Canada, with operations positioned around the world in regions noted for their stable fiscal and regulatory policies pertaining to oil and gas exploration and development.

Our core business involves the acquisition, exploration, development and optimization of producing properties in North America, Europe and Australia.

IN 2014, VERMILION:

- produced nearly **18 MILLION BOE OF OIL AND GAS**
- generated **NET REVENUE OF MORE THAN \$1.3 BILLION**
- distributed more than **\$272 MILLION IN DIVIDENDS** to our shareholders
- paid almost **\$266 MILLION IN TAX AND ROYALTIES** in our operating jurisdictions
- invested more than **\$1.3 MILLION IN COMMUNITY SUPPORT**
- devoted **\$37 MILLION TO PROTECTING OUR ENVIRONMENT**

CANADA

Production	23,001 boe/d
Staff	304
Net revenue	\$472.2 MM
Reserves	120,243 Mboe

FRANCE

Production	11,011 boe/d
Staff	187
Net revenue	\$402.8 MM
Reserves	57,967 Mboe

NETHERLANDS

Production	6,443 boe/d
Staff	110
Net revenue	\$118.8 MM
Reserves	14,196 Mboe

Notes:

Net revenues = sales less royalties

Staff = employees + contractors

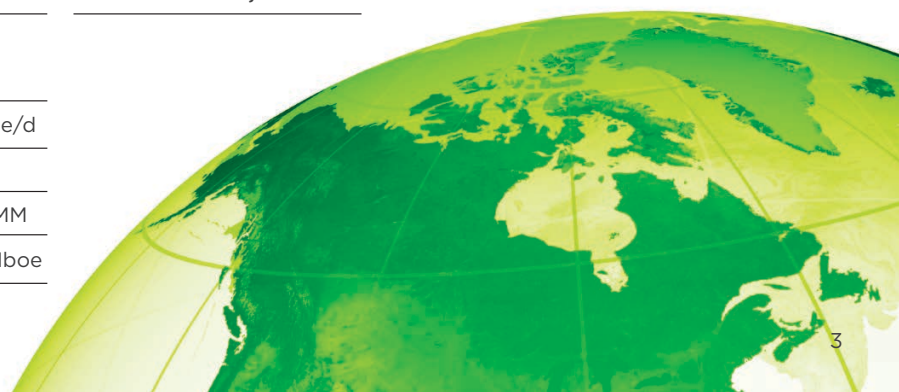
Reserves = proved + probable

UNITED STATES

Production	195 boe/d
Staff	8
Net revenue	\$.964 MM
Reserves	2,129 Mboe

AUSTRALIA

Production	6,571 boe/d
Staff	75
Net revenue	\$283.5 MM
Reserves	17,983 Mboe



OUR SECOND ANNUAL SUSTAINABILITY REPORT



It is my pleasure to welcome you to Vermilion's second annual sustainability report. Although producing an annual sustainability report is still a relatively new venture for Vermilion, producing oil and gas in a sustainable and socially responsible manner is not.

Vermilion's core values of Excellence, Trust, Respect and Responsibility have guided what we do and how we do it throughout our 20-year history. We have always remained committed to conducting our activities in a manner that protects the health and safety of our people, and those in the community, and have continuously striven to operate our business in the most environmentally protective manner possible. These objectives have consistently been given our highest priority, and will continue to take precedence in the future.

Producing the energy that many people and businesses rely upon to meet their daily needs and sustain their quality of life is both a great privilege and a great responsibility. We are acutely aware that we all have a role to play in addressing the environmental impacts of a carbon economy, whether as producers or consumers of fossil fuel energy. That is why Vermilion remains committed to protecting the environment through improvements that maximize energy and water efficiency as well as reductions in our greenhouse gas emissions, while also applying careful consideration for the lands impacted by our operations.

Looking back on 2014, I am proud of what we accomplished and encouraged that these accomplishments were achieved despite the challenging industry environment caused by the significant downturn in commodity prices during the latter half of the year. I believe our success is due, in part, to our continued focus on ensuring that HSE takes precedence over all other factors of our business. Our people subscribe to the belief that successful, well-managed companies manage their sustainability impacts above all else. We believe that by embedding sustainability into our business strategy, we are not only mitigating costly worker safety, public safety, environmental, financial and reputational risks, but that we will ultimately generate economic and social benefits for all our stakeholders and for those in the communities in which we operate.

As we continue to navigate the challenges brought about by the current economic downturn, **we remain acutely focused on fulfilling our sustainability vision of delivering long-term shareholder value by operating in an economically, environmentally and socially sustainable manner that is recognized as a model in our industry.**

I believe that Vermilion is a company that has always punched above its weight, in both operational results and commitment to our communities. Our 2014 Sustainability Report continues our culture of high performance in this regard, so **I invite you to visit our website at vermilionenergy.com/sustainability.**

Sincerely,

A handwritten signature in black ink, appearing to read 'L. Donadeo'.

Lorenzo Donadeo
Chief Executive Officer

OUR APPROACH TO SUSTAINABILITY

We understand our moral and legal duty to operate in a manner that protects the health and safety of our people and communities, provides responsible stewardship over the environment, and treats our people, partners and suppliers respectfully and fairly.

Our exploration and production activities have potential effects on a wide range of stakeholders who expect Vermilion to deliver consistently strong financial results in a responsible and ethical way.

Our Board of Directors and our Executive and Leadership teams continue to recognize our stakeholders' expectations as being critical to Vermilion's success. They are incorporated as goals into our strategic long-term vision, identified as commitments for annual planning, and assessed on a quarterly basis for progress against those commitments.

We believe this approach continues to be a contributing reason why Vermilion is a leading choice for investors, employees, partners and communities.



To meet our commitments, we rely on the framework provided by **our sustainability policy**, which integrates sustainability into all facets of our business in the following five key areas:

- 1. GOVERNANCE AND ETHICS**
- 2. ECONOMIC PERFORMANCE**
- 3. PEOPLE**
- 4. HEALTH, SAFETY AND ENVIRONMENT**
- 5. COMMUNITIES**

OUR SUSTAINABILITY VISION

As a responsible oil and gas producer, Vermilion Energy Inc. consistently delivers long-term shareholder value by operating in an economically, environmentally and socially sustainable manner that is recognized by our stakeholders as a model in our industry.

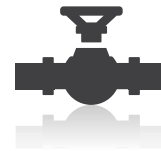
ABOUT OUR REPORT

To identify Vermilion’s material issues for sustainability reporting, we began by describing the major elements in our value chain.

We then identified our key stakeholders, and prioritized the issues based on the relevance and anticipated impact to Vermilion or its stakeholders. We then developed our materiality matrix using the GRI’s G4 framework, and selected issues with potential for high-impact consequences to both stakeholders and the company for discussion in our sustainability report.

STEP 1 OUR VALUE CHAIN

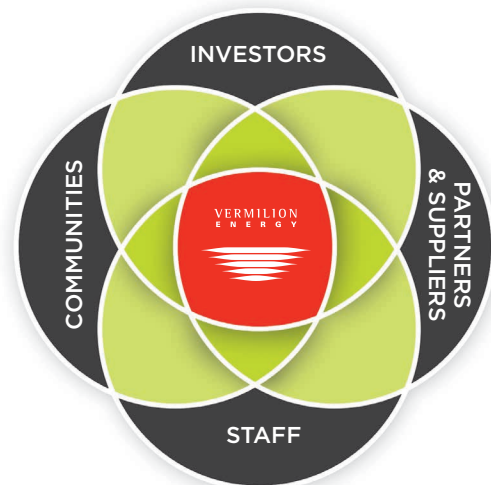
Vermilion’s operations influence an extensive value chain that connects petrochemical resources with activities that are essential to our daily lives, including transportation, manufacturing and heating, thus contributing to the strength and resilience of the global economy.



EXPLORATION	SUPPLY	PRODUCTION	TRANSPORTATION	PRODUCT USE
How we identify, analyze and develop new oil and gas opportunities	The external contractors, suppliers, materials and expertise we leverage throughout our business, from exploration to remediation	How we extract oil, gas and associated byproducts from our operating properties, covering the full lifecycle of development of our oil and gas resources	How Vermilion transports and markets our products and byproducts, along with any subsequent transportation of those products to the end consumer	The midstream and downstream refiners who constitute our customers, and the companies and individual consumers who use the products that result from their activities

STEP 2 OUR KEY STAKEHOLDERS

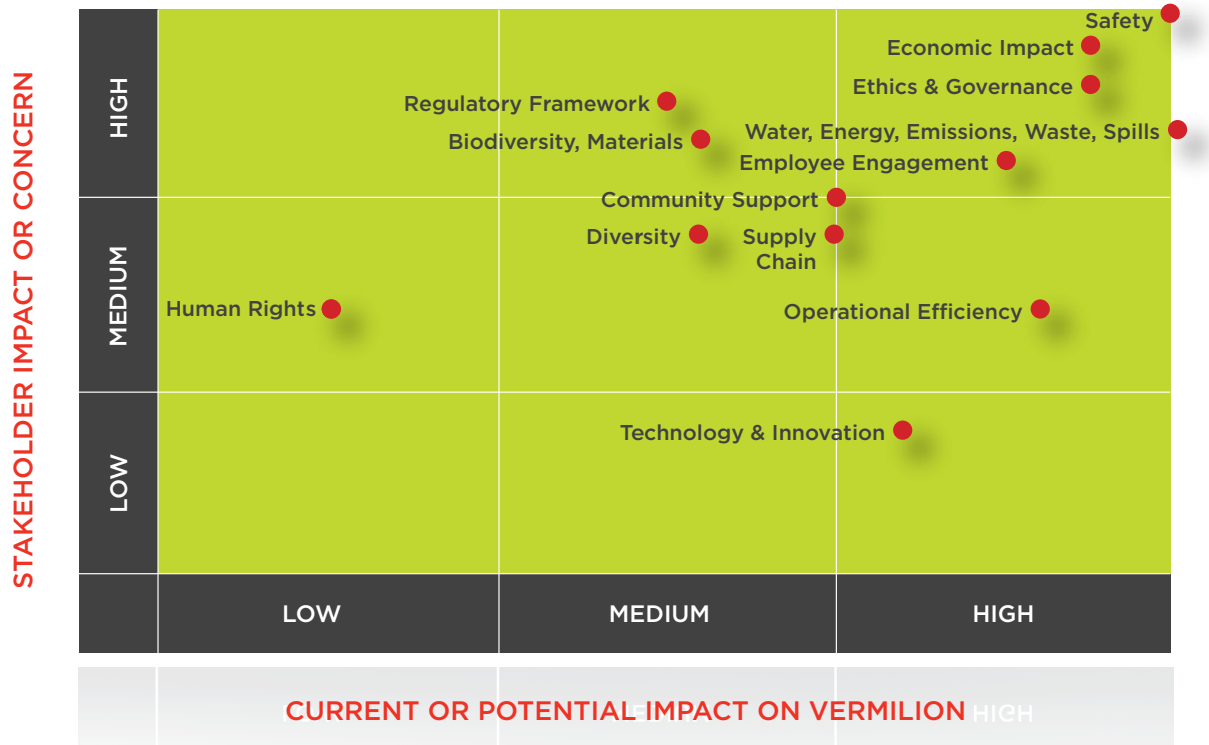
Our employees, partners, suppliers, investors and the people located in the communities in which we operate have the highest likelihood of being directly affected by our operations. For all of these groups, a failure in our economic, environmental and/or social performance could have negative and long-lasting effects. In turn, these groups influence our business and operations in several ways, including through the provision of capital to fund our activities as well as the setting of expectations regarding safety and environmental performance. Meeting these expectations is the key to maintaining our social license to operate and to increasing our productivity. Therefore, we must engage with these stakeholders on a regular and ongoing basis.



STEP 3 OUR MATERIALITY MATRIX

Once we had identified issues relevant to Vermilion or its stakeholders, we then identified whether they were of high, medium or low impact on Vermilion, and high, medium or low impact from the perspective of our key stakeholder groups.

It is important to note that materiality in this context is not a judgment on societal importance. For example, the issues surrounding human rights are of significant concern; however, their impact on Vermilion and our stakeholders is considered low as a result of our operations being located in countries with robust laws and enforcement around these issues.



STEP 4 OUR REPORT CONTENT

We used our materiality matrix to identify the high-impact issues to discuss within our sustainability report. These are identified in the following table, along with their key components.

SAFETY	ECONOMIC IMPACT	ETHICS & INTEGRITY	ENVIRONMENT	EMPLOYEE ENGAGEMENT
Personal Health & Safety	Economic Performance	Ethics & Integrity	Energy Consumption	Employment
Process Safety	Reserves	Governance	Greenhouse Gas Emissions	Training & Education
	Community Investment	Anti-corruption	Water Use	
			Effluents & Waste, Including Spills	

OUR LEADERSHIP

ETHICAL CULTURE

The men and women who comprise our Board of Directors are proven leaders who guide our management, ensure the continued integrity of our people and processes, oversee risk management, and position our company to deliver on our mission to consistently deliver superior rewards to investors, employees, partners and the communities in which we operate.

Each director and officer understands they have a fiduciary duty to Vermilion and its stakeholders, including the obligation to act honestly and in good faith. Our Code of Business Conduct and Ethics outlines a framework of guiding principles for directors, officers and employees globally, and supports the personification of our core values and the demonstration of ethical business practices.

EXCELLENCE
TRUST
RESPECT
RESPONSIBILITY

OUR CORE VALUES
GUIDE WHAT WE DO
AND HOW WE DO IT

GOVERNANCE RECOGNITION

Organizations including The Globe and Mail (Board Games), Canadian Coalition for Good Governance and Brendan Wood International have recognized Vermilion for its high standards in governance.



As of May 8, 2015 our Board of Directors is comprised of 10 directors and one corporate secretary. Of our current Directors, nine are independent (90%) and two are female (20%). These individuals oversee all matters related to performance, including our economic, environmental, social and governance impacts through four committees:

- Audit (Killi, Chairman; Ghersinich; Reinhart; and Williams)
- Governance and Human Resources (Macdonald, Chairman; Raiss; Killi; Reinhart; and Williams)
- Health, Safety and Environment (Madison, Chairman; Macdonald; Marchant; and Raiss)
- Independent Reserves (Ghersinich, Chairman; Leiker; Macdonald; Madison; and Marchant)

Our board structure is a one-tier system; Vermilion has never had an executive committee that can make decisions without the rest of the board.

INTERNATIONAL DIRECTORSHIPS

Vermilion practices good governance standards with its international subsidiary companies and has appointed independent directors to the Boards of our various subsidiaries. In aggregate, we have 11 independent Directors, including two Directors who are women. Boards of our international subsidiary companies are two-tier systems and include representation by non-executive directors and employee representatives.



RISK OVERSIGHT

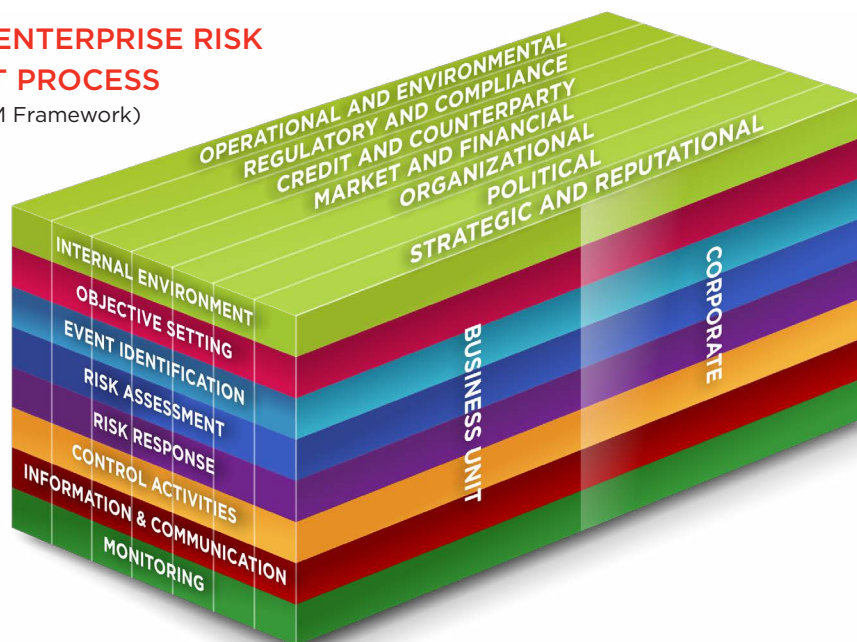
As a responsible company, effective risk and crisis management is vital for Vermilion. Our focus on awareness and the effective management of our business related risks – including economic, environmental and social risks – begins with our Board of Directors.

Through its four committees, the Board independently reviews the effectiveness of Vermilion’s identification and management of risk quarterly. This gets translated into action by our executive team, through implementation of associated policies and procedures.

Our staff also play a key role in identifying potential risk areas. Feedback is communicated to the management team, which in turn reports back to staff with responses to concerns, ideas and suggestions raised. Material feedback from staff is also communicated to the Board.

VERMILION’S ENTERPRISE RISK MANAGEMENT PROCESS

(Based on Coso ERM Framework)



OUR PEOPLE

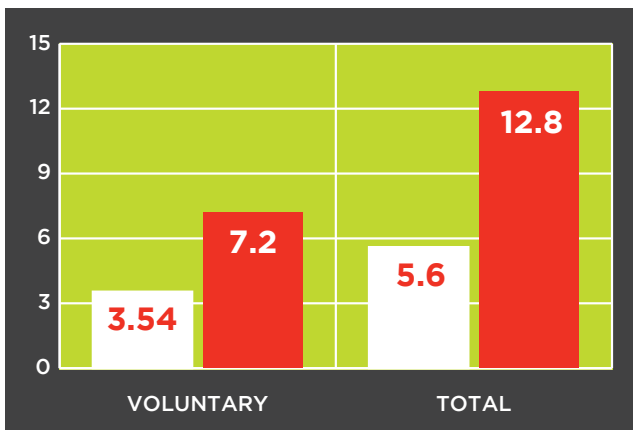
WE VIEW OUR STRONG CULTURE AS BEING THE SINGLE MOST IMPORTANT FACTOR IN OUR LONG-TERM SUCCESS.

Our culture influences everything we do and how we do it, which is why we focus on:

- Preserving the key components of our culture and finding ways to keep our people highly engaged and satisfied
- Offering unique career development opportunities that lead to superior attraction and retention of talented people
- Offering flexibility to address the diversity of our people
- Being proactive in resourcing our business to meet both current and future demands

By nurturing and protecting our culture, we believe we attract and retain the best of the best. Our successful efforts are best reflected by our consistently low voluntary turnover rate which has remained well below the industry average year after year.

TURNOVER RATES - 2014

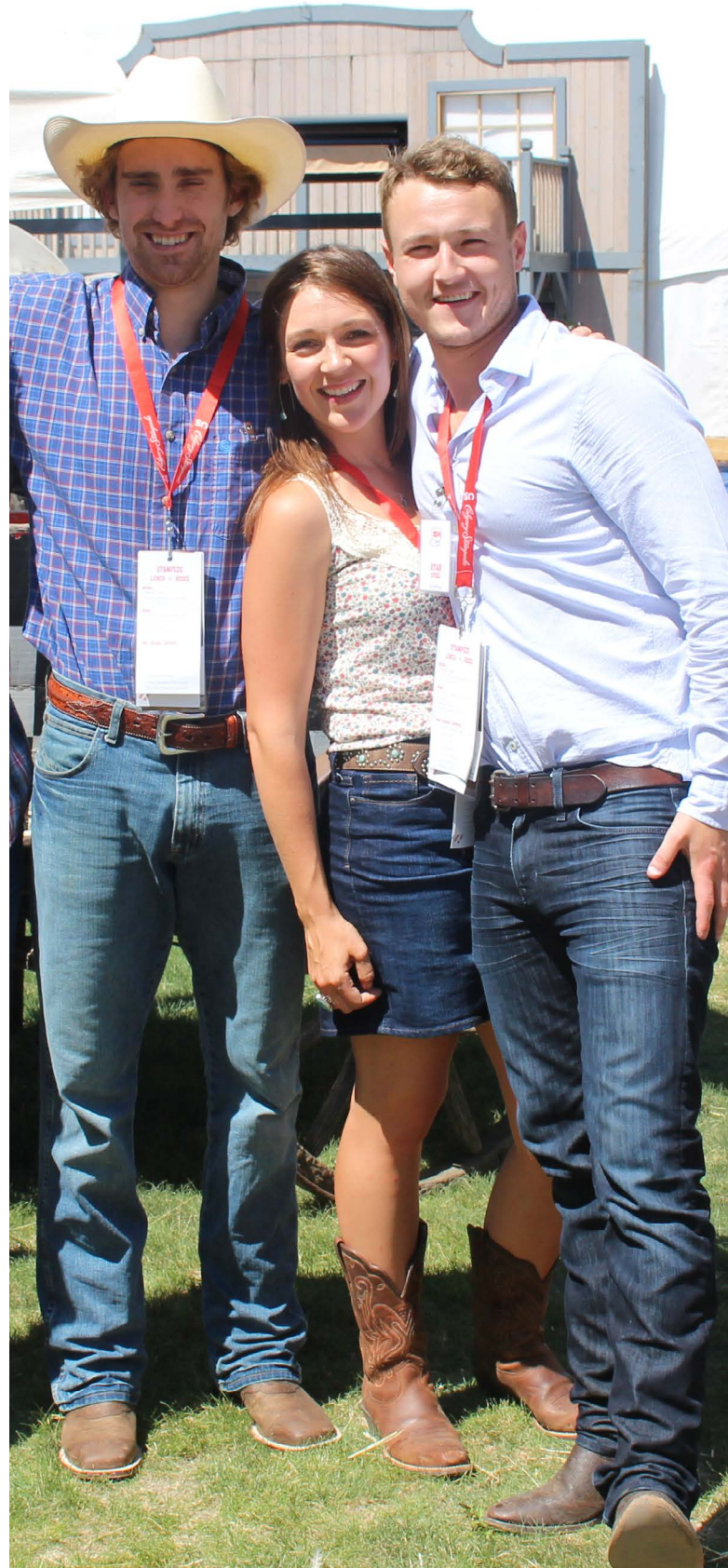
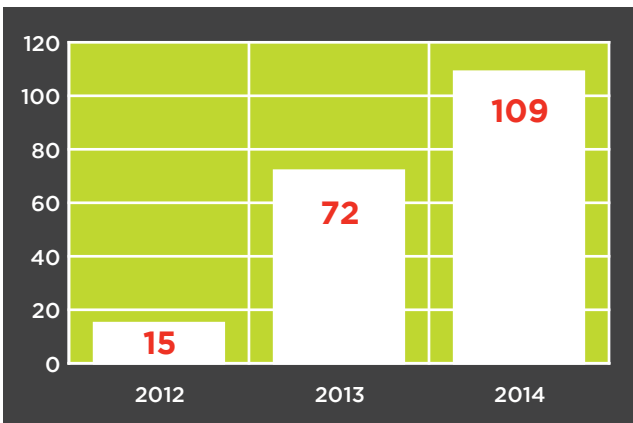


Legend: VERMILION INDUSTRY AVERAGE

Source: 2013 Mercer Total Compensation for the Energy Sector

NET EMPLOYMENT CREATION

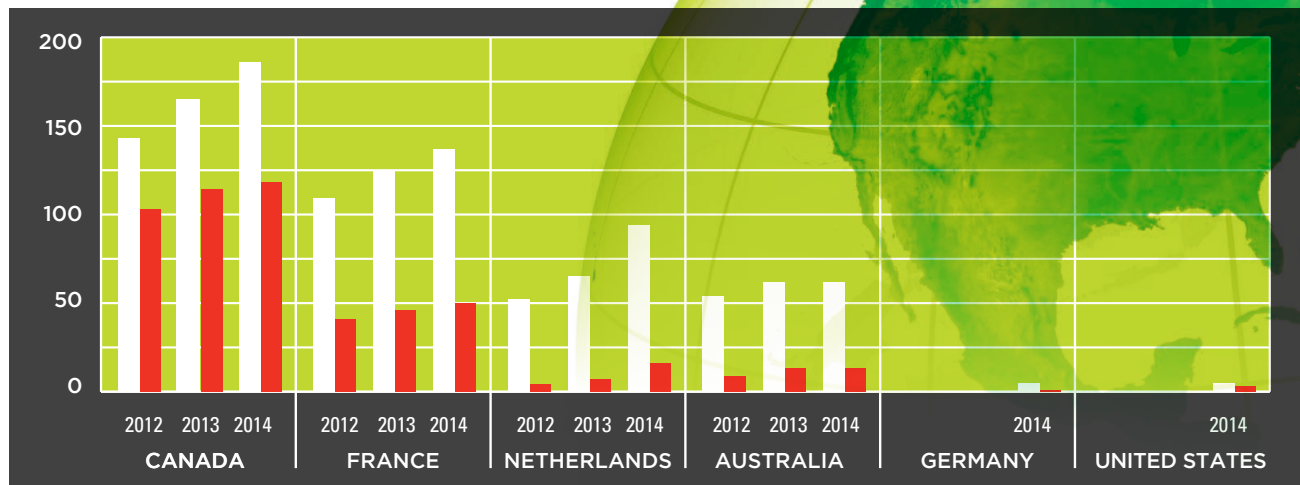
(Number of employees)



2014 AT-A-GLANCE

At December 31, 2014 our team comprised 690 people globally. Permanent employees accounted for nearly 80% of our workforce.

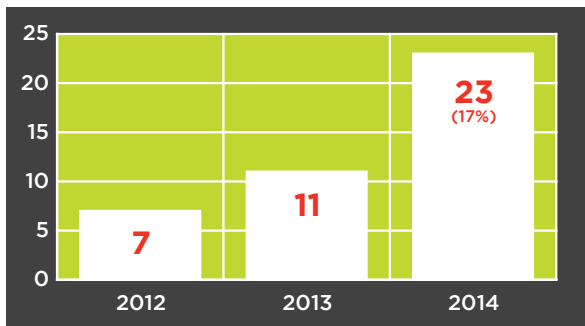
BREAKDOWN OF WORKFORCE BY REGION AND GENDER



MALE FEMALE

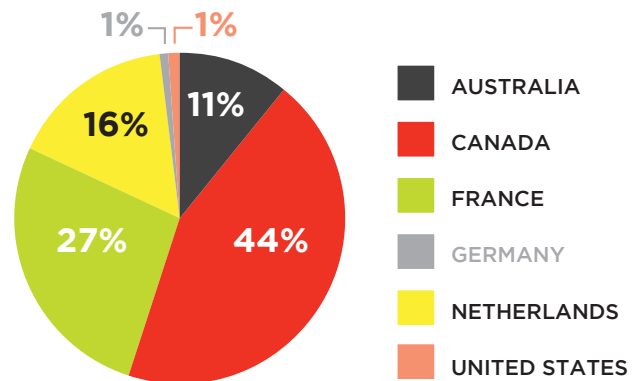
Although we do not currently have a formal policy in place addressing the representation of women in senior management positions, two out of our current ten (20%) directors on our Board are female and one out of five (20%) of our named executive officers is female. In 2014, we had more than twice as many women in leadership positions as we did in 2013 (23 compared to 11).

NUMBER OF WOMEN IN LEADERSHIP POSITIONS



Total leadership positions: 132

WORKFORCE BY BUSINESS UNIT



45% of our workforce was located in North America, 44% was located in Western Europe and 11% was located in Western Australia.

For a sixth year in a row, we have made the Great Place to Work Institute's® Best Workplaces List in both Canada and France. We also made the Best Workplaces List in The Netherlands for a second year in a row:

- In Canada, we placed 10th out of more than 300 participating companies
- In France, we placed 9th out of the 101 participating companies
- In The Netherlands, we placed 8th out of the 79 participating companies

The rankings are based on the Institute's two-fold approach, which includes an independent assessment of our culture along with our employees' confidential responses to the Institute's survey.

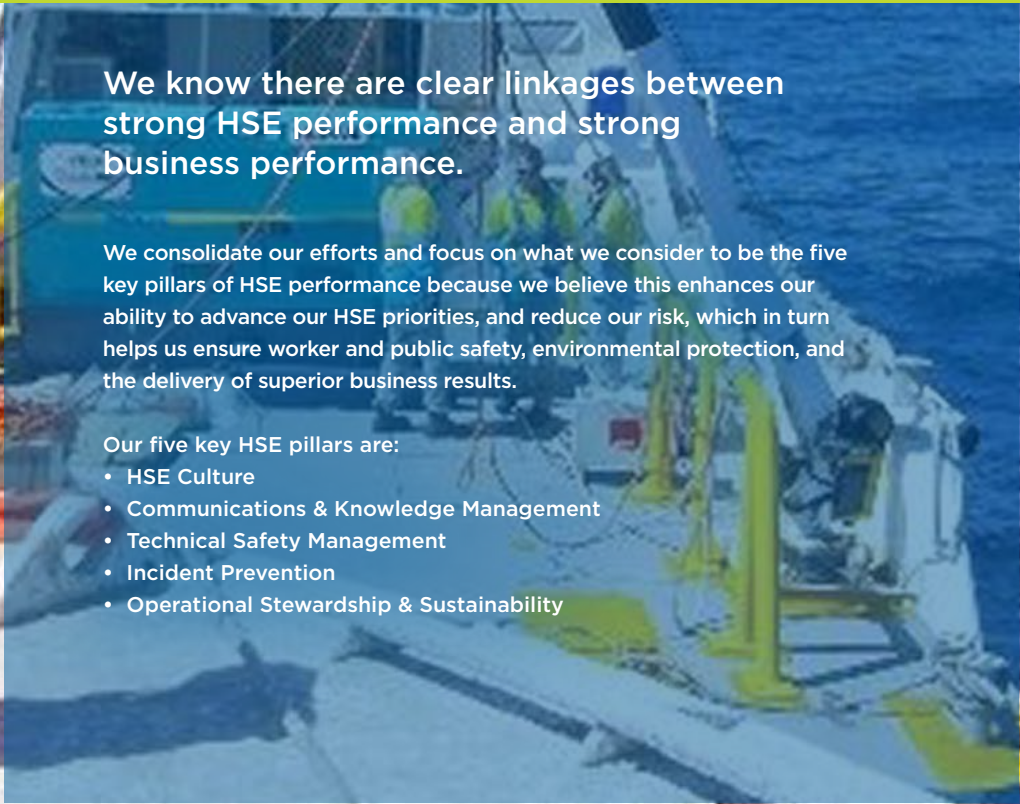
GREAT
PLACE
TO
WORK®



OUR COMMITMENT TO HSE

Nothing is more important to Vermilion than conducting our business in a way that ensures the health and safety of our people and those involved directly or indirectly in our operations.

HSE: EVERYWHERE. EVERYDAY. EVERYONE.



We know there are clear linkages between strong HSE performance and strong business performance.

We consolidate our efforts and focus on what we consider to be the five key pillars of HSE performance because we believe this enhances our ability to advance our HSE priorities, and reduce our risk, which in turn helps us ensure worker and public safety, environmental protection, and the delivery of superior business results.

Our five key HSE pillars are:

- HSE Culture
- Communications & Knowledge Management
- Technical Safety Management
- Incident Prevention
- Operational Stewardship & Sustainability

Our HSE vision is to fully integrate HSE into our day-to-day business and culture, resulting in a workplace free of incidents.

Our 2014 accomplishments in the area of HSE are a good indicator of our progress towards realizing our HSE vision. Examples of these accomplishments include:

HSE CULTURE

- Established clear and measurable actions around 5 key focus areas of HSE Culture, Communication and Knowledge Management, Technical Safety Management, Incident Prevention and Operational Stewardship & Sustainability
- Introduced a Fair Culture Policy to ensure transparency in our process
- Formation of senior management HSE steering committee and working group

COMMUNICATIONS & KNOWLEDGE MANAGEMENT

- Published our first Corporate Sustainability Report
- Submitted our first report to the Carbon Disclosure Project (CDP)
- Development, communication and measurement against leading and lagging HSE key performance indicators
- Continued development and enhancement of our competency and training program

OUR FOCUS ON SAFETY

Our focus on fostering a safety-oriented culture is reflected in our HSE mantra of: “**HSE: Everywhere. Everyday. Everyone.**” This focus starts from the top and is entrenched throughout our organization.

We monitor our health, safety and environment management performance through a series of leading indicators designed to monitor hazard identification and risk mitigation measures applied in the workplace. These include contractor observations, hazard identifications, site inspections, management and staff participation in safety meetings, and site visits.

Lagging indicators such as number of recordable injuries, number of spills and associated volumes are used to evaluate the effectiveness of our HSE program and are tracked as part of the feedback loop in our proactive approach to create a safe and healthy workplace.

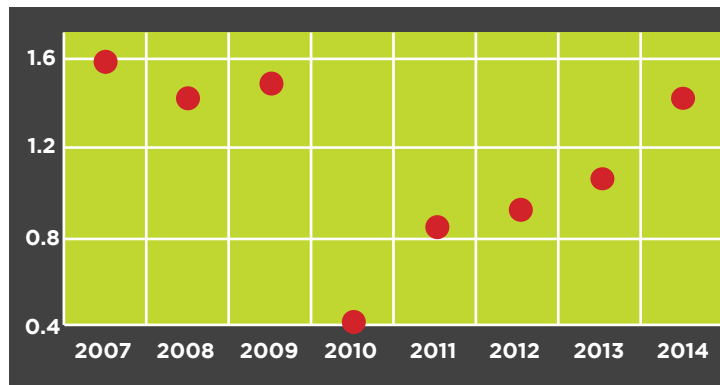
In 2014, we met or exceeded over 92% of our leading indicators.

Our total recordable injury frequency rate for 2014 was 1.4635 per 200,000 work hours, which is an increase over our 2013 TRIF rate of 1.093 and 2012 TRIF of 0.9718.

In 2014, we had a total of 29 recordable injuries, and all workers involved were able to return to their duties in short order.

We remain focused on reducing the number of recordable injuries down to zero; therefore, each incident was fully investigated and the appropriate corrective actions were applied in an effort to prevent similar incidents from occurring in the future.

TOTAL RECORDABLE INJURY FREQUENCY (PER 200,000 WORK HOURS)



PUBLIC SAFETY

In November 2014, Vermilion hosted the first ever large scale onshore emergency response exercise for the oil and gas industry in The Netherlands. This exercise involved over 150 participants and observers and was designed to test not only Vermilion’s emergency response plans but also those of the first responders from the local safety region. The exercise confirmed Vermilion’s capability to effectively respond to major incidents and provided great learnings to all participants on how to further improve in the event of an emergency.



TECHNICAL SAFETY MANAGEMENT

- Reviewed and updated our HSE Policy to reflect our HSE goals
- Began the implementation of our Process Safety and Asset Integrity Management Systems
- Updated various key Corporate HSE Standards such as the Event Management Practice

INCIDENT PREVENTION

- Developed a robust hazard identification and risk management program around our top fatal risk exposures
- Developed a robust hazard identification and risk management program around our top environmental sensitive sites
- Continuing risk management efforts to detailed emergency-response planning

OPERATIONAL STEWARDSHIP & SUSTAINABILITY

- Reducing long-term environmental liabilities through planned and managed decommissioning, abandoning and reclaiming well leases and facilities
- Managing our waste products by reducing, recycling and recovering
- Conducting pilot programs and trials on the implementation of new technology to improve environmental performance and decrease impact of operations

OUR FOCUS ON ENVIRONMENT

We seek to operate our business in the most environmentally responsible manner possible.

Our commitment to pursuing Best-in-Class HSE is also a commitment to pursuing continuous improvement in all that we do. In addition to continuing to build processes to meaningfully track and understand our sustainability impacts, we are committed – wherever possible – to use processes that will reduce our environmental impact.

OUR FOCUS ON ENVIRONMENTAL STEWARDSHIP EMPHASIZES FOUR MAIN AREAS FOR CONTINUOUS IMPROVEMENT:

1. Energy efficiency

We believe that energy efficiency and operational efficiency go hand-in-hand, which in turn helps us to minimize our carbon footprint. There are a number of things that drive our emissions reduction activities, including compliance with regulatory requirements and standards, employee engagement, and financial optimization calculations.

2. Reducing greenhouse gas emissions

Our gross emissions profile increased in 2014, however our energy intensity decreased. The increase is disproportionately smaller than would be expected given our production growth (30% between our 2012 base year and 2014), largely thanks to our emissions focused programs and operational efficiency.

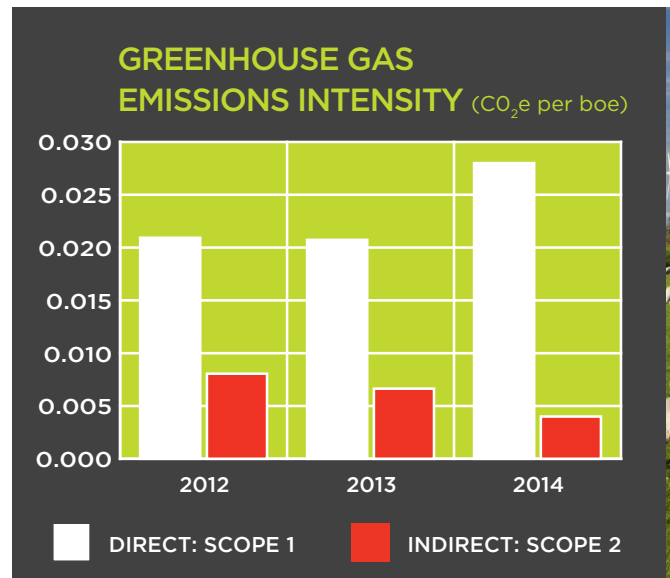
The 2014 increase is primarily a result of the acquisitions we completed in 2014, which represent approximately 23% of Vermilion's combined Scope 1 & 2 emissions in 2014. In 2015, through the construction of new infrastructure, tying our production into gathering systems, installing vapour tanks with flares, upgrading battery flares, and converting to instrumental air systems, we have almost completely eliminated flaring and venting of solution gas at our newly acquired Southeast Saskatchewan assets. This is expected to translate into a savings of approximately 120,000 metric tonnes of CO₂e.

3. Maximizing our water efficiency

We endeavor to reduce our potable water consumption wherever possible. We produce key performance indicators on water use in the Performance Metrics section of our full 2014 Sustainability Report. This includes water withdrawal by source, and percentage and volume of water recycled and reused.

4. Caring for the land

We understand our responsibility to be careful stewards of the land.

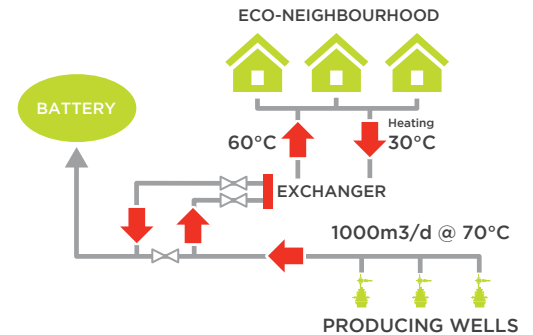


REDUCING GREENHOUSE GAS EMISSIONS WITH GEOTHERMAL ENERGY

We signed a 30-year partnership in 2015 with a French land developer to provide geothermal heat for up to 450 homes in a newly planned eco-neighbourhood complex. Construction of the eco-neighbourhood, which is located in the community of La Teste, in the southwest of France, started in 2015 and is expected to be completed in 2018.

How it will work:

- Vermilion produces oil from three fields in the Arcachon Basin (part of the Aquitaine Basin): Les Mimosas, Les Pins and Les Arbousiers. The production is gathered in a central battery where approximately 1,000 m³/day of water at a temperature of 70 degrees is produced daily along with the oil.
- The installation of a heat exchanger on our battery will allow the transfer of the energy from the produced water to the eco-neighborhood, providing approximately 80% of the homes' heating requirements.



DID YOU KNOW?

Proximity to transportation links is a key factor when deciding our office locations because it helps us reduce our carbon footprint. Three quarters of our staff in Perth walk, cycle or take public transit to work!



LEVERAGING OUR GEOTHERMAL EXPERTISE

In February 2014 we notified the Ministry of Economic Affairs in The Netherlands that we wished to use Vermilion's subsurface, HSE, and drilling expertise to aid in developing localized geothermal projects for the benefit of local communities that host our operating activities, as well as to create synergies with our commercial and industrial neighbours.

To date, we have focused our activities on converting three depleted gas wells in the province of North Holland to a geothermal pilot project to support a regional business park development. We have committed nearly 100,000 Euros to date and hope to progress this pilot project to the construction phase in 2016.

We are also developing geothermal assessment plans on new gas drilling prospects so that a single drilling operation can address the potential of both natural gas and geothermal energy opportunities. We believe that combining the planning and development of natural gas and geothermal opportunities through a single operation provides a net benefit to all stakeholders since it will ultimately result in more natural gas and geothermal energy opportunities being pursued to the benefit of both local and national stakeholders.

MANAGING CLIMATE CHANGE

We integrate the issue of climate change into Vermilion's business strategy in a number of ways:

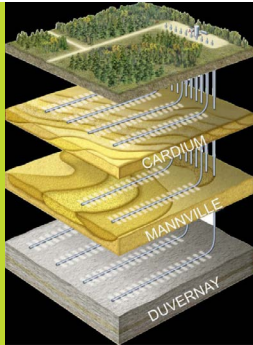
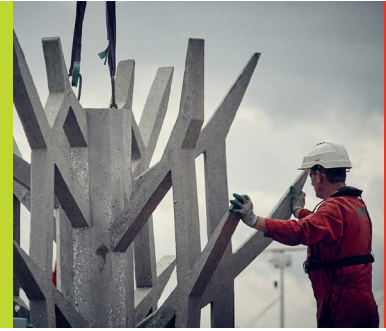
- Our focus on achieving Best-in-Class HSE drives management support of programs that enhance our environmental performance and empower our people to effect operational change.
- We are committed to being compliant in all regulatory regimes across all business units.
- We have altered our project management framework to include aspects of sustainability and climate change - including regulatory change, water utilization, emissions reduction and footprint reduction - resulting in a reduction of ecosystem fragmentation.
- We annually examine and re-assess the risks associated with climate change and the potential effects on our operations globally, including rising sea levels, carbon taxation schemes and carbon sequestration requirements.

Several substantial business decisions were made in 2014 to reduce emissions. For instance, we scoped required modifications to acquired assets in The Netherlands, the United States and Canada that will allow for a significant (~50%) reduction in Vermilion's 2014 emission levels in the medium term.

OUR FOCUS ON ENVIRONMENT

FRANCE – Four tree-shaped concrete reefs are now in place in Lake Parentis-Biscarrosse, thanks to Vermilion’s support for transporting and installing them.

Through this national first in France – the positioning of large-scale artificial reefs in a freshwater lake to create new fish habitat areas – Vermilion is helping to secure the lake’s biodiversity for the future, contributing to both environmental protection and economic development.



CANADA – Vermilion’s Pembina stacked play uses horizontal wells to help us minimize our surface footprint.

We usually program these wells from a single surface location or pad, with up to eight wells being drilled from one location. Pad drilling reduces the aerial extent of the well site, surface facilities, pipelines and roads. To put this in perspective, vertical well surface impact is approximately 1.7 hectares per well, while an eight-well pad surface impact is only about 0.5 hectares per well.

NETHERLANDS – We recognize that we share the land, water and sea with many neighbours, including those with feathers, so it is very important that we keep our sites clean and safe for them.

We work closely with environmental experts to guide us in our activities to ensure that we do not disrupt or disturb bird migration, feeding or breeding patterns. In some cases, this means that we delay or reroute our development activities. In 2015, we delayed pipeline construction activities around our Diever-O2 well site to ensure we do not interfere with birds nesting in the area.



AUSTRALIA – 2014 saw the National Offshore Petroleum Safety and Environmental Management Authority (NOPSEMA) acceptance of the Wandoo Facility Environment Plan and the Well Constuction Environment Plan.

We are undertaking offshore marine monitoring in Wandoo to identify Vermilion’s potential impacts on the marine environment in order to achieve further improvements in environmental management if required. As a major stakeholder in the region, it is Vermilion’s responsibility to the wider community to assist in maintaining the health of the regional environment.

UNITED STATES – Our surface geology in the area of northeast Wyoming is known for numerous significant dinosaur fossil finds.

This is another reason why all our construction and well pad operations are performed carefully, meeting all regulations, with experts on hand to ensure that archeological items can be identified and preserved. Our most recent archeological excavation was a Triceratops skull, and other dinosaur bones, during the construction of a well pad here. The fossils are now destined for the Denver Museum of Nature and Science.



OUR COMMUNITIES



VERMILION WAYS OF CARING
give back. give time. give together.

We care about the communities where we live and work.

Giving to our communities, in both funding and time, contributes to the quality of life in those communities for everyone. At Vermilion, it's a key part of how we do business.

Our Ways of Caring program helps us to support non-profit and charitable organizations in our communities in three ways:



give back.

GIVE BACK: Vermilion's charitable giving focuses on four key areas:

- Homelessness & Poverty
- Health and Safety Promotion
- Environmental Stewardship
- Celebrating Vermilion's Cultures



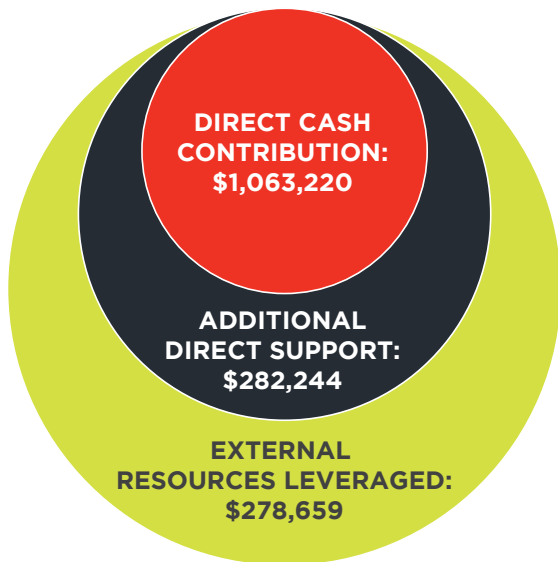
give time.

GIVE TIME: When our employees volunteer for local community organizations on their own time, we support those organizations with grants of up to \$1,000 annually.



give together.

GIVE TOGETHER: Our employees are encouraged to volunteer up to two days per year on company time, for team or corporate Days of Caring projects.



TOTAL VALUE OF COMMUNITY INVESTMENT IN 2014
\$1,624,123

LONDON BENCHMARKING GROUP (LBG) CANADA

As a member of LBG Canada, we report the value of our community investments using their standard "circles" of investments, reflecting our total contribution to our communities:

- **DIRECT CASH CONTRIBUTION:** our donations to non-profit and charitable organizations
- **ADDITIONAL DIRECT SUPPORT:** adds in-kind support, such as donations of materials for Days of Caring and staff volunteering during working hours
- **EXTERNAL RESOURCES LEVERAGED:** adds staff donations and volunteering outside working hours



WOOD'S HOMES

Construction on the Vermilion Energy Family Centre at the Bowness Campus of Wood's Homes is complete!

We recognize the link between mental health and risk factors for living in poverty or becoming homeless. In 2013, we chose to commit \$1 million to help create the Vermilion Energy Family Centre because we believe that investing in the well-being of children and their families is a key factor in preventing the issues of homelessness & poverty from becoming even greater societal problems.

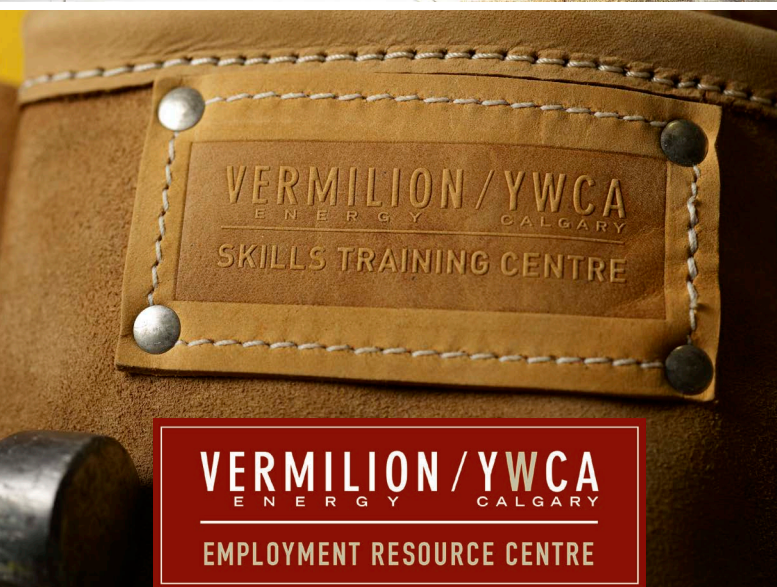
"The role that the Vermilion Energy Family Centre will play in delivering family centred treatment is going to be groundbreaking. We believe we can provide opportunities for families to work together to develop strategies that will increase the chance of success when the child returns to their family and community." – Dr. Jane Matheson, CEO, Wood's Homes

YWCA OF CALGARY

We began our partnership with the YWCA of Calgary in 2007 when we provided a \$2.5 million

donation, along with \$1.5 million raised by Vermilion's founders, board of directors and staff, to create the Vermilion Energy/YWCA Skills Training Centre. In 2013, recognizing the changing economic and employment climate in Calgary and a critical need to serve greater numbers of women, the Skills Training Centre transitioned to become the Vermilion Energy / YWCA Employment Resource Centre (ERC).

The ERC continues to be a vibrant and busy employment centre serving a diversity of women from different cultural backgrounds, a variety of career streams, and a full assortment of education and training needs.



TOWN OF DRAYTON VALLEY'S EARLY CHILDHOOD DEVELOPMENT CENTRE (ECDC)

We are proud to support the V-Powered Kids

program at the ECDC because we recognize that funding quality early childhood education is a key poverty reduction strategy. In addition to our financial support, our staff regularly lend their time and energy to the centre.

"We are thrilled to see the investment Vermilion Energy has generated not only through financial contribution, but also the ambassadors the employees locally have become for our program in the community. I don't believe that there has been a sponsorship model like Vermilion's in this community prior to Vermilion coming on board [...]. Within the last two years, the Town has been approached by several companies interested in building a sponsorship built around meaningful engagement. I believe that this has occurred because of how Vermilion Energy has established its sponsorship program within the ECDC."

- Town of Drayton Valley



DAYS OF CARING AROUND THE WORLD



CANADA

111 staff took part in a corporate day of caring at the Bowness campus of Wood's Homes in Calgary, Alberta on September 11, 2014. Other team days of caring took place at Women In Need Society, Providence Child Development Centre and Calgary Inter-Faith Foodbank.



FRANCE

10 staff planted 300 trees at a day of caring at Chateau Vaux le Vicomte. Other team days of caring took place in support of Restos du Coeur, an organization that provides food hampers and meals to those living in poverty, and La Rue des Etoiles, which is an event in support of a local youth theatrical group in Biscarosse.



THE NETHERLANDS

33 staff participated in the NBU's first ever day of caring on October 3, 2014! The projects benefitted three local organizations: de-Doarpstun (a community garden in Leeuwarden), Stitching Present (a volunteer-linking organization in Heerhugowaard), and Voedselbanken (a food bank in Harlingen).

AUSTRALIA

In September 2014, 20 staff volunteered at Cannington Heights, a transitional accommodation unit of St. Bart's in Perth.



UNITED STATES

Our first day of caring in our US Business Unit took place on May 15, 2015. All 8 staff spent the afternoon volunteering at the Food Bank of the Rockies. A second day of caring took place in support of the Denver Boys and Girls Club in July!

VERMILION ENERGY



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Vermilion's 2014 Corporate Day of Caring took place on September 5 at the Bowness Campus of Wood's Homes.

