

Birchcliff and AltaGas Enhance Long-Term Partnership

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Agreement Should Reduce Long-term Operating Costs, Increase LPGs to Premium Global Markets, and Drive Shareholder Value for Both Companies

All figures contained in the press release are in Canadian dollars unless otherwise stated.

CALGARY, Alberta, June 13, 2024 -- [Birchcliff Energy Ltd.](#) ("Birchcliff") (TSX: BIR) and AltaGas Ltd. ("AltaGas") (TSX: ALA) are pleased to announce an expanded partnership focused on reducing long-term operating costs and connecting more liquified petroleum gas ("LPG") into premium global markets.

As part of the increased partnership, Birchcliff and AltaGas have entered into a long-term contract operating agreement ("COA") whereby Birchcliff will take over operatorship of AltaGas' Gordondale deep-cut gas processing facility (the "Gordondale Facility"). This will allow Birchcliff to leverage cost optimization opportunities that exist between its 100 percent owned and operated gas plant at Pouce Coupe (the "Pouce Coupe Gas Plant") and the Gordondale Facility, which are located approximately six miles apart and are pipeline connected. These optimization opportunities are expected to drive lower operating costs, reduce downtime, and optimize natural gas liquids recoveries for Birchcliff, with no net impact on AltaGas' profitability.

AltaGas will continue to own 100 percent of the Gordondale Facility with no plans to reduce its ownership. The Gordondale Facility will continue to operate under the existing long-term take-or-pay processing agreement between the parties (the "Processing Agreement"), with Birchcliff as operator for the remainder of the Processing Agreement's term, which will continue until at least December 31, 2032. Birchcliff has also entered into additional long-term tolling agreements with AltaGas whereby Birchcliff will market additional LPG volumes through AltaGas' global exports platform, which is aligned with AltaGas' strategy to grow tolling volumes and cash flow predictability, while providing Birchcliff with direct market access to premium LPG netbacks in Asia with Far East Index ("FEI") pricing.

The uniqueness of these agreements is underpinned by Birchcliff representing 100 percent of throughput volumes at the Gordondale Facility, which creates opportunities for operational efficiencies and cost savings within Birchcliff's Gordondale and Pouce Coupe areas. The agreements highlight the benefits of infrastructure owners and producers partnering to drive solutions that deliver the best outcomes for all stakeholders.

About Birchcliff

Birchcliff is a dividend-paying, intermediate oil and natural gas company based in Calgary, Alberta with operations focused on the Montney/Doig Resource Play in Alberta. Birchcliff's common shares are listed for trading on the Toronto Stock Exchange under the symbol "BIR".

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About AltaGas

AltaGas is a leading North American infrastructure company that connects customers and markets to affordable and reliable sources of energy. The Company operates a diversified, lower-risk, high-growth Energy Infrastructure business that is focused on delivering stable and growing value for its stakeholders.

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Source of Information

The information contained in this press release as it relates solely to Birchcliff, its business and operations has been provided by Birchcliff and the information contained in this press release as it relates solely to AltaGas, its business and operations has been provided by AltaGas. Neither Birchcliff nor AltaGas assume any responsibility for the accuracy or completeness of the information of the other party or the failure by the other party to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to the other party.

Forward-Looking Information

Certain statements contained in this press release constitute forward-looking statements and forward-looking information (collectively referred to as "forward-looking statements") within the meaning of applicable Canadian securities laws. The forward-looking statements contained in this press release relate to future events or Birchcliff's or AltaGas' future plans, strategy, operations, performance or financial position and are based on Birchcliff's and AltaGas' current expectations, estimates, projections, beliefs and assumptions. All statements and information other than historical fact may be forward-looking statements. Such forward-looking statements are often, but not always, identified by the use of words such as "expect", "believe", "anticipate", "potential", "continue", "may", "will", "could", "might", "should", "would", "maintain", "deliver" and other similar words and expressions.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Accordingly, readers are cautioned not to place undue reliance on such forward-looking statements. Although Birchcliff and AltaGas believe that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct and neither Birchcliff nor AltaGas makes any representation that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements.

In particular, this press release contains forward-looking statements relating to the COA, the Processing Agreement and the additional long-term tolling agreements and the anticipated effects and benefits of such arrangements to Birchcliff and AltaGas (including: that the COA will drive shareholder value for Birchcliff and

AltaGas; the expanded partnership's focus on reducing long-term operating costs and connecting more LPG into premium global markets; that Birchcliff representing 100% of throughput volumes at the Gordondale Facility creates opportunities for operational efficiencies and cost savings within Birchcliff's Gordondale and Pouce Coupe areas; that the COA will allow Birchcliff to leverage cost optimization opportunities that exist between the Pouce Coupe Gas Plant and the Gordondale Facility; that these optimization opportunities are expected to drive lower operating costs, reduce downtime and optimize natural gas liquids recoveries for Birchcliff, with no net impact on AltaGas' profitability; that AltaGas has no plans to reduce its ownership of the Gordondale Facility; that Birchcliff will operate the Gordondale Facility for the remainder of the Processing Agreement's term, which is expected to continue until at least December 31, 2032; and statements regarding the additional long-term tolling agreements including that the agreements are aligned with AltaGas' strategy to grow tolling volumes and cash flow predictability while providing Birchcliff with direct market access to premium LPG netbacks in Asia with FEI pricing.

With respect to the forward-looking statements contained in this press release, assumptions have been made regarding, among other things: Birchcliff's and AltaGas' ability to obtain the anticipated benefits of the COA, the Processing Agreement and the additional long-term tolling agreements; prevailing and future commodity prices and differentials, exchange rates, interest rates, inflation rates, royalty rates and tax rates; the state of the economy, financial markets and the exploration, development and production business; the political environment; the regulatory framework and the ability to comply with existing and future laws; future cash flow, debt and dividend levels; future operating, transportation and other expenses; the ability to access capital and obtain financing; the timing and amount of capital expenditures; the sufficiency of budgeted capital expenditures to carry out planned operations; the successful and timely implementation of capital projects and the timing, location and extent of future drilling and other operations; results of operations; Birchcliff's ability to continue to develop its assets and obtain the anticipated benefits therefrom; the impact of competition on Birchcliff and AltaGas; the availability of, demand for and cost of labour, services and materials; the satisfaction by third parties of their obligations to Birchcliff and AltaGas; the ability of Birchcliff to secure adequate transportation for its products; Birchcliff's ability to successfully market natural gas and liquids; and the results of the Birchcliff's and AltaGas' risk management and market diversification activities.

Birchcliff's and AltaGas' actual results, performance or achievements could differ materially from those anticipated in the forward-looking statements as a result of both known and unknown risks and uncertainties including, but not limited to: the failure to realize the anticipated benefits of the COA, the Processing Agreement and the additional long-term tolling agreements; global conflict and their impacts on supply and demand and commodity prices; actions taken by OPEC and other major producers of crude oil and the impact such actions may have on supply and demand and commodity prices; the uncertainty of estimates and projections relating to production, revenue, costs, expenses and reserves; general economic, market and business conditions which will, among other things, impact the demand for and market prices of parties' respective products and their access to capital; volatility of crude oil and natural gas prices; risks associated with increasing costs; fluctuations in exchange and interest rates; an inability to access sufficient capital from internal and external sources; operational risks and liabilities inherent in oil and natural gas operations and the occurrence of unexpected events such as fires, severe weather, explosions and transportation incidents; an inability to access sufficient water or other fluids needed for operations; uncertainty that development activities in connection with the parties' respective assets will be economic; the accuracy of estimates of production levels; geological, technical, drilling, construction and processing problems; uncertainty of geological and technical data; horizontal drilling and completions techniques and the failure of drilling results to meet expectations for reserves or production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the accuracy of cost estimates and variances in actual costs and economic returns from those anticipated; incorrect assessments of the value of acquisitions and exploration and development programs; changes to the regulatory framework; political uncertainty and uncertainty associated with government policy changes; actions by government authorities; an inability of the parties to comply with existing and future laws and the cost of compliance with such laws; dependence on facilities, gathering lines and pipelines; uncertainties and risks associated with pipeline restrictions and outages to third-party infrastructure that could cause disruptions to production; the lack of available pipeline capacity and an inability to secure adequate and cost-effective transportation for the parties' products; an inability to satisfy obligations under Birchcliff's firm marketing and transportation arrangements; shortages in equipment and skilled personnel; competition; environmental and climate change risks, claims and liabilities; potential litigation; default under or breach of agreements by counterparties and potential enforceability issues in contracts; claims by Indigenous peoples; unforeseen title defects; uncertainties associated with the outcome of litigation or other proceedings involving Birchcliff or AltaGas; risks associated with the parties' risk management and market diversification activities; the failure to obtain any required approvals in a timely manner or at all; the failure to complete or realize the anticipated benefits of acquisitions and dispositions and the risk of unforeseen difficulties in integrating acquired assets into operations; the availability of insurance and the risk that certain losses may not be insured; and breaches or failure of information systems and security (including risks associated with cyber-attacks). Readers are cautioned that the foregoing lists of

factors are not exhaustive. Additional information on these and other risk factors that could affect results of operations, financial performance or financial results are included in Birchcliff's and AltaGas' annual information forms for the financial year ended December 31, 2023 and in other reports filed by each of Birchcliff and AltaGas with Canadian securities regulatory authorities.

Birchcliff and AltaGas have included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide readers with a more complete perspective on Birchcliff's and AltaGas' respective future operations. Readers are cautioned that this information may not be appropriate for other purposes. The forward-looking statements contained in this press release are expressly qualified by the foregoing cautionary statements. The forward-looking statements contained herein are made as of the date of this press release. Unless required by applicable laws, neither Birchcliff nor AltaGas undertakes any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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