Athabasca Oil Announces 2025 First Quarter Results Highlighted by 63% Growth in Funds Flow Per Share and Strong Operational Execution Driving a Robust Return of Capital Program

08.05.2025 | GlobeNewswire

CALGARY, May 07, 2025 - Athabasca Oil Corp. (TSX: ATH) ("Athabasca" or the "Company") is pleased to report its first quarter results highlighted by strong operational execution driving robust return of capital with the full completion of its second annual share buyback program. The Company is in an enviable position to weather market volatility with low corporate break-evens, long-life assets and a pristine balance sheet.

Q1 2025 Consolidated Corporate Results

- Production: Average production of 37,714 boe/d (98% Liquids), representing 13% (24% per share) growth year over year.
- Cash Flow: Adjusted Funds Flow of $130 million ($0.25 per share), representing 63% per share growth year over year. Cash Flow from Operating Activities of $123 million. Free Cash Flow of $71 million from Athabasca (Thermal Oil).
- Capital Program: $63 million total capital expenditures, with $44 million at Leismer as the Company advances the 40,000 bbl/d progressive growth project.

Operations Highlights

- Leismer: Production of ~28,000 bbl/d (April 2025) following the start-up of six redrills in the first quarter. Four additional new well pairs will be brought on stream in H2 2025 to maintain production rates at facility capacity.
- Hangingstone: Production has increased to ~8,900 bbl/d (April 2025) following the start-up of two well pairs. The project continues to deliver meaningful free cash flow generation for the Company.
- Duvernay Energy: Two multi-well pads (seven gross wells) are slated to be completed post break-up and will continue operational momentum in the Kaybob Duvernay play. Capital is trending ~$10 million lower than the 2025 budget at an estimated ~$75 million.

Resilient Producer in a Shifting Global Landscape

- Macro Volatility: Global oil benchmarks have softened in recent months in response to an accelerated OPEC+ supply outlook and evolving U.S. trade policy. Athabasca is uniquely positioned to withstand market volatility and its production is USMCA compliant and exempt from U.S. tariffs.
- Pristine Balance Sheet & Tax Free Horizon: Athabasca has a Net Cash position of $115 million, strong Liquidity of $438 million (including $305 million cash) and a long dated maturity of 2029 on its term debt. The Company has $2.2 billion of tax pools (~80% high-value and immediately deductible).
- Low Decline, Long Life Assets: Athabasca is uniquely positioned with a low base corporate decline and the Company expects to maintain Thermal Oil production in 2025 following recent capital projects. Athabasca has a deep inventory across its portfolio including 1,209 MMbbl of Proved plus Probable Thermal Oil reserves and ~444 gross future drilling locations within Duvernay Energy.
- Low Break-evens: Long-life, low decline assets afford Athabasca with a sustaining capital advantage. The Company's 2025 Thermal Oil operating break-even is estimated at ~US$32/bbl WTI and the capital program which includes growth initiatives is fully funded within cash flow down to ~US$48/bbl WTI for the balance of the year. The Company estimates long term sustaining capital investment of ~C$8/bbl (five?year annual average) to hold production flat.

- Flexible Capital: The Thermal Oil capital projects are flexible, highly economic and have optionality to be recalibrated based on the macroeconomic environment. Duvernay Energy retains significant flexibility on the pace of its operations and is positioned with an independent balance sheet and no near-term land expiries.
- Sound Heavy Oil Fundamentals: The outlook for Canadian heavy oil remains strong supported by the Trans Mountain Expansion pipeline start-up in May 2024 and sustained global refining demand. This has resulted in tighter and less volatile WCS heavy differentials with spot markets currently trading at ~US$9/bbl. Athabasca is a direct beneficiary of structurally tighter differentials that are forecasted to hold in the coming years.

Durable Shareholder Returns

- Full Execution of Second Normal Course Issuer Bid ("NCIB"): On March 17, the Company fully completed its second annual NCIB, returning $289 million to shareholders and purchasing and cancelling 55 million shares.
- Continued 100% of Free Cash Flow (Thermal Oil) Return to Shareholders through Buybacks in 2025: The Company renewed its third annual NCIB with capacity to repurchase up to 50 million shares. The Company has completed $94 million in share buybacks year to date. Athabasca has reduced its fully diluted share count by ~20% since March 31, 2023.
- Durable Shareholder Returns: The Company's capital allocation framework will continue to balance near-term return of capital initiatives for shareholders with a multi-year growth trajectory of cash flow per share. The Company sees significant intrinsic value not reflected in the current share price and intends to remain active with its share buyback strategy.

Strategic Update and Corporate Guidance

- Athabasca (Thermal Oil): The Thermal Oil division underpins the Company's strong Free Cash Flow outlook, with production guidance of 33,500 - 35,500 bbl/d and a ~$250 million capital budget. Athabasca has differentiated and significant unrecovered capital balances on its Thermal Oil Assets that ensure a low Crown royalty framework (~7%[1]). Leismer is forecasted to remain pre-payout until late 2027[1] (and beyond with incremental project capital) while Hangingstone is forecasted to remain pre-payout beyond 2030[1].
- Consolidated Production Outlook: Athabasca's consolidated annual production guidance is 37,500 - 39,500 boe/d. Current production is ~40,000 boe/d and with current capital plans the Company is expecting to be at the upper end of guidance and anticipates exiting the year at ~41,000 boe/d.
- Leismer Progressive Growth: The 2025 program at Leismer includes the tie-in of six redrills and four new well pairs on Pad 10 along with continued pad and facility expansion work for the progressive expansion to 40,000 bbl/d. This expansion project is highly economic (~$25,000/bbl/d capital efficiency) and provides flexibility with interim growth targets to ~32,000 bbl/d and ~35,000 bbl/d before achieving the regulatory approved 40,000 bbl/d capacity.
- Duvernay Energy Corporation: The 2025 capital program of ~$75 million will continue production momentum in H2 2025 with an exit target of ~6,000 boe/d. Capital activity includes the completion of a 100% working interest ("WI") three-well pad that was drilled in 2024, the drilling and completion of a 30% WI four-well pad (spud in Q1 2025) and the construction of a gathering system on operated lands. The capital program in Duvernay Energy Corporation is flexible and designed to be self-funded. The Company has a deep inventory of ~444 gross future drilling locations.
- Free Cash Flow Focus: The Company forecasts consolidated Adjusted Funds Flow between $525 - $550 million[1], including $475 - $500 million from its Thermal Oil assets. Every +US$1/bbl move in West Texas Intermediate ("WTI") and Western Canadian Select ("WCS") heavy oil impacts annual Adjusted Funds Flow by ~$10 million and ~$17 million, respectively. The 2025 Thermal Oil capital program, including growth initiatives, is fully funded within cash flow down to ~US$48 WTI for the balance of the year. Duvernay Energy is independently funded through its balance sheet and cash flow.
- Capital Allocation Discipline: Athabasca has demonstrated its business resiliency and prudent management through past commodity cycles. The Company is nimble with respect to its operating plans and has levers available to adjust to a volatile macro environment. Preserving a pristine balance sheet is paramount to the strategy.
- Steadfast Focus on Cash Flow Per Share Growth: The Company forecasts ~20% compounded annual cash flow per share[1] growth between 2025 - 2029 driven by investing in attractive capital projects and prioritizing share buybacks with free cash flow.

Footnote: Refer to the "Reader Advisory" section within this news release for additional information on

Non?GAAP Financial Measures (e.g. Adjusted Funds Flow, Free Cash Flow, Net Cash, Liquidity) and production disclosure.

[1] 2025 pricing assumptions: US$70 WTI, US$12.50 WCS heavy differential, C$2 AECO, and 0.725 C$/US$ FX.

Annual Shareholders Meeting

Athabasca will be hosting its Annual General Meeting of Shareholders ("Meeting") on Thursday, May 8, 2025 at 8:00 am (MT). The Meeting will be hosted virtually and shareholders and guests can listen via live webcast with details available at:

https://www.atha.com/investors/presentation-events.html

Financial and Operational Highlights

	Three months ended March 31,			
($ Thousands, unless otherwise noted)	2025		2024	
CORPORATE CONSOLIDATED(1)				
Petroleum and natural gas production (boe/d)(2)	37,714		33,470	
Petroleum, natural gas and midstream sales	$ 367,844		$ 311,116	
Operating Income(2)	$ 145,590		$ 105,135	
Operating Income Net of Realized Hedging(2)(3)	$ 143,947		$ 106,580	
Operating Netback ($/boe)(2)	$ 44.07		$ 35.78	
Operating Netback Net of Realized Hedging ($/boe)(2)(3)	$ 43.57		$ 36.27	
Capital expenditures	$ 63,333		$ 76,011	
Cash flow from operating activities	$ 123,353		$ 76,638	
per share - basic	$ 0.24		$ 0.14	
Adjusted Funds Flow(2)	$ 129,675		$ 87,772	
per share - basic	$ 0.25		$ 0.15	
ATHABASCA (THERMAL OIL)				
Bitumen production (bbl/d)(2)	34,742		31,536	
Petroleum, natural gas and midstream sales	$ 362,375		$ 305,041	
Operating Income(2)	$ 135,316		$ 100,449	
Operating Netback ($/bbl)(2)	$ 44.56		$ 36.36	
Capital expenditures	$ 50,376		$ 42,119	
Adjusted Funds Flow(2)	$ 121,353		$ 83,713	
Free Cash Flow(2)	$ 70,977		$ 41,594	
DUVERNAY ENERGY(1)				
Petroleum and natural gas production (boe/d)(2)	2,972		1,934	
Percentage Liquids (%)(2)	73	%	72	%
Petroleum, natural gas and midstream sales	$ 17,619		$ 11,538	
Operating Income(2)	$ 10,274		$ 4,686	
Operating Netback ($/boe)(2)	$ 38.42		$ 26.63	
Capital expenditures	$ 12,957		$ 33,892	
Adjusted Funds Flow(2)	$ 8,322		$ 4,059	
Free Cash Flow(2)	$ (4,635	)	$ (29,833	)
NET INCOME AND COMPREHENSIVE INCOME				
Net income and comprehensive income(4)	$ 72,004		$ 38,609	
per share - basic(4)	$ 0.14		$ 0.07	

per share - diluted(4)	$ 0.14	$ 0.07
COMMON SHARES OUTSTANDING		
Weighted average shares outstanding - basic	514,257,036	567,076,940
Weighted average shares outstanding - diluted	519,227,432	577,106,504

As at ($ Thousands)	March 31, 2025	December 31, 2024
LIQUIDITY AND BALANCE SHEET (CONSOLIDATED)		
Cash and cash equivalents	$ 304,538	$ 344,836
Available credit facilities(5)	$ 133,074	$ 136,324
Face value of term debt	$ 200,000	$ 200,000

(1) Corporate Consolidated and Duvernay Energy reflect gross production and financial metrics before taking into consideration Athabasca's 70% equity interest in Duvernay Energy.
(2) Refer to the "Advisories and Other Guidance" section within this News Release for additional information on Non-GAAP Financial Measures and production disclosure.
(3) Includes realized commodity risk management loss of $1.6 million for the three months ended March 31, 2025 (three months ended March 31, 2024 - gain of $1.4 million).
(4) Net income and comprehensive income per share amounts are based on net income and comprehensive income attributable to shareholders of the Parent Company.
(5) Includes available credit under Athabasca's and Duvernay Energy's Credit Facilities and Athabasca's Unsecured Letter of Credit Facility.

Athabasca (Thermal Oil) Q1 2025 Highlights and Operations Update

- Production: First quarter production of 34,742 bbl/d (27,025 bbl/d at Leismer & 7,717 bbl/d at Hangingstone).
- Cash Flow: Adjusted Funds Flow of $121.4 million; Operating Income of $135.3 million with an Operating Netback of $44.56/bbl ($46.24/bbl at Leismer & $38.43/bbl at Hangingstone).
- Capital Program: $50.4 million of capital expenditures in Q1, with $43.7 million at Leismer as the Company advances the 40,000 bbl/d progressive growth project.
- Free Cash Flow: $71.0 million of Free Cash Flow supporting 100% return of capital commitment.

Leismer

In Q1 2025, the Company brought six extended redrills on Pad L1 (1,000 - 1,700 meter laterals) on production supporting current production of ~28,000 bbl/d (April 2025). The redrills target bypass pay on legacy pads with initial production rates between 400 - 1,000 bbl/d per well. In 2024, the Company drilled an additional four well pairs on Pad L10 that will maintain production rates at facility capacity for the balance of 2025. Another six well pairs will be drilled in H2 2025.

Activity at Leismer remains focused on advancing progressive growth to 40,000 bbl/d by the end of 2027. The project cost is estimated at $300 million generating a capital efficiency of approximately $25,000/bbl/d. The $300 million will be spent between 2025 and 2027 and includes an estimated $190 million for facility capital and an estimated $110 million for growth wells. The project remains on budget and on schedule with the original sanction plans announced in July 2024. The progressive build provides flexibility with interim growth targets to ~32,000 bbl/d and ~35,000 bbl/d before achieving the regulatory approved 40,000 bbl/d capacity. This winter the Company completed regional infrastructure to Pad L10 and L11 including lease site construction, delineation drilling and pipeline looping. The project scope includes the installation of two new steam generators that were countercyclically acquired during a prior commodity down cycle.

Leismer is forecasted to remain pre-payout from a crown royalty perspective until late 2027[1].

Hangingstone

At Hangingstone two extended reach sustaining well pairs (~1,400 meter average laterals) drilled in 2024 were placed on production in March supporting current production of ~8,900 bbl/d (April 2025). These are the first wells drilled at the project since 2015. The new well pairs have ramped up faster than anticipated, benefiting from favorable reservoir temperatures and pressure supported by offsetting wells. Early performance has exceeded expectations with initial production rates of 800 - 1,000 bbl/d per well.

Hangingstone continues to deliver meaningful cash flow contributions to the Company and also has a pre-payout crown royalty structure beyond 2030[1].

Duvernay Energy Corporation Q1 2025 Highlights and Operations Update

- Production: First quarter production of 2,972 boe/d (73% Liquids).
- Cash Flow: Adjusted Funds Flow of $8.3 million with an Operating Netback of $38.42/boe.
- Capital Program: $13.0 million of capital expenditures included spudding a 30% WI four-well pad and constructing a strategic gathering system.

Q1 activity included spudding a four well pad (30% working interest) with average laterals of ~5,000 meters and construction of strategic gathering system connecting its newly operated assets with the Company's existing operated infrastructure on the joint venture acreage. Completion operations will be phased through the balance of the year with the four well pad (30% WI) expected to be completed in Q3 and three well pad (100% WI) in early Fall. The Company expects to exit the year at ~6,000 boe/d.

Production from wells drilled in 2024 continue to validate DEC's type curve expectations. The five wells placed on production have averaged IP30's of ~1,200 boe/d per well (86% Liquids) and IP90s of ~940 boe/d (86% Liquids) per well.

2025 capital is trending ~$10 million lower than original budget and is estimated at ~$75 million, reflecting disciplined execution. Duvernay Energy retains significant operational flexibility with no near-term land expiries and the ability to adjust spending in response to commodity price movements.

About Athabasca Oil Corporation

Athabasca Oil Corporation is a Canadian energy company with a focused strategy on the development of thermal and light oil assets. Situated in Alberta's Western Canadian Sedimentary Basin, the Company has amassed a significant land base of extensive, high quality resources. Athabasca's light oil assets are held in a private subsidiary (Duvernay Energy Corporation) in which Athabasca owns a 70% equity interest. Athabasca's common shares trade on the TSX under the symbol "ATH". For more information, visit www.atha.com.

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Reader Advisory:

This News Release contains forward-looking information that involves various risks, uncertainties and other factors. All information other than statements of historical fact is forward-looking information. The use of any of the words "anticipate", "plan", "project", "continue", "maintain", "may", "estimate", "expect", "will", "target", "forecast", "could", "intend", "potential", "guidance", "outlook" and similar expressions suggesting future outcome are intended to identify forward-looking information. The forward-looking information is not historical fact, but rather is based on the Company's current plans, objectives, goals, strategies, estimates, assumptions and projections about the Company's industry, business and future operating and financial results. This information involves 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 information. No assurance can be given that these expectations will prove to be correct and such forward-looking information included in this News Release should not be unduly relied upon. This information speaks only as of the date of this News Release. In particular, this News Release contains forward-looking information pertaining to, but not limited to, the following: our strategic plans; the allocation of future capital; timing and quantum for shareholder returns including share buybacks; the terms of our NCIB program; our drilling plans and capital efficiencies; production growth to expected production rates and estimated sustaining capital amounts; timing of Leismer's and Hangingstone's pre-payout royalty status; applicability of tax pools; exemption from U.S. tariffs; Adjusted Funds Flow and Free Cash Flow over various periods; type well economic metrics; number of drilling locations; forecasted daily production and the composition of production; break-even metrics, our outlook in respect of the Company's business environment, including in respect of commodity pricing; and other matters.

In addition, information and statements in this News Release relating to "Reserves" and "Resources" are deemed to be forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated, and that the reserves and resources described can be profitably produced in the future. With respect to forward-looking information contained in this News Release, assumptions have been made regarding, among other things: commodity prices; the regulatory framework governing royalties, taxes and environmental matters in the jurisdictions in which the Company conducts and will conduct business and the effects that such regulatory framework will have on the Company, including on the Company's financial condition and results of operations; the Company's financial and operational flexibility; the Company's financial sustainability; Athabasca's cash flow break-even commodity price; the Company's ability to obtain qualified staff and equipment in a timely and cost-efficient manner; the applicability of technologies for the recovery and production of the Company's reserves and resources; future capital expenditures to be made by the Company; future sources of funding for the Company's capital programs; the Company's future debt levels; future production levels; the Company's ability to obtain financing and/or enter into joint venture arrangements, on acceptable terms; operating costs; compliance of counterparties with the terms of contractual arrangements; impact of increasing competition globally; collection risk of outstanding accounts receivable from third parties; geological and engineering estimates in respect of the Company's reserves and resources; recoverability of reserves and resources; the geography of the areas in which the Company is conducting exploration and development activities and the quality of its assets. Certain other assumptions related to the Company's Reserves and Resources are contained in the report of McDaniel & Associates Consultants Ltd. ("McDaniel") evaluating Athabasca's Proved Reserves, Probable Reserves and Contingent Resources as at December 31, 2024 (which is respectively referred to herein as the "McDaniel Report").

Actual results could differ materially from those anticipated in this forward-looking information as a result of the risk factors set forth in the Company's Annual Information Form ("AIF") dated March 5, 2025 available on SEDAR at www.sedarplus.ca, including, but not limited to: weakness in the oil and gas industry; exploration, development and production risks; prices, markets and marketing; market conditions; trade relations and tariffs; climate change and carbon pricing risk; statutes and regulations regarding the environment including deceptive marketing provisions; regulatory environment and changes in applicable law; gathering and processing facilities, pipeline systems and rail; reputation and public perception of the oil and gas sector; environment, social and governance goals; political uncertainty; state of capital markets; ability to finance capital requirements; access to capital and insurance; abandonment and reclamation costs; changing demand for oil and natural gas products; anticipated benefits of acquisitions and dispositions; royalty regimes; foreign exchange rates and interest rates; reserves; hedging; operational dependence; operating costs; project risks; supply chain disruption; financial assurances; diluent supply; third party credit risk; indigenous claims; reliance on key personnel and operators; income tax; cybersecurity; advanced technologies; hydraulic fracturing; liability management; seasonality and weather conditions; unexpected events; internal controls; limitations and insurance; litigation; natural gas overlying bitumen resources; competition; chain of title and expiration of licenses and leases; breaches of confidentiality; new industry related activities or new geographical areas; water use restrictions and/or limited access to water; relationship with Duvernay Energy Corporation; management estimates and assumptions; third-party claims; conflicts of interest; inflation and cost management; credit ratings; growth management; impact of pandemics; ability of investors resident in the United States to enforce civil remedies in Canada; and risks related to our debt and securities. All subsequent forward-looking information, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements.

Also included in this News Release are estimates of Athabasca's 2025 outlook which are based on the various assumptions as to production levels, commodity prices, currency exchange rates and other assumptions disclosed in this News Release. To the extent any such estimate constitutes a financial outlook, it was approved by management and the Board of Directors of Athabasca and is included to provide readers with an understanding of the Company's outlook. Management does not have firm commitments for all of the costs, expenditures, prices or other financial assumptions used to prepare the financial outlook or assurance that such operating results will be achieved and, accordingly, the complete financial effects of all of those costs, expenditures, prices and operating results are not objectively determinable. The actual results of operations of the Company and the resulting financial results may vary from the amounts set forth herein, and such variations may be material. The outlook and forward-looking information contained in this New Release was made as of the date of this News release and the Company disclaims any intention or obligations to update or revise such outlook and/or forward-looking information, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law.

Oil and Gas Information

"BOEs" may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 Mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Initial Production Rates

Test Results and Initial Production Rates: The well test results and initial production rates provided herein should be considered to be preliminary, except as otherwise indicated. Test results and initial production rates disclosed herein may not necessarily be indicative of long-term performance or of ultimate recovery.

Reserves Information

The McDaniel Report was prepared using the assumptions and methodology guidelines outlined in the COGE Handbook and in accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities, effective December 31, 2024. There are numerous uncertainties inherent in estimating quantities of bitumen, light crude oil and medium crude oil, tight oil, conventional natural gas, shale gas and natural gas liquids reserves and the future cash flows attributed to such reserves. The reserve and associated cash flow information set forth above are estimates only. In general, estimates of economically recoverable reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of oil and natural gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary materially. For those reasons, estimates of the economically recoverable reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves prepared by different engineers, or by the same engineers at different times, may vary. The Company's actual production, revenues, taxes and development and operating expenditures with respect to its reserves will vary from estimates thereof and such variations could be material. Reserves figures described herein have been rounded to the nearest MMbbl or MMboe. For additional information regarding the consolidated reserves and information concerning the resources of the Company as evaluated by McDaniel in the McDaniel Report, please refer to the Company's AIF.

Reserve Values (i.e. Net Asset Value) is calculated using the estimated net present value of all future net revenue from our reserves, before income taxes discounted at 10%, as estimated by McDaniel effective December 31, 2024 and based on average pricing of McDaniel, Sproule and GLJ as of January 1, 2025.

The 444 gross Duvernay drilling locations referenced include: 87 proved undeveloped locations and 85 probable undeveloped locations for a total of 172 booked locations with the balance being unbooked locations. Proved undeveloped locations and probable undeveloped locations are booked and derived from the Company's most recent independent reserves evaluation as prepared by McDaniel as of December 31, 2024 and account for drilling locations that have associated proved and/or probable reserves, as applicable. Unbooked locations are internal management estimates. Unbooked locations do not have attributed reserves or resources (including contingent or prospective). Unbooked locations have been identified by management as an estimation of Athabasca's multi-year drilling activities expected to occur over the next two decades based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that the Company will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which the Company will actually drill wells, including the number and timing thereof is ultimately dependent upon the availability of funding, commodity prices, provincial fiscal and royalty policies, costs, actual drilling results, additional reservoir information that is obtained and other factors.

Non-GAAP and Other Financial Measures, and Production Disclosure

The "Corporate Consolidated Adjusted Funds Flow", "Corporate Consolidated Adjusted Funds Flow per Share", "Athabasca (Thermal Oil) Adjusted Funds Flow", "Duvernay Energy Adjusted Funds Flow", "Corporate Consolidated Free Cash Flow", "Athabasca (Thermal Oil) Free Cash Flow", "Duvernay Energy Free Cash Flow", "Corporate Consolidated Operating Income", "Corporate Consolidated Operating Income Net of Realized Hedging", "Athabasca (Thermal Oil) Operating Income", "Duvernay Energy Operating Income", "Corporate Consolidated Operating Netback", "Corporate Consolidated Operating Netback Net of Realized Hedging", "Athabasca (Thermal Oil) Operating Netback", "Duvernay Energy Operating Netback" and "Cash Transportation and Marketing Expense" financial measures contained in this News Release do not have standardized meanings which are prescribed by IFRS and they are considered to be non-GAAP financial measures or ratios. These measures may not be comparable to similar measures presented by other issuers and should not be considered in isolation with measures that are prepared in accordance with IFRS. Net Cash and Liquidity are supplementary financial measures. The Leismer and Hangingstone operating results are supplementary financial measures that when aggregated, combine to the Athabasca (Thermal Oil) segment results.

Adjusted Funds Flow, Adjusted Funds Flow Per Share and Free Cash Flow

Adjusted Funds Flow and Free Cash Flow are non-GAAP financial measures and are not intended to represent cash flow from operating activities, net earnings or other measures of financial performance calculated in accordance with IFRS. The Adjusted Funds Flow and Free Cash Flow measures allow management and others to evaluate the Company's ability to fund its capital programs and meet its ongoing financial obligations using cash flow internally generated from ongoing operating related activities. Adjusted Funds Flow per share is a non-GAAP financial ratio calculated as Adjusted Funds Flow divided by the applicable number of weighted average shares outstanding. Adjusted Funds Flow and Free Cash Flow are calculated as follows:

	Three months ended March 31, 2025		
($ Thousands)	Athabasca (Thermal Oil)	Duvernay Energy[1]	Corporate Consolidated[1]
Cash flow from operating activities	$ 113,427	$ 9,926	$ 123,353
Changes in non-cash working capital	7,230	(1,612)	5,618
Settlement of provisions	696	8	704
ADJUSTED FUNDS FLOW	121,353	8,322	129,675
Capital expenditures	(50,376)	(12,957)	(63,333)
FREE CASH FLOW	$ 70,977	$ (4,635)	$ 66,342

(1) Duvernay Energy and Corporate Consolidated reflect gross financial metrics before taking into consideration Athabasca's 70% equity interest in Duvernay Energy.

	Three months ended March 31, 2024		
($ Thousands)	Athabasca (Thermal Oil)	Duvernay Energy[1]	Corporate Consolidated[1]
Cash flow from operating activities	$ 72,730	$ 3,908	$ 76,638
Changes in non-cash working capital	9,382	149	9,531
Settlement of provisions	1,601	2	1,603
ADJUSTED FUNDS FLOW	83,713	4,059	87,772
Capital expenditures	(42,119)	(33,892)	(76,011)
FREE CASH FLOW	$ 41,594	$ (29,833)	$ 11,761

(1) Duvernay Energy and Corporate Consolidated reflect gross financial metrics before taking into consideration Athabasca's 70% equity interest

in Duvernay Energy.

Duvernay Energy Operating Income and Operating Netback

The non-GAAP measure Duvernay Energy Operating Income in this News Release is calculated by subtracting the Duvernay Energy royalties, operating expenses and transportation & marketing expenses from petroleum and natural gas sales which is the most directly comparable GAAP measure. The Duvernay Energy Operating Netback per boe is a non-GAAP financial ratio calculated by dividing the Duvernay Energy Operating Income by the Duvernay Energy production. The Duvernay Energy Operating Income and the Duvernay Energy Operating Netback measures allow management and others to evaluate the production results from the Company's Duvernay Energy assets.

The Duvernay Energy Operating Income is calculated using the Duvernay Energy Segments GAAP results, as follows:

	Three months ended March 31,	
($ Thousands, unless otherwise noted)	2025	2024
Petroleum and natural gas sales	$ 17,619	$ 11,538
Royalties	(2,761)	(2,314)
Operating expenses	(3,786)	(3,640)
Transportation and marketing	(798)	(898)
DUVERNAY ENERGY OPERATING INCOME(1)	$ 10,274	$ 4,686

Athabasca (Thermal Oil) Operating Income and Operating Netback

The non-GAAP measure Athabasca (Thermal Oil) Operating Income in this News Release is calculated by subtracting the Athabasca (Thermal Oil) segments cost of diluent blending, royalties, operating expenses and cash transportation & marketing expenses from heavy oil (blended bitumen) and midstream sales which is the most directly comparable GAAP measure. The Athabasca (Thermal Oil) Operating Netback per bbl is a non-GAAP financial ratio calculated by dividing the respective projects Operating Income by its respective bitumen sales volumes. The Athabasca (Thermal Oil) Operating Income and the Athabasca (Thermal Oil) Operating Netback measures allow management and others to evaluate the production results from the Athabasca (Thermal Oil) assets.

The Athabasca (Thermal Oil) Operating Income is calculated using the Athabasca (Thermal Oil) Segments GAAP results, as follows:

	Three months ended March 31,	
($ Thousands, unless otherwise noted)	2025	2024
Heavy oil (blended bitumen) and midstream sales	$ 362,375	$ 305,041
Cost of diluent	(152,132)	(133,860)
Total bitumen and midstream sales	210,243	171,181
Royalties	(15,964)	(11,537)
Operating expenses - non-energy	(24,887)	(23,125)
Operating expenses - energy	(13,507)	(16,558)
Transportation and marketing(1)	(20,569)	(19,512)
ATHABASCA (THERMAL OIL) OPERATING INCOME(2)	$ 135,316	$ 100,449

(1) Transportation and marketing excludes non-cash costs of $0.6 million for the three months ended March 31, 2025 (three months ended March 31, 2024 - $0.6 million).

Corporate Consolidated Operating Income and Corporate Consolidated Operating Income Net of Realized

Hedging and Operating Netbacks

The non-GAAP measures of Corporate Consolidated Operating Income including or excluding realized hedging in this News Release are calculated by adding or subtracting realized gains (losses) on commodity risk management contracts (as applicable), royalties, the cost of diluent blending, operating expenses and cash transportation & marketing expenses from petroleum, natural gas and midstream sales which is the most directly comparable GAAP measure. The Corporate Consolidated Operating Netbacks including or excluding realized hedging per boe are non-GAAP ratios calculated by dividing Corporate Consolidated Operating Income including or excluding hedging by the total sales volumes and are presented on a per boe basis. The Corporate Consolidated Operating Income and Corporate Consolidated Operating Netbacks including or excluding realized hedging measures allow management and others to evaluate the production results from the Company's Duvernay Energy and Athabasca (Thermal Oil) assets combined together including the impact of realized commodity risk management gains or losses (as applicable).

	Three months ended March 31,	
($ Thousands, unless otherwise noted)	2025	2024
Petroleum, natural gas and midstream sales(1)	$ 379,994	$ 316,579
Royalties	(18,725)	(13,851)
Cost of diluent(1)	(152,132)	(133,860)
Operating expenses	(42,180)	(43,323)
Transportation and marketing(2)	(21,367)	(20,410)
Operating Income(3)	145,590	105,135
Realized gain (loss) on commodity risk mgmt. contracts	(1,643)	1,445
OPERATING INCOME NET OF REALIZED HEDGING(3)	$ 143,947	$ 106,580

(1) Non-GAAP measure includes intercompany NGLs (i.e. condensate) sold by the Duvernay Energy segment to the Athabasca (Thermal Oil) segment for use as diluent that is eliminated on consolidation.
(2) Transportation and marketing excludes non-cash costs of $0.6 million for the three months ended March 31, 2025 (three months ended March 31, 2024 - $0.6 million).

Cash Transportation and Marketing Expense

The Cash Transportation and Marketing Expense financial measures contained in this News Release are calculated by subtracting the non-cash transportation and marketing expense as reported in the Consolidated Statement of Cash Flows from the transportation and marketing expense as reported in the Consolidated Statement of Income (Loss) and are considered to be non-GAAP financial measures.

Net Cash

Net Cash is defined as the face value of term debt, plus accounts payable and accrued liabilities, plus current portion of provisions and other liabilities plus income tax payable less current assets, excluding risk management contracts.

Liquidity

Liquidity is defined as cash and cash equivalents plus available credit capacity.

Production volumes details

	Three months ended March 31,	
Production	2025	2024
Duvernay Energy:		
Oil and condensate NGLs(1) bbl/d	1,839	1,205

Other NGLs	bbl/d	326	180
Natural gas(2)	mcf/d	4,844	3,291
Total Duvernay Energy	boe/d	2,972	1,934
Total Thermal Oil bitumen	bbl/d	34,742	31,536
Total Company production	boe/d	37,714	33,470

(1) Comprised of 99% or greater of tight oil, with the remaining being light and medium crude oil.
(2) Comprised of 99% or greater of shale gas, with the remaining being conventional natural gas.

This News Release also makes reference to Athabasca's forecasted average daily Thermal Oil production of 33,500 ? 35,500 bbl/d for 2025. Athabasca expects that 100% of that production will be comprised of bitumen. Duvernay Energy's forecasted total average daily production of ~4,000 boe/d for 2025 is expected to be comprised of approximately 68% tight oil, 23% shale gas and 9% NGLs.

Liquids is defined as bitumen, light crude oil, medium crude oil and natural gas liquids.

Break Even is an operating metric that calculates the US$WTI oil price required to fund operating costs (Operating Break-even), sustaining capital (Sustaining Break-even), or growth capital (Total Capital) within Adjusted Funds Flow.

Footnote: Refer to the "Reader Advisory" section within this news release for additional information on Non?GAAP Financial Measures (e.g. Adjusted Funds Flow, Free Cash Flow, Net Cash, Liquidity) and production disclosure.

[1] 2025 pricing assumptions: US$70 WTI, US$12.50 WCS heavy differential, C$2 AECO, and 0.725 C$/US$ FX.