Athabasca Oil Announces 2025 Year-end Results and Reserves

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CALGARY, March 04, 2026 - Athabasca Oil Corp. (TSX: ATH) ("Athabasca" or the "Company") is pleased to report its audited 2025 year-end results and reserves. The annual results are highlighted by strong operational performance across all assets, resilient financial performance, and execution of continued shareholder returns. Athabasca provides investors unique positioning to top tier liquids weighted assets (Thermal Oil and Duvernay) with a focus on maximizing cash flow per share growth by investing in competitive projects alongside a return of capital framework focused on share buybacks.

Year-end 2025 Consolidated Corporate Results

- Production: Average annual production of 39,375 boe/d (98% Liquids), representing 7% (17% per share) growth year-over-year. Strong performance across all assets supported the Company reaching the high-end of its guidance of 37,500 - 39,500 boe/d. Thermal Oil annual production was 35,905 bbl/d and Duvernay Energy Corporation ("DEC") annual production was 3,470 boe/d (76% Liquids). Fourth quarter consolidated production was 41,061 boe/d (98% Liquids).
- Cash Flow: Adjusted Funds Flow of $504 million ($1.01 per share). Cash flow from operating activities of $520 million. Free Cash Flow of $217 million from Athabasca (Thermal Oil) demonstrates the resilience of a quality asset base and clean balance sheet. DEC growth was self-funded separately within its cash flow and balance sheet.
- Capital Program: $323 million total capital expenditures, consistent with guidance, including $231 million at Leismer to support the progressive growth project and $75 million in Duvernay development.
- Shareholder Returns: Purchased 39 million shares through the Company's buyback program for an aggregate $230 million, demonstrating its commitment to return 100% of Free Cash Flow to shareholders in 2025. The Company has now purchased ~$720 million in shares and has reduced its fully diluted share count by 24% since commencing the buyback program in 2023. Following the expiry of its current Normal Course Issuer Bid ("NCIB") on March 17, 2026 the Company will renew a fourth annual NCIB with the Toronto Stock Exchange.

2025 Year-end Consolidated Reserves[1]

- Differentiated Long-life Reserves: Athabasca holds 1.3 billion boe of Proved Plus Probable ("2P") reserves and ~1 billion barrels of Contingent Resource (Best Estimate). The 2P reserves underpin significant intrinsic value of $5.8 billion NPV10[2] ($12.13 per share).
- Deep Value with Funded Growth Optionality within Thermal Oil: The Thermal Oil division has a 2P NPV10[2] of $5.2 billion and provides an oil focused platform underpinning funded growth to >60,000 bbl/d by 2030 with Phase 1 of Corner. The Company's growth outlook will accelerate an unparalleled ~30 year 1P and ~85 year 2P current reserve life.
- Duvernay Value Capture: DEC 2P reserves increased by 9% to 79 mmboe, representing a NPV10[2] value of $592 million. Continued growth is attributed to development on its operated lands. DEC has an estimated 432 gross drilling locations (198 net) across its ~200,000 gross acre land base.

2026 Guidance Maintained

- Consolidated Budget: Athabasca is planning capital expenditures of ~$310 million with average production of 37,000 - 39,000 boe/d (98% Liquids), inclusive of a ~2,500 boe/d impact of planned turnarounds across its assets. Growth will materialize in the second half of 2026 with an exit rate of ~43,000 boe/d, driven by the Leismer expansion project. Strong operational momentum is expected to continue into 2027 as Leismer ramps up to regulatory capacity and additional Duvernay production is added.

- Cash Flow Outlook: The Company forecasts consolidated Adjusted Funds Flow between $425 - $450 million[3] in 2026. With operational momentum into 2027, Adjusted Funds Flow and Free Cash Flow are expected to grow significantly year over year. Every +US$1/bbl move in West Texas Intermediate ("WTI") and Western Canadian Select ("WCS") heavy oil impacts 2026 annual Adjusted Funds Flow by ~$10 million and ~$17 million, respectively.
- Balance Sheet Management: Athabasca will prudently manage its capital structure as operations increase in scale. A Net Cash position currently provides the Company capital allocation flexibility for its business initiatives including multi-year capital projects and augmenting strategic share buybacks. Athabasca is committed to maintaining a best-in-class balance sheet with a targeted Net Debt to Adjusted Funds Flow metric less than 0.5x over the long-term.

Operations Update

- Leismer Expansion On Track: The winter drilling program will conclude in March and includes twelve well pairs that will be commissioned and steamed in the second half of the year. In conjunction with the planned facility additions that will be completed during the turnaround in May, these well pairs will drive strong production momentum exiting the year and progressive growth up to 40,000 bbl/d in late 2027.
- Hangingstone Resilience: Current production of ~9,000 bbl/d following the addition of two well pairs in 2025. No additional drilling is required in 2026 to maintain production above a mid-term target at the asset of 8,000 bbl/d. Hangingstone will also undergo a planned turnaround in April.
- Corner Readiness: The Corner asset will be developed through a capital-efficient modular design with 15,000 bbl/d project phases. Current activity includes central processing facility, road and pad-site preparation during the winter construction season. The Company has finalized cost estimates and is advancing lump-sum execution structures to enhance certainty over project cost and schedule. Additionally, the Company has secured critical path contracts including gas feedstock and diversified long-term egress. The Company anticipates Phase 1 to be sanctioned in the second half of 2026, contingent on a favorable macro environment, with the majority of the capital to follow the current Leismer expansion project. The project is expected to be self-funded while maintaining a strong balance sheet and a focus on shareholder returns. Phase 1 will provide substantial production growth starting in 2029.
- Exceptional Duvernay Well Results: Wells brought on stream in the second half of 2025 demonstrated continued strong performance validating type-curves and longer-term development plans. The operated three-well pad at 4-18-64-16W5 (100% WI) has now realized average IP90s of ~945 boe/d (89% Liquids). An additional 4-well pad at 7-15-64-17 W5 (30% WI) was rig released in February with completions underway and a planned onstream date in April. The Company is pleased by the strong production results with initial rates and free condensate yields resulting in exceptional netbacks. DEC will preserve its valuable inventory during periods of market volatility with flexibility to accelerate development in supportive macro conditions.

Corporate Consolidated Strategy

- Thermal Oil Scale: The Company's Thermal Oil division provides an oil focused platform underpinning funded growth to >60,000 bbl/d by 2030 with Phase 1 of Corner. The Thermal Oil assets have a resource base of 1.2 billion barrels of proved plus probable reserves and 1 billion barrels of contingent resource, providing optionality to reach over 90,000 bbl/d within current regulatory approvals. The Thermal Oil assets have an operating break-even of ~US$40/bbl WTI, a sustaining break-even of ~$US45/bbl WTI and growth initiatives at Leismer and Corner are fully funded within cash flow to ~US$55/bbl WTI.
- Duvernay Value Proposition: Athabasca's subsidiary company, Duvernay Energy Corporation ("DEC"), is designed to enhance value for shareholders by providing a clear path for self-funded production and cash flow growth in the Kaybob Duvernay resource play. DEC has an independent strategy and capital allocation framework with production growth to >15,000 boe/d by 2030 with ~20 years of future drilling inventory. Value crystallization for shareholders is expected once the asset has reached a material scale through its exceptional land base and drilling inventory.
- Financial Resilience: Athabasca maintains a strong and differentiated balance sheet with a $59 million consolidated Net Cash position, including $316 million of cash. The Company will prudently manage its capital structure as operations increase in scale. A Net Cash position currently provides the Company capital allocation flexibility for its business initiatives including multi-year capital projects and augmenting strategic share buybacks. Athabasca is committed to maintaining a best-in-class balance sheet with a targeted Net Debt to Adjusted Funds Flow metric less than 0.5x over the long-term. Athabasca (Thermal Oil) also has $2.1 billion in tax pools, including $1.6 billion of immediately deductible non-capital losses, sheltering cash taxes beyond 2030.

- Exceptional Shareholder Returns: The Company has returned ~$1.1 billion to shareholders since 2021, including $386 million of debt reduction and ~$720 million of share buybacks. The buyback program has driven a 24% reduction in fully diluted shares since 2023 at an average price of $4.82/sh, representing a ~60% discount to its 2025 2P reserves value per share of $12.13[2]. Share buybacks remain an important capital allocation tool where valuation supports compelling risk-adjusted returns relative to intrinsic net asset value. Athabasca is committed to returning 100% of Free Cash Flow to shareholders through share buybacks in 2026. Any repurchases beyond Free Cash Flow will be undertaken selectively and within a disciplined framework that prioritizes funding the Company's core growth projects and maintaining a strong balance sheet. Athabasca forecasts $1.1 billion[3] of additional Free Cash Flow over the next five years while funding its growth initiatives at Leismer and Corner.
- Focus on Per Share Metrics: Advancing attractive capital projects concurrent with share buybacks results in a >20% compounded annual growth rate in cash flow per share[4] to 2030 and beyond.

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, Sustaining Capital, Net Cash) and production disclosure.

[1] Consolidated reserves reflect gross reserves and financial metrics before taking into account Athabasca's 70% equity interest in Duvernay Energy.

[2] Net present value of future net revenue before tax at a 10% discount rate (NPV 10 before tax) for 2025 is based on an average of McDaniel, Sproule and GLJ pricing as at January 1, 2026.

[3] Pricing Assumptions: 2026+ US$65 WTI, US$12.50 WCS heavy differential, C$3 AECO, and 0.725 C$/US$ FX.

[4] The Company's illustrative multi-year outlook assumes 100% of Free Cash Flow is directed to share buybacks up to a 10% Normal Course Issuer Bid limit at an implied share price of 6x Enterprise Value/Debt Adjusted Cash Flow in 2027 and beyond.

Financial and Operational Highlights

	Three months ended December 31,		Year Ended December 31,	
($ Thousands, unless otherwise noted)	2025	2024	2025	2024
CORPORATE CONSOLIDATED[1]				
Petroleum and natural gas production (boe/d)[2]	41,061	37,236 39,376,815		
Petroleum, natural gas and midstream sales	$ 301,028	$ 35$2,4561,$61,432,091		
Operating Income[2]	$ 128,231	$ 15$5,02256$7,623,092		
Operating Income Net of Realized Hedging[2][3]	$ 132,608	$ 15$3,11956$3,606,630		
Operating Netback ($/boe)[2]	$ 34.50	$ 45$53 39$826.14		
Operating Netback Net of Realized Hedging ($/boe)[2][3]	$ 35.68	$ 44$97 39$545.66		
Capital expenditures	$ 89,955	$ 92$944 32$2,548,042		
Cash flow from operating activities	$ 138,259	$ 15$8,67752$0,457,541		
per share - basic	$ 0.28	$ 0.$0 1.0$41.02		
Adjusted Funds Flow[2]	$ 117,473	$ 14$3,73750$3,560,935		
per share - basic	$ 0.24	$ 0.$7 1.0$11.02		
ATHABASCA (THERMAL OIL)				
Bitumen production (bbl/d)[2]	35,795	33,849 35,935,505		
Petroleum, natural gas and midstream sales	$ 297,101	$ 34$6,7161,$41,479,670		
Operating Income[2]	$ 109,651	$ 14$3,24652$3,569,083		
Operating Netback ($/bbl)[2]	$ 33.93	$ 46$30 40$346.54		
Capital expenditures	$ 76,173	$ 74$268 24$7,624,902		
Adjusted Funds Flow[2]	$ 99,925	$ 13$3,39846$4,506,612		
Free Cash Flow[2]	$ 23,752	$ 59$130 21$6,321,710		
DUVERNAY ENERGY[1]				
Petroleum and natural gas production (boe/d)[2]	5,266	3,387 3,470,310		
Percentage Liquids (%)[2]	81%	75%	76%	76%
Petroleum, natural gas and midstream sales	$ 27,762	$ 20$179 74$787,194		
Operating Income[2]	$ 18,580	$ 11$776 43$952,009		
Operating Netback ($/boe)[2]	$ 38.35	$ 37$79 34$742.10		
Capital expenditures	$ 13,782	$ 18$676 74$923,140		

Adjusted Funds Flow(2)	$ 17,548	$	10$339 39$440,323
Free Cash Flow(2)	$ 3,766	$	(8,$37)(35,4$20,817)
NET INCOME AND COMPREHENSIVE INCOME			
Net income and comprehensive income(4)	$ 46,596	$	26$4,336245,4$610,743
per share - basic(4)	$ 0.10	$	0.5$0 0.4$90.85
per share - diluted(4)	$ 0.10	$	0.5$0 0.4$90.85
COMMON SHARES OUTSTANDING			
Weighted average shares outstanding - basic	486,104,751		526,233,4392,2475,8974,407
Weighted average shares outstanding - diluted	490,256,842		530,796,5028,5956,3682,675

As at ($ Thousands)	December 31, 2025	December 31, 2024
LIQUIDITY AND BALANCE SHEET (CONSOLIDATED)		
Cash and cash equivalents	$ 316,366	$ 344,836
Available credit facilities(5)	$ 126,595	$ 136,324
Face value of long-term debt	$ 201,209	$ 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 "Reader Advisory" section within this News Release for additional information on Non-GAAP Financial Measures and production disclosure.
(3) Includes realized commodity risk management gain of $4.4 million and loss of $4.1 million for the three months and year ended December 31, 2025 (three months and year ended December 31, 2024 - loss of $1.9 million and $6.5 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) Year-end 2025 Highlights and Operations Update

- Production: 35,905 bbl/d (27,372 bbl/d at Leismer and 8,533 bbl/d at Hangingstone).
- Cash Flow: Operating Income of $523.4 million with an Operating Netback of $40.33/bbl. Adjusted Funds Flow of $464.5 million.
- Capital: $247.6 million of capital expenditures in 2025, with $230.6 million at Leismer.
- Free Cash Flow: $216.9 million of Free Cash Flow supporting corporate return of capital commitment.

Leismer

Bitumen production for 2025 averaged 27,372 bbl/d, up 5% year over year (15% per share).

In Q4 2025, two well pairs on Pad L10 commenced steaming and were brought on production in December and January with current production of ~27,000 bbl/d (February). In anticipation of the next growth phase, Athabasca has now drilled 12 well pairs. The Company completed drilling six well pairs on Pad L11 in Q4 2025 and six well pairs on Pad 10 in March 2026.

At the central processing facility, the Company has completed structural foundation work for the expansion facilities and, last fall, successfully set two new steam generators. Additional major equipment has been delivered to site, including a treater, degasser and heat exchangers. The $300 million expansion project includes an estimated $190 million for facility capital and an estimated $110 million for growth wells. By year-end 2025, ~50% of total capital exposure for the expansion project was completed, with the remainder of capital to be substantially complete by year-end 2026. The project remains on budget and on schedule with the original sanction plans announced in July 2024.

The Company is preparing for a three-week facility turnaround to be completed in May. Activities include recurring maintenance on a four-year frequency with additional scope for the tie-in of new equipment. Steaming of the 12 new well pairs will commence in a staged sequence following the turnaround. An exit rate of ~31,000 - 32,000 bbl/d is anticipated for 2026, with all wells expected to be converted to production by early 2027. These wells in conjunction with additional drilling next winter will drive strong production momentum, supporting progressive growth to 40,000 bbl/d by late 2027.

Hangingstone

Bitumen production for 2025 average 8,533 bbl/d, up 15% year over year (25% per share).

In March 2025, two extended reach sustaining well pairs (~1,400 meter average laterals) were placed on production supporting current production of ~9,000 bbl/d (February). Current well pair performance remains strong between 800 - 1,100 bbl/d per well. Hangingstone continues to deliver meaningful cash flow contributions and the Company expects minimal capital activity this year given its resilient production performance. The Company has a planned two-week turnaround that will be completed in April.

Corner

The Corner asset is a large de-risked oil sands asset adjacent to Leismer with 353 million barrels of Proved plus Probable reserves and 520 million barrels Contingent Resource (Best Estimate Unrisked). The asset has regulatory approval for 40,000 bbl/d with over 300 delineation wells and ~80% seismic coverage. Reservoir quality is similar to or better than Leismer, and comparable to other top-quality assets in the McMurray Formation fairway, with an expected steam-oil ratio of less than 3x.

The Corner asset will be developed through a capital-efficient modular design with 15,000 bbl/d project phases. Future development is expected to be self-funded while maintaining a strong balance sheet and a focus on shareholder returns. Phase 1 is expected to have a capital efficiency of ~$35,000/bbl/d, with the full development expected to achieve lower average capital intensity as scale is realized.

Current activity includes central processing facility, road and pad-site preparation during the winter construction season. The Company has finalized cost estimates and is advancing lump-sum execution structures to enhance certainty over project cost and schedule. Additionally, the Company has secured critical path contracts including gas feedstock and diversified long-term egress. The Company anticipates Phase 1 to be sanctioned in the second half of 2026, contingent on a favorable macro environment, with the majority of the capital to follow the current Leismer expansion project.

Duvernay Energy Corporation Year-end 2025 Highlights and Operations Update

- Production: Production of 3,470 boe/d (76% Liquids); achieved an exit rate of 5,500 boe/d.
- Cash Flow: Operating Income of $44.0 million with an Operating Netback of $34.72/boe. Adjusted Funds Flow of $39.4 million.
- Capital: $74.9 million of capital expenditures including drilling and completions on a four well pad (30% working interest), completions on a three well pad (100% working interest), drilling operations on a four well pad (30% working interest) and construction of regional infrastructure.

In Q4 2025, DEC brought a three well pad (100% working interest) on production. The three new wells have average IP30's of ~1,125 boe/d (90% liquids) and average IP90's of ~945 boe/d (89% Liquids). A four-well 30% working interest pad was rig released in February with average laterals of ~4,500 meters. Completions are underway with a planned on-stream in April. In Q1, the Company recently drilled a 3,860 meter 100% working interest land retention well, securing land tenure of ~32 sections in its northern Duvernay land position.

DEC has an independent strategy and capital allocation framework with production growth to >15,000 boe/d by 2030 with ~20 years of future drilling inventory. In periods of market volatility DEC will preserve its valuable inventory with flexibility to accelerate development in supportive macro conditions. Value crystallization for shareholders is expected once the asset has reached a material scale through its exceptional land base and drilling inventory.

Differentiated Long-life Reserves[1]

Massive Resource Base: 1.3 billion boe of 2P reserves, anchored by 1.2 billion barrels of 2P Thermal Reserves, plus an additional ~1 billion barrels of Contingent Resources (best estimate). McDaniel's estimated reserve values (NPV10 before tax) are $5.8 billion[2] 2P ($12.13 per share).

Duvernay Value Capture: Strong reserve additions attributed to growth on its operated lands with a 9% year over year increase in 2P reserves to 79 mmboe. The reserves evaluation supports Management's estimates of lease edge economics in the play.

Long Duration Assets: Athabasca maintains a best in class inventory with a ~30 year 1P and ~85 year 2P current reserve life. The organic growth plan will accelerate value capture for shareholders.

Athabasca's independent reserves evaluator, McDaniel & Associates Consultants Ltd. ("McDaniel"), prepared the year-end reserves evaluation effective December 31, 2025. Reserves are reported on a consolidated basis and reflecting gross reserves and financial metrics before taking into account Athabasca's 70% equity interest in Duvernay Energy.

	Duvernay Energy[1]		Thermal Oil		Corporate	
	2024	2025	2024	2025	2024	2025
Reserves (mmboe)						
Proved Developed Producing	6	7	74	71	80	78
Total Proved	41	46	404	392	445	438
Proved Plus Probable	73	79	1,209	1,201	1,282	1,280
NPV10 BT ($million)[2]						
Proved Developed Producing	$81	$114	$1,749	$1,449	$1,830	$1,563
Total Proved	$345	$346	$3,421	$2,917	$3,766	$3,263
Proved Plus Probable	$614	$592	$5,824	$5,232	$6,438	$5,824

Numbers in the table may not add precisely due to rounding.

For additional information regarding Athabasca's reserves and resources estimates, please see "Independent Reserve and Resource Evaluations" in the Company's 2025 Annual Information Form which is available on the Company's website or on SEDAR at www.sedarplus.ca.

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; our growth plans; 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; 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, market access, exemption from U.S. tariffs, 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 prices; 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, 2025 (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 4, 2026 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; 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; evolving corporate governance, sustainability and reporting framework; limitations of 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 2026 - 2030 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, 2025. 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, 2025 and based on average pricing of McDaniel, Sproule and GLJ as of January 1, 2026.

The 432 gross Duvernay drilling locations referenced include: 95 proved undeveloped locations and 88 probable undeveloped locations for a total of 183 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, 2025 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.

	Three months ended December 31, 2025		
($ Thousands)	Athabasca (Thermal Oil)	Duvernay Energy[(1)]	Corporate Consolidated[(1)]
Cash flow from operating activities	$ 121,330	$ 16,929	$ 138,259
Changes in non-cash working capital	(22,220)	428	(21,792)
Settlement of provisions	815	191	1,006
ADJUSTED FUNDS FLOW	99,925	17,548	117,473
Capital expenditures	(76,173)	(13,782)	(89,955)
FREE CASH FLOW	$ 23,752	$ 3,766	$ 27,518

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

	Year ended December 31, 2025		
($ Thousands)	Athabasca (Thermal Oil)	Duvernay Energy[(1)]	Corporate Consolidated[(1)]
Cash flow from operating activities	$ 487,589	$ 32,869	$ 520,458
Changes in non-cash working capital	(24,741)	6,360	(18,381)
Settlement of provisions	1,658	201	1,859
ADJUSTED FUNDS FLOW	464,506	39,430	503,936
Capital expenditures	(247,624)	(74,920)	(322,544)
FREE CASH FLOW	$ 216,882	$ (35,490)	$ 181,392

(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
December 31, 2024

($ Thousands)	Athabasca (Thermal Oil)	Duvernay Energy[1]	Corporate Consolidated[1]
Cash flow from operating activities	$ 144,810	$ 13,867	$ 158,677
Changes in non-cash working capital	(11,504)	(3,675)	(15,179)
Settlement of provisions	92	147	239
ADJUSTED FUNDS FLOW	133,398	10,339	143,737
Capital expenditures	(74,268)	(18,676)	(92,944)
FREE CASH FLOW	$ 59,130	$ (8,337)	$ 50,793

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

	Year ended December 31, 2024		
($ Thousands)	Athabasca (Thermal Oil)	Duvernay Energy[1]	Corporate Consolidated[1]
Cash flow from operating activities	$ 511,828	$ 45,713	$ 557,541
Changes in non-cash working capital	3,056	(1,541)	1,515
Settlement of provisions	1,728	151	1,879
ADJUSTED FUNDS FLOW	516,612	44,323	560,935
Capital expenditures	(194,902)	(73,140)	(268,042)
FREE CASH FLOW	$ 321,710	$ (28,817)	$ 292,893

(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 December 31,		Year ended December 31,	
($ Thousands, unless otherwise noted)	2025	2024	2025	2024
Petroleum and natural gas sales	$ 27,762	$ 20,179	$ 74,747	$ 83,194
Royalties	(2,781)	(2,753)	(8,605)	(11,035)
Operating expenses	(4,883)	(4,729)	(17,819)	(17,116)
Transportation and marketing	(1,518)	(921)	(4,361)	(4,034)
DUVERNAY ENERGY OPERATING INCOME	$ 18,580	$ 11,776	$ 43,962	$ 51,009

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 December 31,		Year ended December 31,	
($ Thousands, unless otherwise noted)	2025	2024	2025	2024
Heavy oil (blended bitumen) and midstream sales	$ 297,101	$ 346,716	$ 1,344,178	$ 1,419,670
Cost of diluent	(123,412)	(137,817)	(544,620)	(549,808)
Total bitumen and midstream sales	173,689	208,899	799,558	869,862
Royalties	(7,479)	(12,413)	(43,466)	(75,064)
Operating expenses - non-energy	(21,219)	(20,699)	(96,800)	(93,144)
Operating expenses - energy	(14,129)	(11,526)	(50,410)	(49,713)
Transportation and marketing(1)	(21,211)	(21,015)	(85,481)	(82,858)
ATHABASCA (THERMAL OIL) OPERATING INCOME	$ 109,651	$ 143,246	$ 523,401	$ 569,083

(1) Transportation and marketing excludes non-cash costs of $0.6 million and $2.2 million for the three months and year ended December 31, 2025 (three months and year ended December 31, 2024 - $0.6 million and $2.2 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 December 31,		Year ended December 31,	
($ Thousands, unless otherwise noted)	2025	2024	2025	2024
Petroleum, natural gas and midstream sales(1)	$ 324,863	$ 366,895	$ 1,418,925	$ 1,502,864
Royalties	(10,260)	(15,166)	(52,071)	(86,099)
Cost of diluent(1)	(123,412)	(137,817)	(544,620)	(549,808)
Operating expenses	(40,231)	(36,954)	(165,029)	(159,973)
Transportation and marketing(2)	(22,729)	(21,936)	(89,842)	(86,892)
Operating Income	128,231	155,022	567,363	620,092
Realized gain (loss) on commodity risk mgmt. contracts	4,377	(1,903)	(4,057)	(6,462)
OPERATING INCOME NET OF REALIZED HEDGING	$ 132,608	$ 153,119	$ 563,306	$ 613,630

(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 and $2.2 million for the three months and year ended December 31, 2025 (three months and year ended December 31, 2024 - $0.6 million and $2.2 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 long-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 December 31,		Year ended December 31,	
Production		2025	2024	2025	2024
Duvernay Energy:					
Oil and condensate NGLs(1)	bbl/d	3,820	2,103	2,335	2,202
Other NGLs	bbl/d	439	422	311	329
Natural gas(2)	mcf/d	6,040	5,172	4,947	4,677
Total Duvernay Energy	boe/d	5,266	3,387	3,470	3,310
Total Thermal Oil bitumen	bbl/d	35,795	33,849	35,905	33,505
Total Company production	boe/d	41,061	37,236	39,375	36,815

(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 total average daily Thermal Oil production of 32,000 - 34,000 bbl/d for 2026. Athabasca expects that 100% of that production will be comprised of bitumen. Duvernay Energy's forecasted total average daily production of approximately 5,000 boe/d for 2026 is expected to be comprised of approximately 69% tight oil, 22% shale gas and 9% NGLs.

Liquids is defined as bitumen, tight oil, 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.

Enterprise Value to Debt Adjusted Cash Flow is a valuation metric calculated by dividing Enterprise Value (Market Capitalization plus Net Debt) divided by Cash Flow before interest costs.