

Strathcona Resources Ltd. Reports Fourth Quarter and Full Year 2025 Financial and Operating Results, Year End Reserves

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Announces Quarterly Dividend and Board Approval to Commence Normal Course Issuer Bid

[Strathcona Resources Ltd.](#) ("Strathcona" or the "Company") (TSX: SCR) today reported its fourth quarter and full year 2025 financial and operating results as well as its year-end 2025 reserves. The Board of Directors also declared a quarterly dividend of \$0.30 per common share and approved a share repurchase program for up to 5% of its outstanding shares, subject to customary TSX approvals.

Q4 2025 Highlights

- Production of 117,715 boe/d (100% liquids)⁽¹⁾⁽²⁾
- Operating Earnings of \$146 million (\$0.68 / share)⁽¹⁾⁽³⁾
- Free Cash Flow of \$53 million (\$0.25 / share)⁽¹⁾⁽³⁾

FY 2025 Highlights

- Production of 152,163 boe/d (86% liquids)⁽¹⁾⁽²⁾
- Operating Earnings of \$930 million (\$4.34 / share)⁽¹⁾⁽³⁾
- Free Cash Flow of \$364 million (\$1.70 / share)⁽¹⁾⁽³⁾

YE 2025 Reserves Highlights

- Proved Developed Producing ("PDP"), Proved ("1P") and Proved Plus Probable ("2P") reserves of 241 MMboe, 1,226 MMboe and 2,166 MMboe, reflecting growth from continuing operations of 2%, 5%, and 7% respectively
- PDP finding and development costs ("PDP F&D")⁽⁴⁾, including changes in future development costs ("PDP FDC"), of \$21.24 / boe, equating to a 2025 PDP Recycle Ratio⁽⁴⁾ of 1.8x; excluding approximately \$400 million in capital spending on Meota Central and Cold Lake facility expansions which did not contribute to YE 2025 PDP bookings, PDP F&D was approximately \$12.25 / boe, equating to a recycle ratio of 3.1x
- 297% organic 2P reserves replacement⁽⁴⁾; 51 Year 2P Reserves Life Index⁽⁴⁾ (29 Years 1P)
- 1P and 2P after-tax PV-10 net of debt⁽⁴⁾ of \$32.05 / share and \$49.46 / share respectively

(\$ millions, unless otherwise indicated)	Three Months Ended ⁽¹⁾			Year Ended ⁽¹⁾	
	December 31, 2025	December 31, 2024	September 30, 2025	December 31, 2025	December 31, 2024
WTI (US\$/bbl)	59.14	70.27	64.93	64.81	75.72
WCS Hardisty (C\$/bbl)	66.89	80.75	75.10	75.06	83.53
AECO 5A (C\$/gj)	2.11	1.40	0.60	1.59	1.38
Bitumen (bbls/d)	62,538	59,732	61,157	61,327	59,516
Heavy oil (bbls/d)	54,660	50,997	53,943	52,658	51,107
Condensate and light oil (bbls/d)					

20,763

Total oil production (bbls/d)	117,263	131,492	115,350	124,324	130,545
Other NGLs (bbls/d)	26	12,980	234	6,051	11,958
Natural gas (mcf/d)	2,558	256,386	3,701	130,729	243,456
Production (boe/d)	117,715	187,203	116,201	152,163	183,080
Sales (boe/d)	116,355	184,120	115,852	152,407	182,794
% Liquids ⁽²⁾	99.7 %	77.2 %	99.6 %	85.7 %	77.8 %
Oil and natural gas sales, net of blending and 710		1,025	807	3,622	4,255
other income ⁽³⁾					
Royalties	99	209	128	470	663
Production and operating - Energy	65	59	37	237	248
Production and operating - Non-energy	90	139	104	511	564
Transportation and processing	95	144	92	479	577
General and administrative	24	28	22	98	101
Depletion, depreciation and amortization	152	196	151	697	874
Interest and finance costs ⁽⁴⁾	39	60	37	200	258
Operating Earnings ⁽³⁾	146	190	236	930	970
Other items ⁽⁴⁾	245	102	(337)	19	366
(Loss) income and comprehensive (loss)	(99)	88	573	911	604
Income					
Operating Earnings ⁽³⁾	146	190	236	930	970
Non-cash items ⁽⁴⁾	167	217	165	766	1,074
Loss on risk management and foreign	(75)	(2)	(18)	(102)	(107)
exchange contracts - realized, operating					
Funds from Operations ⁽³⁾	238	405	383	1,594	1,937
Capital expenditures	(176)	(393)	(281)	(1,186)	(1,296)
Decommissioning costs	(9)	(13)	(8)	(44)	(36)
Free Cash Flow ⁽³⁾	53	(1)	94	364	605
Debt, net of cash and marketable securities ⁽⁴⁾	2,095	2,462	(81)	2,095	2,462
Common shares (millions)	214	214	214	214	214

(1) During the year ended December 31, 2025 the Company entered into three separate asset purchase and sale agreements to dispose of its Montney assets which has been presented in the Company's consolidated financial statements and management's discussion and analysis for the three months and year ended December 31, 2025 and 2024 as discontinued operations. The financial and operating results for these periods have been presented throughout this press release based on the aggregation of continuing and discontinued operations. The aggregation of continuing and discontinued financial results are non-GAAP measures and do not have a standardized meaning under IFRS[®] Accounting Standards (the "Accounting Standards"); see "Non-GAAP Measures and Ratios" section of this press release.

(2) See "Product Type Production Information" section of this press release.

(3) A non-GAAP financial measure which does not have a standardized meaning under the Accounting Standards; see "Non-GAAP Measures and Ratios" section of this press release.

(4) See "Supplementary Financial Measures" Section of this press release.

(\$/boe, unless otherwise indicated)	Three Months Ended ⁽¹⁾			Year Ended ⁽¹⁾	
	December 31, 2025	December 31, 2024	September 30, 2025	December 31, 2025	December 31, 2024
Oil and natural gas sales, net of blending costs and other income ⁽²⁾	66.38	60.49	75.74	65.12	63.60
Royalties	9.24	12.31	12.02	8.45	9.91
Production and operating - Energy	6.23	3.46	3.51	4.28	3.71
Production and operating - Non-energy	8.30	8.18	9.79	9.18	8.42
Transportation and processing	8.80	8.51	8.63	8.61	8.62
General and administrative	2.23	1.68	2.06	1.76	1.51
Depletion, depreciation and amortization	14.23	11.59	14.20	12.52	13.06
Interest and finance costs	3.58	3.54	3.44	3.59	3.86
Operating Earnings ⁽²⁾	13.77	11.22	22.09	16.73	14.51
Effective royalty rate (%) ⁽²⁾	13.9 %	20.3 %	15.9 %	13.0 %	15.6 %

(1) During the year ended December 31, 2025 the Company entered into three separate asset purchase and sale agreements to dispose of its Montney assets which has been presented in the Company's consolidated financial statements and management's discussion and analysis for the three months and year ended December 31, 2025 and 2024 as discontinued operations. The financial and operating results for these periods have been presented throughout this press release based on the aggregation of continuing and discontinued operations. The aggregation of continuing and discontinued financial results are non-GAAP measures and do not have a standardized meaning under the Accounting Standards; see "Non-GAAP Measures and Ratios" section of this press release.

(2) A non-GAAP financial measure which does not have a standardized meaning under the Accounting Standards; see "Non-GAAP Measures and Ratios" section of this press release.

Annual Letter to Strathcona Shareholders

Strathcona has posted a letter to shareholders providing an in-depth review of the Company's 2025 financial and operating performance and year-end reserves, which has been posted on Strathcona's website at strathconaresources.com/investors/reports. Strathcona shareholders are encouraged to review the letter, which provides details regarding the Company's strategy going forward.

Quarter Review and Near-Term Priorities

Strathcona's fourth quarter production of 118 Mboe / d, up 1% quarter-over-quarter, was in-line with expectations, with full year capital expenditures of \$1,186 million lower than the Company's 2025 capital budget of \$1,200 million. Fourth quarter non-energy production and operating costs of \$8.30 / boe reflected a decrease of 15% versus the third quarter, reflecting savings achieved across the portfolio following successful execution of cost improvement initiatives undertaken mid-year. Free cash flow of \$53 million for the fourth quarter was impacted by \$75 million of realized hedging losses, following the restructuring of the Company's WCS differential swaps at the end of 2025, as previously disclosed. Strathcona's WTI exposure remains unhedged for 2026, with approximately 50% of its WCS Hardisty differential exposure hedged at US\$12.00 / bbl, and approximately 80% of its natural gas purchase exposure hedged at C\$2.00 / GJ AECO.

In Cold Lake, production increased 2% quarter-over-quarter driven by the continued ramp up of Lower Drainage Wells ("LDWs") on the 105 and 108 pads at Orion. Subsequent to year-end, seven LDWs on the C-East pad were brought online at Tucker, which have exceeded expectations thus far with an average rate of over 750 bbls / d per well. Current activity is focused on the 8 well pair D01 West pad at Lindbergh, which began steaming in early 2026 and is expected to ramp to a peak rate of approximately 6,500 bbls / d.

In Lloydminster Thermal, in December Strathcona closed on its acquisition of the Vawn thermal project ("Vawn") and undeveloped thermal lands at Plover Lake and Glenbogie. Vawn has since been fully incorporated into Strathcona's existing operations at Edam (located directly adjacent to Vawn, sharing the same reservoir), with both assets now benefiting from shared services and integrated reservoir management. Strathcona expects to be able to meaningfully increase Vawn's production above historical levels of approximately 5 Mbbls / d by year-end 2026 and will provide further details in coming quarters. Current capital activity remains focused on the Meota Central project, which is targeting first oil in the fourth quarter of 2026 and is expected to deliver a peak oil rate of approximately 13 Mbbls / d at a total installed cost of approximately \$360 million. The project is currently 85% complete, on time and on budget.

In Lloydminster Conventional, production of 21 Mbbls / d reflected a 7% decrease quarter-over-quarter, driven by flood conformance challenges at Strathcona's Cactus Lake and Bodo-Cosine polymer floods. Production has since stabilized following successful conformance work completed over the previous quarter. Current capital activity is concentrated on the Company's annual drilling programs in Winter and Druid, which include a mixture of single and multi-lateral horizontal wells.

Selina Project Acquisition

Today Strathcona signed and closed the acquisition of a 50% operated working interest in the Selina Project ("Selina") in Cold Lake for total consideration of \$23 million in cash. Strathcona previously held a 50% non-operated working interest in Selina, increasing its working interest to 100% and taking over operatorship. Selina is located near Strathcona's existing Lindbergh thermal project, with approvals from the Alberta Energy Regulatory ("AER") in place for 12,500 bbls / d of production. Strathcona expects to develop Selina over time in a capital-efficient manner by leveraging its existing central processing facility at Lindbergh. Strathcona estimates approximately 160 MMbbls of recoverable oil at Selina, none of which was booked in its reserves or contingent resources at year-end 2025 due to Strathcona previously not holding operatorship.

Normal Course Issuer Bid

Strathcona's Board has approved the filing of a notice with the Toronto Stock Exchange ("TSX") to commence a normal course issuer bid ("NCIB"). Once approved by the TSX, Strathcona may repurchase up to 5% of its issued and outstanding shares (up to a maximum of approximately 10.7 million common shares) over a twelve-month period.

Strathcona intends to act opportunistically from time to time to repurchase its shares at what it views as a discount to its intrinsic value, conservatively determined and after applying a margin of safety. For further details regarding the Company's rationale and strategy regarding the NCIB, shareholders are encouraged to review the Company's year-end shareholder letter posted on its website.

Outlook

Strathcona's 2026 production guidance of 120 to 130 Mbbls/d and capital budget of \$1.0 billion is

unchanged. Strathcona expects production of 115 to 120 Mbbls / d in the first half of 2026, ramping to an exit rate of approximately 135 Mbbls / d by 2026 year-end.

Following the Selina acquisition, Strathcona holds an estimated 3.0 billion of recoverable resources, equating to over 65 years relative to its 2026 production. Strathcona's long-range plan remains to grow production from 125 Mbbls / d in 2026 to 200 Mbbls / d by 2031 and 300 Mbbls / d by 2035 (in each case a 10% compound annual growth rate).

Quarterly Dividend

Strathcona's Board of Directors has declared a quarterly dividend of \$0.30 per share to be paid on March 27, 2026 to shareholders of record on March 20, 2026. Payments to shareholders who are not residents of Canada will be net of any Canadian withholding taxes that may be applicable. Dividends paid by Strathcona are considered "eligible dividends" for Canadian tax purposes.

2025 Year End Reserves Details

The tables below summarize Strathcona's Year End 2025 reserves which were prepared by McDaniel & Associates Consultants Ltd. ("McDaniel"). A complete filing of our oil and gas reserves and other oil and gas information presented in accordance with National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities is included in Strathcona's Annual Information Form for the year ended December 31, 2025, which can be found at www.sedarplus.ca and www.strathconaresources.com.

Summary of Oil and Gas Reserves (Forecast Prices and Costs) as of December 31, 2025

Reserves Category	Light &		Heavy		Bitumen	
	Medium Crude Oil Crude Oil					
	Gross (Mbbl)	Net (Mbbl)	Gross (Mbbl)	Net (Mbbl)	Gross (Mbbl)	Net (Mbbl)
Proved						
Developed Producing	-	2	101,464	93,159	139,440	103,453
Developed Non-Producing	-	-	580	540	-	-
Undeveloped	-	-	415,399	373,398	568,041	392,449
Total Proved ⁽¹⁾	-	2	517,443	467,097	707,481	495,903
Total Probable	-	1	219,899	193,777	720,159	467,720
Total Proved Plus Probable ⁽¹⁾ -		3	737,343	660,874	1,427,640	963,623

Reserves Category	Conventional Natural Gas		Natural Gas Liquids		Oil Equivalent	
	Gross (MMcf)	Net (MMcf)	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mboe)	Net (Mboe)
Proved						
Developed Producing	2,438	2,146	1	1	241,312	196,974
Developed Non-Producing	3	3	-	-	581	540
Undeveloped	2,466	2,195	-	-	983,851	766,213
Total Proved ⁽¹⁾	4,907	4,343	1	1	1,225,743	963,727
Total Probable	2,283	2,027	1	-	940,440	661,837
Total Proved Plus Probable ⁽¹⁾	7,190	6,371	2	2	2,166,183	1,625,564

(1) Figures may not add due to rounding.

Summary of Net Present Value of Future Net Revenue Attributable to Oil and Gas Reserves (Forecast Prices and Costs) as of December 31, 2025

Reserves Category	Before Deducting Income Taxes						After Deducting Income Taxes						
	0 %	5 %	10 %	15 %	20 %	Unit Value ⁽²⁾	0 %	5 %	10 %	15 %	20 %	Unit Value ⁽³⁾	
	(in \$ millions) ⁽¹⁾						\$/boe	(in \$ millions) ⁽¹⁾					
Proved													
Developed Producing	5,221	4,928	4,342	3,844	3,447	22.04	4,396	4,250	3,773	3,359	3,027	19.16	
Developed	16	14	12	10	9	21.65	12	10	9	8	7	15.97	
Non-Producing													
Undeveloped	22,941	12,546	7,402	4,579	2,903	9.66	17,225	9,131	5,178	3,037	1,781	6.76	
Total Proved ⁽⁴⁾	28,178	17,487	11,755	8,434	6,359	12.20	21,633	13,391	8,960	6,404	4,815	9.30	
Total Probable	26,602	10,424	5,122	2,939	1,876	7.74	20,202	7,748	3,732	2,101	1,317	5.64	
Total Proved plus Probable ⁽⁴⁾	54,780	27,912	16,877	11,373	8,235	10.38	41,835	21,138	12,692	8,505	6,132	7.81	

(1) Net present value of future net revenue includes all resource income, including the sale of oil, gas, by-product reserves, processing third party reserves and other income.

(2) Calculated using net present value of future net revenue before deducting income taxes, discounted at 10% per year, and net reserves. The unit values are based on net reserves volumes.

(3) Calculated using net present value of future net revenue after deducting income taxes, discounted at 10% per year, and net reserves. The unit values are based on net reserves volumes.

(4) Figures may not add due to rounding.

Forecast Prices and Costs as of December 31, 2025

Year	Inflation (1) (%) ⁽²⁾	Exchange Rate (Cdn\$/US\$) (3)	Crude Oil WTI Cushing 40 API (\$US/bbl)	Oklahoma Canadian Light 40 API (\$Cdn/bbl)	Sweet Crude Western Canadian 20.5 API (\$Cdn/bbl)	Natural Gas Select Alberta (\$Cdn/ mmbtu)
2026	2%	1.37	59.92	77.54	65.13	3.00
2027	2%	1.36	65.10	83.60	70.43	3.30
2028	2%	1.35	70.28	90.17	76.90	3.49
2029	2%	1.35	71.93	92.32	78.71	3.58
2030	2%	1.35	73.37	94.17	80.29	3.65
2031	2%	1.35	74.84	96.06	81.90	3.72
2032	2%	1.35	76.34	97.98	83.53	3.80
2033	2%	1.35	77.87	99.93	85.20	3.88
2034	2%	1.35	79.42	101.93	86.91	3.95
2035	2%	1.35	81.01	103.97	88.65	4.03

Escalation of 2% per year thereafter

(1) Product sale prices will reflect these reference prices with further adjustments for quality and transportation to point of sale.

(2) Inflation rates for forecasting costs only. Prices inflated at 2% after 2026 where applicable.

(3) The exchange rate is used to generate the benchmark reference prices in this table.

Reconciliation of Changes in Gross Reserves⁽¹⁾

	Light & Medium Crude Oil (Mbbbl)	Heavy Crude Oil (Mbbbl)	Bitumen (Mbbbl)	Conventional Natural Gas (MMcf)	Natural Gas Liquids (Mbbbl)	Gas Oil Equivalent (Mboe)
Proved						
December 31, 2024	1,829	470,436	698,305	1,330,420	141,676	1,533,983
Extensions and improved recovery ⁽²⁾ -		8,264	8,115	17	-	16,382
Technical revisions ⁽³⁾	(92)	20,193	23,849	(1,376)	104	43,824
Discoveries ⁽⁴⁾	-	-	-	-	-	-
Acquisitions	-	41,114	-	-	-	41,114
Dispositions	(1,642)	(1,469)	-	(1,276,334)	(135,891)	(351,724)
Economic factors ⁽⁵⁾	(4)	(1,870)	(404)	(103)	-	(2,296)
Production	(91)	(19,224)	(22,384)	(47,716)	(5,887)	(55,540)

Infill drilling	-	-	-	-	-	-
December 31, 2025 ⁽⁶⁾	-	517,443	707,481	4,907	1	1,225,743
Probable						
December 31, 2024	4,549	167,287	684,534	1,044,350	90,424	1,120,852
Extensions and improved recovery ⁽²⁾	-	34,548	35,582	4	-	70,131
Technical revisions ⁽³⁾	(29)	(3,484)	155	(3,371)	(399)	(4,319)
Discoveries ⁽⁴⁾	-	-	-	-	-	-
Acquisitions	-	24,725	-	-	-	24,725
Dispositions	(4,520)	(2,705)	-	(1,038,679)	(90,024)	(270,362)
Economic factors ⁽⁵⁾	-	(472)	(112)	(20)	-	(587)
Production	-	-	-	-	-	-
Infill drilling	-	-	-	-	-	-
December 31, 2025 ⁽⁶⁾	-	219,899	720,159	2,283	1	940,440
Proved Plus Probable						
December 31, 2024	6,378	637,723	1,382,840	2,374,769	232,100	2,654,835
Extensions and improved recovery ⁽²⁾	-	42,812	43,697	21	-	86,513
Technical revisions ⁽³⁾	(121)	16,709	24,004	(4,747)	(295)	39,505
Discoveries ⁽⁴⁾	-	-	-	-	-	-
Acquisitions	-	65,839	-	-	-	65,839
Dispositions	(6,162)	(4,174)	-	(2,315,014)	(225,915)	(622,086)
Economic factors ⁽⁵⁾	(5)	(2,342)	(515)	(123)	-	(2,883)

(1) Gross reserves means Strathcona's working interest reserves before calculation of royalties, and before consideration of Strathcona's royalty interest. (19,224) (22,384) (47,716) (5,887) (55,540)

(2) Additions due to new wells drilled and booked during the year, and any reserve changes due to enhanced oil recovery.

December 31, 2025⁽⁶⁾ - 737,342 1,427,640 7,190 2 2,166,183

(3) Technical revisions include changes in reserves associated with changes in operating costs, capital costs and commodity price offsets.

(4) Additions where no reserves were previously booked.

(5) Changes to reserves volumes due to changes in price forecasts and/or inflation rates.

(6) Figures may not add due to rounding.

Undiscounted Future Net Revenue by Reserves Categories

Reserves Category (\$ millions)	Revenue	Royalties	Operating Costs	Development Costs	Abandonment and Reclamation Costs	Future Net Revenue Before Income Taxes	In
Total Proved	96,723	21,944	30,045	14,633	1,922	28,178	6
Total Probable	98,389	30,106	26,860	14,230	592	26,602	6
Total Proved plus Probable	195,112	52,050	56,905	28,863	2,514	54,780	1

About Strathcona

Strathcona is one of North America's fastest growing pure play heavy oil producers with operations focused on thermal oil and enhanced oil recovery. Strathcona is built on an innovative approach to growth achieved through the consolidation and development of long-life assets. Strathcona's common shares (symbol SCR) are listed on the Toronto Stock Exchange (TSX).

For more information about Strathcona, visit www.strathconaresources.com.

Non-GAAP Measures and Ratios

The financial results for the three months and year ended December 31, 2025 and December 31, 2024, are presented below to reconcile continuing and discontinued operations to total results. Total results in a non-GAAP measure used by Management to assess the historical financial performance of the total business and is not intended to be indicative of future results.

(\$ millions, unless otherwise indicated)	Three Months Ended December 31, 2025			Three Months Ended December 31, 2024	
	Continuing	Discontinued	Total	Continuing	Discontinued
Revenues and other income					
Oil and natural gas sales	937	-	937	1,043	250
Sale of purchased products	14	-	14	16	-
Royalties	(99)	-	(99)	(185)	(24)
Oil and natural gas revenues	852	-	852	874	226
(Loss) gain on risk management contracts	(1)	-	(1)	10	-
Midstream revenue	8	-	8	-	-
Other income	2	-	2	-	-
	861	-	861	884	226
Expenses					
Purchased product	15	-	15	16	-
Blending costs	236	-	236	268	-
Production and operating	163	(8)	155	152	46
Transportation and processing	95	-	95	88	56
General and administrative	24	-	24	21	7
Interest	24	-	24	39	-
Transaction related costs	25	8	33	-	-
Finance costs	15	-	15	12	9
Depletion, depreciation and amortization	152	-	152	141	55
Impairment	376	-	376	-	-
Foreign exchange (gain) loss	(11)	-	(11)	48	-
Changes in decommissioning liabilities	(13)	-	(13)	-	-
	1,101	-	1,101	785	173
Gain on marketable securities	102	-	102	-	-
Loss on assets held for sale, net	-	(12)	(12)	-	-
(Loss) income before income taxes	(138)	(12)	(150)	99	53
Income tax (recovery) expense	(48)	(3)	(51)	49	15
(Loss) income and comprehensive (loss) income					

(1) Comparative periods have been revised to reflect current period presentation.

	Year Ended December 31, 2025			Year Ended December 31, 2024 ⁽¹⁾		
(\$ millions, unless otherwise indicated)	Continuing	Discontinued	Total	Continuing	Discontinued	Total
Revenues and other income						
Oil and natural gas sales	4,096	521	4,617	4,373	963	5,336
Sale of purchased product	67	-	67	75	-	75
Royalties	(435)	(35)	(470)	(567)	(96)	(663)
Oil and natural gas revenues	3,728	486	4,214	3,881	867	4,748
Loss on risk management contracts	(86)	-	(86)	(44)	-	(44)
Midstream revenue	24	-	24	-	-	-
Other income	16	-	16	-	-	-
	3,682	486	4,168	3,837	867	4,704
Expenses						
Purchased product	68	-	68	75	-	75
Blending costs	1,034	-	1,034	1,081	-	1,081
Production and operating	672	76	748	641	171	812
Transportation and processing	368	111	479	364	213	577
General and administrative	88	10	98	76	25	101
Interest	131	-	131	170	-	170
Transaction related costs	44	27	71	1	-	1
Finance costs	56	13	69	50	38	88
Depletion, depreciation and amortization	607	90	697	595	279	874
Impairment	376	-	376	-	-	-
Foreign exchange (gain) loss	(34)	-	(34)	68	-	68
Changes in decommissioning liabilities	(13)	-	(13)	-	-	-
	3,397	327	3,724	3,121	726	3,847
Gain on marketable securities	171	-	171	-	-	-
Gain on sale of assets, net	-	609	609	-	-	-
Loss on settlement of other obligations	-	(1)	(1)	-	(4)	(4)

Income before income taxes	456	767	1,223 716	137	853
Income tax expense	90	222	312 209	40	249
Income and comprehensive income	366	545	911 507	97	604

(1) Comparative periods have been revised to reflect current period presentation.

"Oil and natural gas sales, net of blending and other income" is calculated by deducting purchased product and blending costs from oil and natural gas sales, sales of purchased product, midstream revenue and other income. Management uses this metric to isolate the revenue associated with the Company's production after accounting for the unavoidable cost of blending. Oil and natural gas sales, net of blending, is also reflected on a per boe basis calculated using sales volumes. This ratio is useful to management when analyzing realized pricing against benchmark commodity prices.

(\$ millions, unless otherwise indicated)	Three Months Ended			Year Ended	
	December 31, 2025	December 31, 2024	September 30, 2025	December 31, 2025	December 31, 2024
Oil and natural gas sales	937	1,293	1,012	4,617	5,336
Sales of purchased products	14	16	31	67	75
Other income	2	-	8	16	-
Purchased product	(15)	(16)	(31)	(68)	(75)
Blending costs	(236)	(268)	(222)	(1,034)	(1,081)
Midstream revenue	8	-	9	24	-
Oil and natural gas sales, net of blending and other income	710	1,025	807	3,622	4,255

"Effective royalty rate" is calculated by dividing royalties by oil and natural gas sales and sale of purchased product, net of blending and purchased product. This metric allows management to analyze the movement of royalty expenses in relation to realized and benchmark commodity prices.

"Operating Earnings - Discontinued" is considered a key financial metric for evaluating the profitability of Strathcona's discontinued operations. "Operating Earnings - Continuing" is a GAAP financial measure as it is used by the Chief Operating Decision Makers to evaluate profit or loss and is presented in the consolidated financial statements for year ended December 31, 2025 and 2024. A quantitative reconciliation of Operating Earnings - Discontinued to the most directly comparable GAAP financial measure, Oil and natural gas sales, is presented below.

	Three Months Ended			Year Ended	
	December 31, 2025	December 31, 2024 ⁽¹⁾	September 30, 2025	December 31, 2025	December 31, 2024 ⁽¹⁾
(\$ millions, unless otherwise indicated)					
Revenues					
Oil and natural gas sales	-	250	3	521	963
Expenses					
Royalties	-	24	-	35	96
Production and operating - Energy	(1)	2	(1)	-	7
Production and operating - Non-energy	(7)	44	(3)	76	164
Transportation and processing	-	56	-	111	213
Depletion, depreciation and amortization	-	55	-	90	279
General and administrative	-	7	(2)	10	25
Finance costs	-	9	-	13	38
Operating Earnings - Discontinued	8	53	9	186	141

(1) Comparative periods have been revised to reflect current period presentation.

"Funds from Operations" is used by management to analyze operating performance and provides an indication of the funds generated by Strathcona's principal business to either fund operating activities, re-invest to either maintain or grow the business or make debt repayments. Funds from Operations is derived from Operating Earnings and adjusted for DD&A, finance costs, gains and losses on risk management contracts - realized and gains and losses on foreign exchange - realized, operating.

"Free Cash Flow" indicates funds available for deleveraging, funding future growth, or shareholder returns. Free Cash Flow is derived from Operating Earnings and adjusted for DD&A, finance costs, gains and losses on risk management contracts - realized and gains and losses on foreign exchange - realized, operating, capital expenditures and decommissioning costs.

Quantitative reconciliations of Funds from Operations and Free Cash Flow for both continuing and discontinued operations to the most directly comparable GAAP financial measure, Operating Earnings, are set forth below.

(\$ millions, unless otherwise indicated)	Three Months Ended			Year Ended	
	December 31, 2025	December 31, 2024 ⁽¹⁾	September 30, 2025	December 31, 2025	December 31, 2024 ⁽¹⁾
Operating Earnings - Continuing	138	137	227	744	829
Depletion, depreciation and amortization	152	141	151	607	595
Finance costs	15	12	14	56	50
Loss on risk management contracts - realized	(75)	(5)	(20)	(100)	(107)
Foreign exchange (loss) gain - realized, operating -		3	2	(2)	-
Funds from Operations - Continuing	230	288	374	1,305	1,367
Capital expenditures	(188)	(280)	(281)	(957)	(826)
Decommissioning costs	(9)	(7)	(8)	(42)	(15)
Free Cash Flow - Continuing	33	1	85	306	526

(1) Comparative periods have been revised to reflect current period presentation.

(\$ millions, unless otherwise indicated)	Three Months Ended			Year Ended	
	December 31, 2025	December 31, 2024 ⁽¹⁾	September 30, 2025	December 31, 2025	December 31, 2024 ⁽¹⁾
Operating Earnings - Discontinued	8	53	9	186	141
Depletion, depreciation and amortization	-	55	-	90	279
Finance costs	-	9	-	13	38
Realized loss on deferred premium settlement -		-	-	-	112
Funds from Operations - Discontinued	8	117	9	289	570
Capital expenditures	12	(113)	-	(229)	(470)
Decommissioning costs	-	(6)	-	(2)	(21)
Free Cash Flow - Discontinued	20	(2)	9	58	79

(1) Comparative periods have been revised to reflect current period presentation.

The following table reconciles operating earnings, funds from operations and free cash flow from continuing and discontinued operations:

(\$ millions, unless otherwise indicated)	Three Months Ended			Year Ended	
	December 31, 2025	December 31, 2024 ⁽¹⁾	September 30, 2025	December 31, 2025	December 31, 2024 ⁽¹⁾
Operating Earnings	146	190	236	930	970
Depletion, depreciation and amortization	152	196	151	697	874
Finance costs	15	21	14	69	88
Loss on risk management contracts - realized	(75)	(5)	(20)	(100)	(107)
Foreign exchange (loss) gain - realized, operating -		3	2	(2)	-
Realized loss on deferred premium settlement	-	-	-	-	112
Funds from Operations	238	405	383	1,594	1,937
Capital expenditures	(176)	(393)	(281)	(1,186)	(1,296)
Decommissioning costs	(9)	(13)	(8)	(44)	(36)
Free Cash Flow	53	(1)	94	364	605

(1) Comparative periods have been revised to reflect current period presentation.

"Organic Capex" is defined as total property, plant and equipment expenditures, excluding capitalized overhead, expenditures on corporate assets, and capital expenditures on assets acquired during the period. Management uses Organic Capex to evaluate the underlying capital investment in Strathcona's existing asset base, excluding the effects of acquisitions and non-operational capital. This measure provides insight into the Company's capital efficiency.

"Organic Operating Netback" is used to assess the profitability and efficiency of Strathcona's field operations before the impact of acquisitions.

A quantitative reconciliation of "Organic Operating Netback" to the most comparable GAAP measure, "Oil and natural gas sales", is set forth below:

	Year Ended
(\$ millions, unless otherwise indicated)	December 31, 2025
Oil and natural gas sales	4,096
Sale of purchased product	67
Purchased product	(68)
Blending costs	(1,034)
Midstream revenue	24
Oil and natural gas sales, net of blending - Continuing	3,085
Royalties	435
Production and operating	672
Transportation	368
Field operating income - Continuing	1,610
Less: Operating income from properties acquired in the year	(14)
Organic field operating income	1,596
Sales volumes (boe/d)	114,763
Less: sales volumes from properties acquired in the year (boe/d) (479)	
Organic sales volumes (boe/d)	114,284
Organic operating netback (\$/boe)	38.49

A quantitative reconciliation of "Organic Capex" to the most comparable GAAP measure, "Property, plant and equipment expenditures", is set for below:

	Year Ended
(\$ millions, unless otherwise indicated)	December 31, 2025
Property, plant and equipment expenditures	1,186
Less: capitalized overhead	(49)
Less: expenditures on corporate assets	(7)
Less: property, plant and equipment expenditures on assets disposed of in the year (229)	
Organic Capex	901
Supplementary Financial Measures	

"PDP F&D" are calculated as Organic Capex plus changes in PDP future development costs (-\$72 million in

2025), divided by PDP reserve additions for the year (39 MMbbls in 2025), excluding the impact of acquisitions and dispositions. Management uses PDP F&D costs as a measure of capital efficiency for organic reserves development.

"PDP Recycle Ratio" is calculated by dividing the Organic Operating Netback by PDP F&D. PDP Recycle Ratio is used to measure the profit per barrel of oil to the cost of finding and developing that barrel of oil.

"Organic 2P Reserves Replacement" is calculated as 2P reserves additions, excluding acquisitions and dispositions, divided by annual production volumes.

"Reserves Life Index" calculated by dividing gross reserves by annualized fourth quarter production.

"1P and 2P after-tax PV-10 net of debt per share" is comprised of before tax present value for 1P and 2P reserves, discounted at 10 per cent, as determined in accordance with NI 51-101, adjusted for debt at the end of the period.

"Organic 2P Reserves Replacement" is calculated as 2P reserves additions, excluding acquisitions and dispositions, divided by annual production volumes.

"Interest and finance costs" is an aggregation of interest and finance costs. Management uses this metric to obtain a fulsome understanding of all interest and accretion costs the Company is subject to.

"Other items" is an aggregation of risk management contracts, foreign exchange, transaction related costs, gain on marketable securities, loss (gain) on sale of assets, loss on settlement of other obligations, deferred tax (recovery) expense, change in decommissioning liabilities and impairment from both continuing and discontinued operations. They are presented in such a manner to yield prominence to key financial metrics such as income and comprehensive income, Funds from Operations and Free Cash Flow.

	Three Months Ended			Year Ended	
(\$ millions, unless otherwise indicated)	December 31, 2025	December 31, 2024	September 30, 2025	December 31, 2025	December 31, 2024
Loss (gain) on risk management contracts 1	(10)	27	86	44	
Foreign exchange (gain) loss	(11)	48	17	(34)	68
Transaction related costs	33	-	19	71	1
Gain on marketable securities	(102)	-	(22)	(171)	-
Loss (gain) on sale of assets	12	-	(616)	(609)	-
Loss on settlements of other obligations	-	-	-	1	4
Deferred tax (recovery) expense	(51)	64	238	312	249
Change in decommissioning liabilities	(13)	-	-	(13)	-
Impairment	376	-	-	376	-
Other items	245	102	(337)	19	366

"Non-cash items" is an aggregation of depletion, depreciation and amortization, finance costs, realized loss on deferred premium settlements and other income - decommissioning government grant.

"Debt, net of cash and marketable securities" is comprised of debt less cash and marketable securities, as

derived under the Accounting Standards.

Presentation of Oil and Gas Information

This press release contains various references to the abbreviation "boe" which means barrels of oil equivalent. All boe conversions in this press release are derived by converting gas to oil at the ratio of six thousand cubic feet ("mcf") of natural gas to one barrel ("bbl") of crude oil. Boe may be misleading, particularly if used in isolation. A boe conversion rate of 1 bbl : 6 mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio of oil compared to natural gas based on currently prevailing prices is significantly different than the energy equivalency ratio of 1 bbl : 6 mcf, utilizing a conversion ratio of 1 bbl : 6 mcf may be misleading as an indication of value.

References in this press release to initial production rates and other short-term production rates and test results are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long-term performance or of ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating aggregate production for the Company or the assets for which such rates are provided. A pressure transient analysis or well-test interpretation has not been carried out in respect of all wells. Accordingly, the test results should be considered to be preliminary.

Product Type Production Information

National Instruments 51-101 - Standards of Disclosure for Oil and Gas Activities includes condensate within the natural gas liquids product type. The Company has disclosed condensate as combined with light oil and separately from other natural gas liquids in this press release since the price of condensate as compared to other natural gas liquids is currently significantly higher and the Company believes that this presentation provides a more accurate description of its operations and results therefrom. References to "natural gas" in this press release refer to conventional natural gas. References to "liquids" in this press release refer to, collectively, bitumen, heavy oil, condensate and light oil (comprised of condensate and light oil) and other natural gas liquids (comprised of ethane, propane and butane only).

The Company's quarterly and year-to-date average daily production volumes, and the references to "natural gas", "crude oil" and "liquids", reported in this press release consist of the following product types, as defined in NI 51-101 and using a conversion ratio of 6 mcf : 1 bbl where applicable:

	Three Months Ended			Year Ended	
	December 31, 2025	December 31, 2024	September 30, 2025	December 31, 2025	December 31, 2024
Heavy crude oil (bbl/d)	54,660	50,997	53,943	52,658	51,107
Light and medium crude oil (bbl/d)	61	617	18	263	651
Total crude oil (bbl/d)	54,721	51,614	53,961	52,921	51,758
Bitumen (bbl/d)	62,538	59,732	61,157	61,327	59,516
NGLs (bbl/d)	30	33,126	466	16,128	31,229
Total liquids (bbl/d)	117,289	144,472	115,584	130,376	142,503
Conventional natural gas (mcf/d)	2,558	256,386	3,701	130,729	243,456
Total (boe/d)	117,715	187,203	116,201	152,163	183,080

The Company's reserve volumes, and the references to "total oil" reported in this press release consist of the

following product types as defined by NI 51-101:

2025

Reserves Category	NI 51-101	NI 51-101	NI 51-101	NI 51-101
	Light & Medium Oil	Heavy Oil	Bitumen	Total Oil
	(MMbbl)	(MMbbl)	(MMbbl)	(MMbbl)
Proved				
Developed Producing ⁽¹⁾	-	101	139	241
Developed Non-Producing ⁽¹⁾	-	1	-	1
Undeveloped ⁽¹⁾	-	415	568	983
Total Proved ⁽¹⁾	-	517	707	1,225
Probable ⁽¹⁾	-	220	720	940
Total Proved plus Probable ⁽¹⁾	-	737	1,428	2,165

(1) Figures may not add due to rounding

Reserves Category	NI 51-101	NI 51-101	NI 51-101
	Natural Gas	Liquids	Natural Gas Total
	(MMbbl)	(Bcf)	(MMboe)
Proved			
Developed Producing ⁽¹⁾	-	2	241
Developed Non-Producing ⁽¹⁾	-	-	1
Undeveloped ⁽¹⁾	-	2	984
Total Proved ⁽¹⁾	-	5	1,226
Probable ⁽¹⁾	-	2	940
Total Proved plus Probable ⁽¹⁾	-	7	2,166

(1) Figures may not add due to rounding

Forward-Looking Information

Certain statements contained in this press release constitute forward-looking information within the meaning of applicable securities laws. The forward-looking information in this press release is based on Strathcona's current internal expectations, estimates, projections, assumptions and beliefs. Such forward-looking information is not a guarantee of future performance and 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. The Company believes the material factors, expectations and assumptions reflected in the forward-looking information are reasonable as of the time of such information, but no assurance can be given that these factors, expectations and assumptions will prove to be correct, and such

forward-looking information included in this press release should not be unduly relied upon.

The use of any of the words "expect", "target", "anticipate", "intend", "estimate", "objective", "ongoing", "may", "will", "project", "believe", "depends", "could" and similar expressions are intended to identify forward-looking information. In particular, but without limiting the generality of the foregoing, this press release contains forward-looking information pertaining to the following: the Company's business strategy and future plans; the expected peak rate of the 8 well pair D01 West pad at Lindbergh, including the timing thereof; the expectation that Strathcona will be able to meaningfully increase Vawn's production above historical levels and that Strathcona will provide further details in respect of the same in coming quarters; the expected peak oil rate, total installed costs and timing for first oil in respect of the Meota Central project; Strathcona's expectations in respect of the Selina Project, including its ability to leverage its existing central processing facility at Lindbergh to reduce capital costs and the amount of recoverable oil; Strathcona's intention to commence a normal course issuer bid, including the number of shares to be repurchased thereunder and Strathcona's strategy in respect of the same; Strathcona's initial 2026 production guidance of 120 to 130 Mbbls/d and capital budget of \$1.0 billion; Strathcona's expected production of 115 to 120 Mbbls / d in the first half of 2026, and its expectation of ramping to an exit rate of approximately 135 Mbbls / d by year-end; and Strathcona's long-range plan to grow existing production from 125 Mbbls / d in 2026 to 200 Mbbls / d by 2031 and 300 Mbbls / d by 2035.

All forward-looking information reflects Strathcona's beliefs and assumptions based on information available at the time the applicable forward-looking information is disclosed and in light of the Company's current expectations with respect to such things as: Strathcona's ability to generate sufficient cash flow to fund debt repayment and dividend payments; Strathcona's ability to declare and pay dividends; the success of Strathcona's operations and growth and expansion projects; expectations regarding production growth, future well production rates and reserve volumes; expectations regarding Strathcona's capital program, including the outlook for general economic trends, industry trends, prevailing and future commodity prices, foreign exchange rates and interest rates; the availability of third party services; prevailing and future royalty regimes and tax laws; future well production rates and reserve volumes; fluctuations in energy prices based on worldwide demand and geopolitical events; the impact of inflation; the integrity and reliability of Strathcona's assets; decommissioning obligations; Strathcona's ability to comply with its financial covenants; and the governmental, regulatory and legal environment. In addition, certain forward-looking information with respect to the Company's 2025 guidance assumes commodity prices and exchange rates of: US\$70 / bbl WTI, US\$12 / bbl WCS-WTI differential, 1.36 USD-CAD and C\$2.75 / GJ AECO. Management believes that its assumptions and expectations reflected in the forward-looking information contained herein are reasonable based on the information available on the date such information is provided and the process used to prepare the information. However, it cannot assure readers that these expectations will prove to be correct.

The forward-looking information included in this press release is not a guarantee of future performance and 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, including, without limitation: changes in commodity prices; changes in the demand for or supply of Strathcona's products; the continued impact, or further deterioration, in global economic and market conditions, including from inflation, tariffs and/or certain geopolitical conflicts, such as the ongoing Russia/Ukraine conflict and the conflict in the Middle East, and other heightened geopolitical risks and the ability of the Company to carry on operations as contemplated in light of the foregoing; determinations by the Organization of the Petroleum Exporting Countries and other countries as to production levels; unanticipated operating results or production declines; changes in tax or environmental laws, climate change, royalty rates or other regulatory matters; changes in Strathcona's development plans or by third party operators of Strathcona's properties; competition from other producers; inability to retain drilling rigs and other services; failure to realize the anticipated benefits of the Company's acquisitions; incorrect assessment of the value of acquisitions; delays resulting from or inability to obtain required regulatory approvals, including TSX approval of our normal course issuer bid; increased debt levels or debt service requirements; changes in foreign exchange rates; inaccurate estimation of Strathcona's oil and gas reserve and contingent resource volumes; limited, unfavourable or a lack of access to capital markets or other sources of capital; increased costs; a lack of adequate insurance coverage; the impact of competitors; and the other factors discussed under the "Risk Factors" section in Strathcona's Management's Discussion & Analysis and Annual Information Form, each for the year ended December 31, 2025, and from time to time in Strathcona's public disclosure documents, which are available at www.sedarplus.ca.

Declaration of dividends is at the sole discretion of the board of directors of Strathcona and will continue to be evaluated on an ongoing basis. There are risks that may result in Strathcona changing, suspending or discontinuing its quarterly dividends, including changes to its free cash flow, operating results, capital

requirements, financial position, debt levels, market conditions or corporate strategy and the need to comply with requirements under its credit agreement and applicable laws respecting the declaration and payment of dividends. There are no assurances as to the continuing declaration and payment of future dividends or the amount or timing of any such dividends.

Management approved the capital budget and production guidance contained herein as of the date of this press release. The purpose of the capital budget and production guidance is to assist readers in understanding Strathcona's expected and targeted financial position and performance, and this information may not be appropriate for other purposes.

This earnings release contains information that may constitute future-oriented financial information or financial outlook information (collectively, "FOFI") about Strathcona's prospective financial performance, financial position or cash flows, all of which is subject to the same assumptions, risk factors, limitations and qualifications as set forth above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise or inaccurate and, as such, undue reliance should not be placed on FOFI. Strathcona's actual results, performance and achievements could differ materially from those expressed in, or implied by, FOFI. Strathcona has included FOFI in order to provide readers with a more complete perspective on Strathcona's future operations and management's current expectations relating to Strathcona's future performance. Readers are cautioned that such information may not be appropriate for other purposes.

The foregoing risks should not be construed as exhaustive. The forward-looking information contained in this press release speaks only as of the date of this press release and Strathcona does not assume any obligation to publicly update or revise such forward-looking information to reflect new events or circumstances, except as may be required pursuant to applicable laws. Any forward-looking information contained herein is expressly qualified by this cautionary statement.

SOURCE Strathcona Resources Ltd.

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