

# MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") of ARC Resources Ltd. ("ARC" or the "Company") is Management's analysis of the financial performance and significant trends and external factors that may affect future performance. It is dated November 6, 2024, and should be read in conjunction with the unaudited condensed interim consolidated financial statements (the "financial statements") as at and for the three and nine months ended September 30, 2024, and the MD&A and audited consolidated financial statements for the year ended December 31, 2023, as well as ARC's Annual Information Form ("AIF"), each of which is available on ARC's website at [www.arcresources.com](http://www.arcresources.com) and on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). All financial information is reported in Canadian dollars and all per share information is based on diluted weighted average common shares, unless otherwise noted.

Throughout this MD&A, crude oil ("crude oil") refers to light crude oil, medium crude oil, and heavy crude oil as defined by National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"). Condensate is a natural gas liquid as defined by NI 51-101. Throughout this MD&A, natural gas liquids ("NGLs") comprise all NGLs as defined by NI 51-101 other than condensate, which is disclosed separately. Crude oil and liquids ("crude oil and liquids") refers to crude oil, condensate, and NGLs.

Throughout this MD&A and in other materials disclosed by the Company, ARC presents financial measures that adhere to Canadian generally accepted accounting principles ("GAAP") and International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), however the Company also employs certain non-GAAP financial measures to analyze financial performance, financial position, and cash flow including, "netback", "capital expenditures", "free funds flow", "adjusted earnings before interest and taxes" ("adjusted EBIT"), and "average capital employed". Additionally, other financial measures are also used to analyze performance including, but not limited to, "funds from operations" and "net debt". These non-GAAP and other financial measures do not have any standardized meaning prescribed under IFRS Accounting Standards and therefore may not be comparable to similar measures presented by other entities. The non-GAAP and other financial measures should not be considered to be more meaningful indicators of ARC's performance than GAAP measures which are determined in accordance with IFRS Accounting Standards, such as net income, cash flow from operating activities, and cash flow used in investing activities.

Readers are cautioned that the MD&A should be read in conjunction with the sections entitled "Non-GAAP and Other Financial Measures", "Forward-looking Information and Statements", and "Glossary" at the end of this MD&A.

## ABOUT ARC RESOURCES LTD.

ARC is a dividend-paying, Canadian energy company headquartered in Calgary, Alberta. ARC's activities focus on the exploration, development, and production of unconventional natural gas, condensate, NGLs, and crude oil in western Canada with an emphasis on the development of assets with a large volume of hydrocarbons in-place, commonly referred to as "resource plays".

The guiding principles upon which ARC conducts its business have created a strong foundation for the Company's performance. ARC's standard of operational excellence, robust risk management program, and strong balance sheet have positioned the Company to effectively manage volatile market conditions. The Company's concentrated asset base, located in premier positions within the Montney fairway and network of owned-and-operated infrastructure, allows ARC to deliver strong capital and operating efficiencies. The commodity and geographic optionality within the asset base allows ARC to manage risk. ARC exercises capital discipline and maintains a deliberate pace of development to manage its corporate decline rate. ARC's business model is focused on a strong balance sheet, with ample liquidity, social and governance leadership, long-term corporate profitability, free funds flow generation, and paying a dividend to shareholders. Together with the Company's premier land position in the Montney, significant resource in-place, large inventory of future drilling locations, and high-performance people and culture, these principles make ARC a differentiated company.

## Highlights

Corporate highlights for the annual periods of 2020 through 2023 and the nine months ended September 30, 2024 are shown in Table 1:

**Table 1**

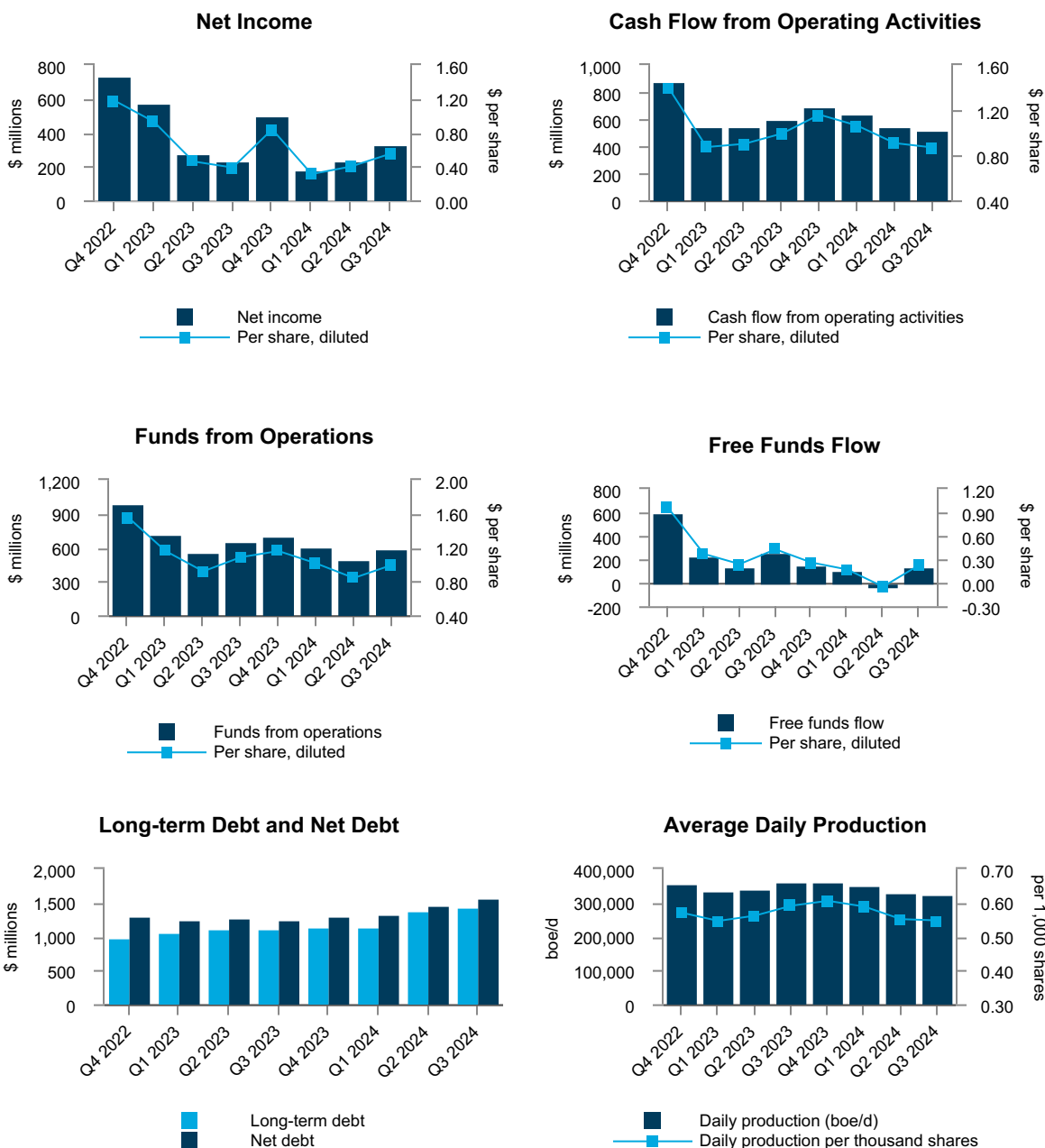
(\$ millions, except per share amounts, or unless otherwise noted)	2024 YTD	2023	2022	2021	2020
Production <sup>(1)</sup>					
Crude oil and condensate (bbl/d)	<b>81,991</b>	83,880	86,393	70,393	29,245
Natural gas (MMcf/d)	<b>1,270</b>	1,322	1,259	1,149	739
NGLs (bbl/d)	<b>42,716</b>	47,760	49,385	40,084	9,112
Total production (boe/d)	<b>336,346</b>	351,954	345,613	302,003	161,564
Average daily production per thousand shares <sup>(2)</sup>	<b>0.56</b>	0.58	0.52	0.48	0.46
Net income (loss)	<b>753.8</b>	1,596.5	2,302.3	786.6	(547.2)
Net income (loss) per share	<b>1.26</b>	2.61	3.47	1.25	(1.55)
Cash flow from operating activities	<b>1,697.7</b>	2,394.3	3,833.3	2,006.5	655.7
Cash flow from operating activities per share <sup>(3)</sup>	<b>2.84</b>	3.92	5.78	3.20	1.86
Funds from operations <sup>(4)</sup>	<b>1,702.1</b>	2,639.6	3,712.5	2,415.4	667.6
Funds from operations per share <sup>(3)</sup>	<b>2.85</b>	4.32	5.60	3.85	1.89
Free funds flow <sup>(5)</sup>	<b>206.6</b>	789.8	2,270.6	1,353.6	324.4
Free funds flow per share <sup>(6)</sup>	<b>0.35</b>	1.29	3.42	2.16	0.92
Cash flow used in investing activities	<b>1,482.9</b>	1,690.7	1,413.2	808.1	364.3
Capital expenditures <sup>(7)</sup>	<b>1,495.5</b>	1,849.8	1,441.9	1,061.8	343.2
Long-term debt <sup>(8)</sup>	<b>1,440.1</b>	1,148.9	990.0	1,705.3	701.9
Net debt <sup>(4)</sup>	<b>1,560.6</b>	1,317.1	1,301.5	1,828.7	693.5
Net debt to funds from operations (ratio) <sup>(4)</sup>	<b>0.6</b>	0.5	0.4	0.8	1.0
Return on average capital employed ("ROACE") (%) <sup>(9)</sup>	<b>18</b>	23	35	18	(18)
Proved plus probable reserves (MMboe) <sup>(10)(11)</sup>	<b>n/a</b>	1,994.3	1,828.6	1,760.6	929.0
Proved plus probable reserves per share (boe) <sup>(10)(11)</sup>	<b>n/a</b>	3.3	2.8	2.8	2.6

- (1) Reported production amount is based on Company's interest before royalty burdens.
- (2) Represents average daily production divided by the diluted weighted average common shares outstanding for the nine months ended September 30, 2024, and for the respective years ended December 31, 2023, 2022, 2021, and 2020.
- (3) Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.
- (4) Refer to Note 8 "Capital Management" in the financial statements and to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A.
- (5) Non-GAAP financial measure that does not have any standardized meaning under IFRS Accounting Standards and therefore may not be comparable to similar measures presented by other entities. The most directly comparable GAAP measure for free funds flow is cash flow from operating activities. Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A.
- (6) Non-GAAP ratio that does not have any standardized meaning under IFRS Accounting Standards and therefore may not be comparable to similar ratios presented by other entities. Includes a non-GAAP financial measure component of free funds flow. Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.
- (7) Non-GAAP financial measure that does not have any standardized meaning under IFRS Accounting Standards and therefore may not be comparable to similar measures presented by other entities. The most directly comparable GAAP measure for capital expenditures is cash flow used in investing activities. Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A.
- (8) Refer to Note 6 "Long-term Debt" in the financial statements. Long-term debt includes current and long-term portions.
- (9) Non-GAAP ratio that does not have any standardized meaning under IFRS Accounting Standards and therefore may not be comparable to similar ratios presented by other entities. Includes non-GAAP financial measure components of adjusted EBIT and average capital employed. Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.
- (10) Crude oil, condensate, natural gas, and NGLs reserves ("reserves") as determined by ARC's independent qualified reserve evaluator with an effective date of December 31 for the years shown in accordance with the Canadian Oil and Gas Evaluation Handbook.
- (11) Reserves are the gross interest reserves before deduction of royalties and without including any royalty interests. For more information, see ARC's AIF and the news release entitled "ARC Resources Ltd. Reports Record Production, Year-end Results and Reserves" dated February 8, 2024, available on ARC's website at [www.arcresources.com](http://www.arcresources.com) and on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

# QUARTERLY RESULTS <sup>(1)</sup>

Trends in net income, cash flow from operating activities, and funds from operations are primarily associated with fluctuations in commodity sales from production which reflect changes in production levels and commodity prices. Net income is also impacted by changes in the value of risk management contracts and impairment or reversal of impairment of property, plant and equipment ("PP&E").

Exhibit 1



(1) The details contained in the graphs above are included in the section entitled "Quarterly Historical Review" contained within this MD&A.

## ANNUAL GUIDANCE

ARC's 2024 guidance and a review of 2024 year-to-date results are outlined below:

**Table 2**

	2024 Guidance	2024 YTD Actual	% Variance from 2024 Guidance
Production			
Crude oil and condensate (bbl/d)	87,000 - 91,500	<b>81,991</b>	(6)
Natural gas (MMcf/d)	1,325 - 1,340	<b>1,270</b>	(4)
NGLs (bbl/d)	42,000 - 45,000	<b>42,716</b>	—
Total (boe/d)	350,000 - 360,000	<b>336,346</b>	(4)
Expenses (\$/boe) <sup>(1)</sup>			
Operating	4.50 - 4.90	<b>4.88</b>	—
Transportation	5.50 - 6.00	<b>5.27</b>	(4)
General and administrative ("G&A") expense before share-based compensation expense	1.05 - 1.25	<b>1.30</b>	4
G&A - share-based compensation expense	0.55 - 0.65	<b>0.68</b>	5
Interest and financing <sup>(2)</sup>	0.90 - 1.00	<b>0.95</b>	—
Current income tax expense, as a per cent of funds from operations <sup>(1)</sup>	10 - 15	<b>8</b>	(20)
Capital expenditures (\$ billions) <sup>(3)</sup>	1.75 - 1.85	<b>1.5</b>	n/a

(1) Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.

(2) Excludes accretion of ARC's asset retirement obligation ("ARO").

(3) Refer to the section entitled "About ARC Resources Ltd." contained within this MD&A for historical capital expenditures.

Production is currently below the guidance range with expectations to be at the low end of the guidance range for 2024. During the third quarter, in response to weak western Canadian natural gas prices, ARC elected to curtail approximately 250 MMcf per day of natural gas production from the Sunrise area. The curtailment is expected to impact full-year production guidance by approximately 60 MMcf per day, or approximately 10,000 boe per day, with no change to crude oil and liquids production guidance. Subsequent to September 30, 2024, production in the Sunrise area has been partially restored.

G&A expense before share-based compensation expense and G&A - share-based compensation expense are currently above the guidance range, but expected to trend towards the respective guidance ranges through the remainder of the year.

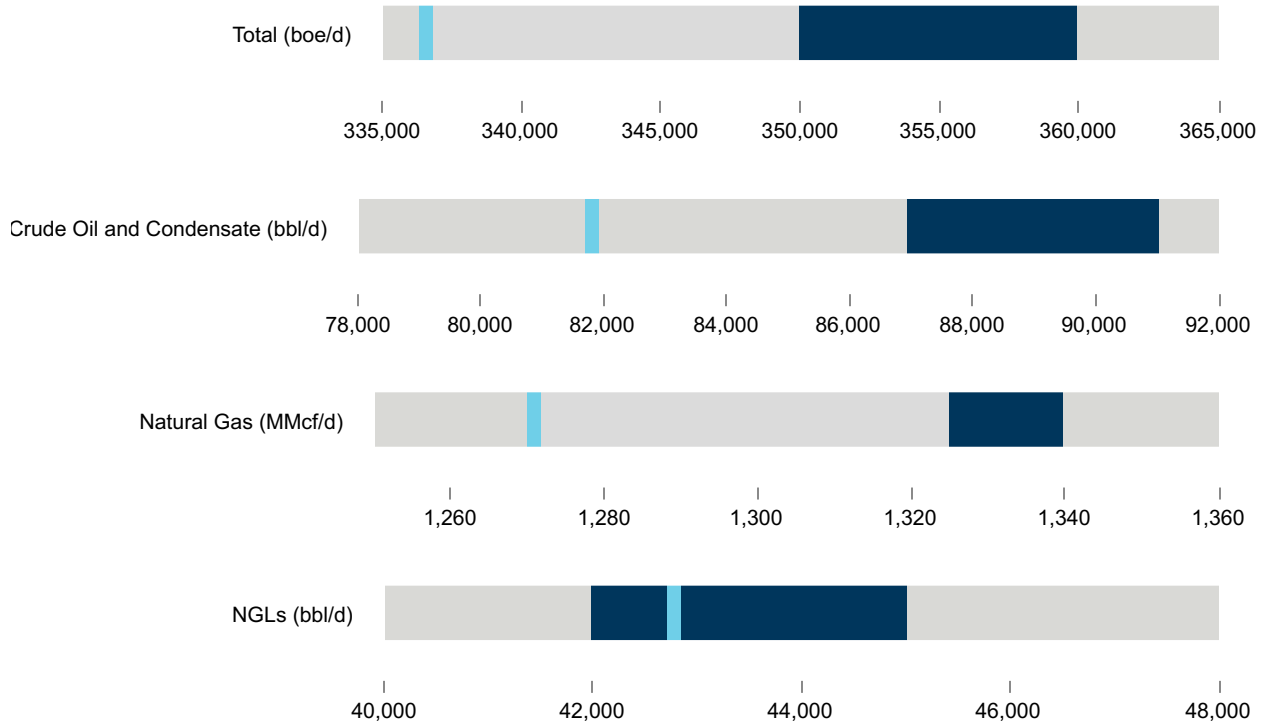
Transportation expense and current income tax expense as a per cent of funds from operations are currently below the guidance range and are expected to be at the low end of the respective guidance ranges for the full year.

ARC's board of directors (the "Board") has approved a 2025 capital budget of between \$1.6 and \$1.7 billion, which is expected to deliver record average annual production of between 380,000 to 395,000 boe per day (61 per cent natural gas and 39 per cent crude oil and liquids). For more information regarding the 2025 capital budget and ARC's 2025 guidance, refer to the news release dated November 6, 2024, entitled "*ARC Resources Ltd. Reports Third Quarter 2024 Results and Announces 2025 Budget, First Production at Attachie, and 12 per cent Dividend Increase*", available on ARC's website at [www.arcreources.com](http://www.arcreources.com) and on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

**Exhibit 2**

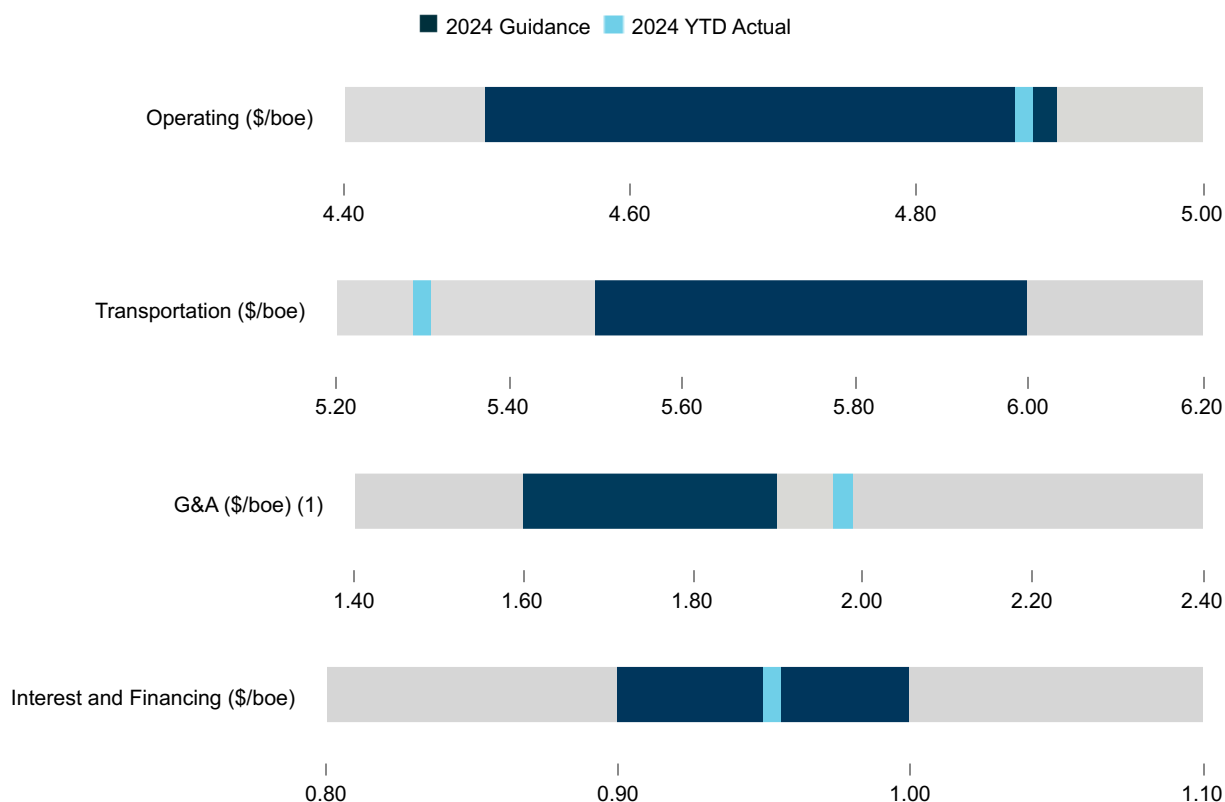
**2024 Production Guidance**

■ 2024 Guidance ■ 2024 YTD Actual



## Exhibit 2a

### 2024 Expense Guidance



(1) Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.

## 2024 THIRD QUARTER FINANCIAL AND OPERATIONAL RESULTS

### Financial Highlights

Table 3

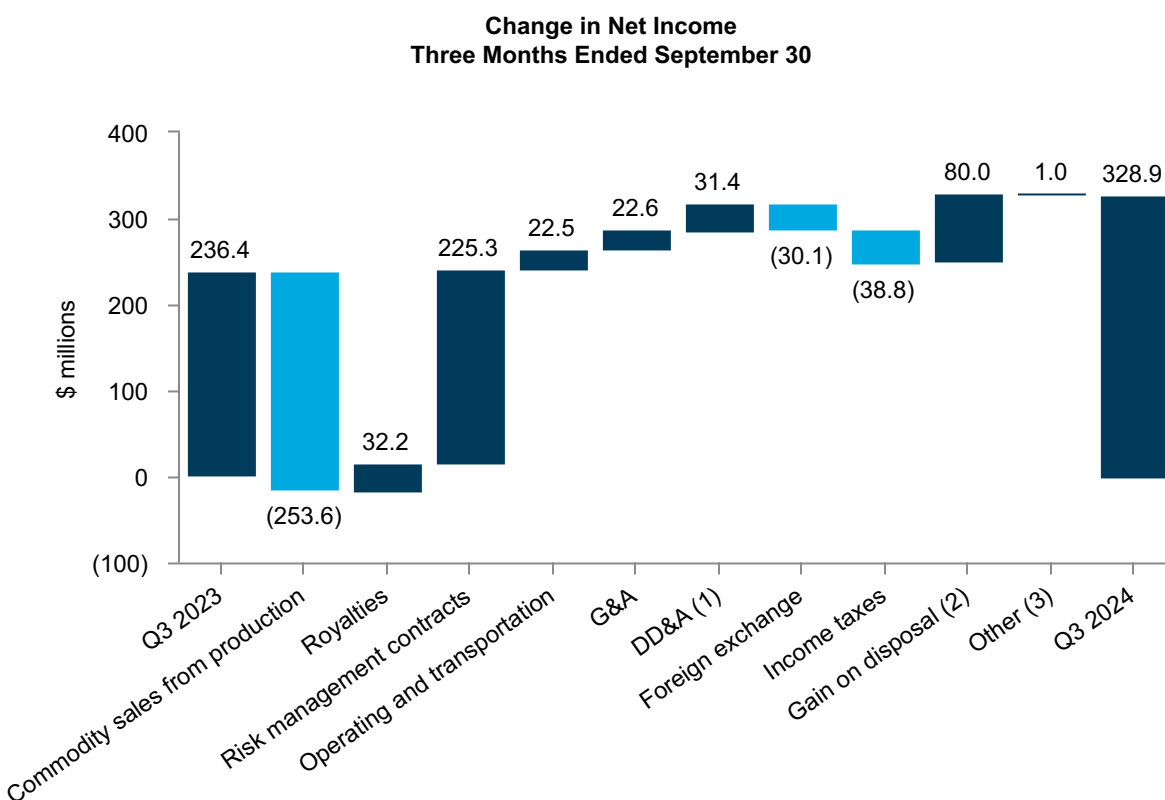
(\$ millions, except per share and production data)	Three Months Ended				Nine Months Ended		
	June 30, 2024	September 30, 2024	September 30, 2023	% Change	September 30, 2024	September 30, 2023	% Change
Net income	239.5	<b>328.9</b>	236.4	39	<b>753.8</b>	1,090.2	(31)
Net income per share	0.40	<b>0.55</b>	0.39	41	<b>1.26</b>	1.78	(29)
Cash flow from operating activities	543.0	<b>518.4</b>	604.2	(14)	<b>1,697.7</b>	1,695.4	—
Cash flow from operating activities per share	0.91	<b>0.87</b>	0.99	(12)	<b>2.84</b>	2.76	3
Funds from operations	502.8	<b>592.4</b>	662.2	(11)	<b>1,702.1</b>	1,940.4	(12)
Funds from operations per share	0.84	<b>0.99</b>	1.09	(9)	<b>2.85</b>	3.16	(10)
Free funds flow	(29.5)	<b>133.8</b>	260.8	(49)	<b>206.6</b>	635.1	(67)
Free funds flow per share	(0.05)	<b>0.22</b>	0.43	(49)	<b>0.35</b>	1.04	(66)
Dividends declared per share <sup>(1)</sup>	0.17	<b>0.17</b>	0.17	—	<b>0.51</b>	0.49	4
Average daily production (boe/d)	330,046	<b>326,768</b>	360,177	(9)	<b>336,346</b>	347,475	(3)

(1) Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.

## Net Income

In the third quarter of 2024, ARC recognized net income of \$328.9 million (\$0.55 per share), an increase of \$92.5 million from ARC's third quarter 2023 net income of \$236.4 million (\$0.39 per share). The increase in net income is primarily attributed to a gain on risk management contracts of \$144.4 million, as compared to a loss of \$80.9 million in the same period of the prior year, and a gain on disposal of crude oil and natural gas assets of \$80.0 million. This was partially offset by a decrease in commodity sales from production of \$253.6 million, driven by a lower average realized commodity price and lower production.

### Exhibit 3



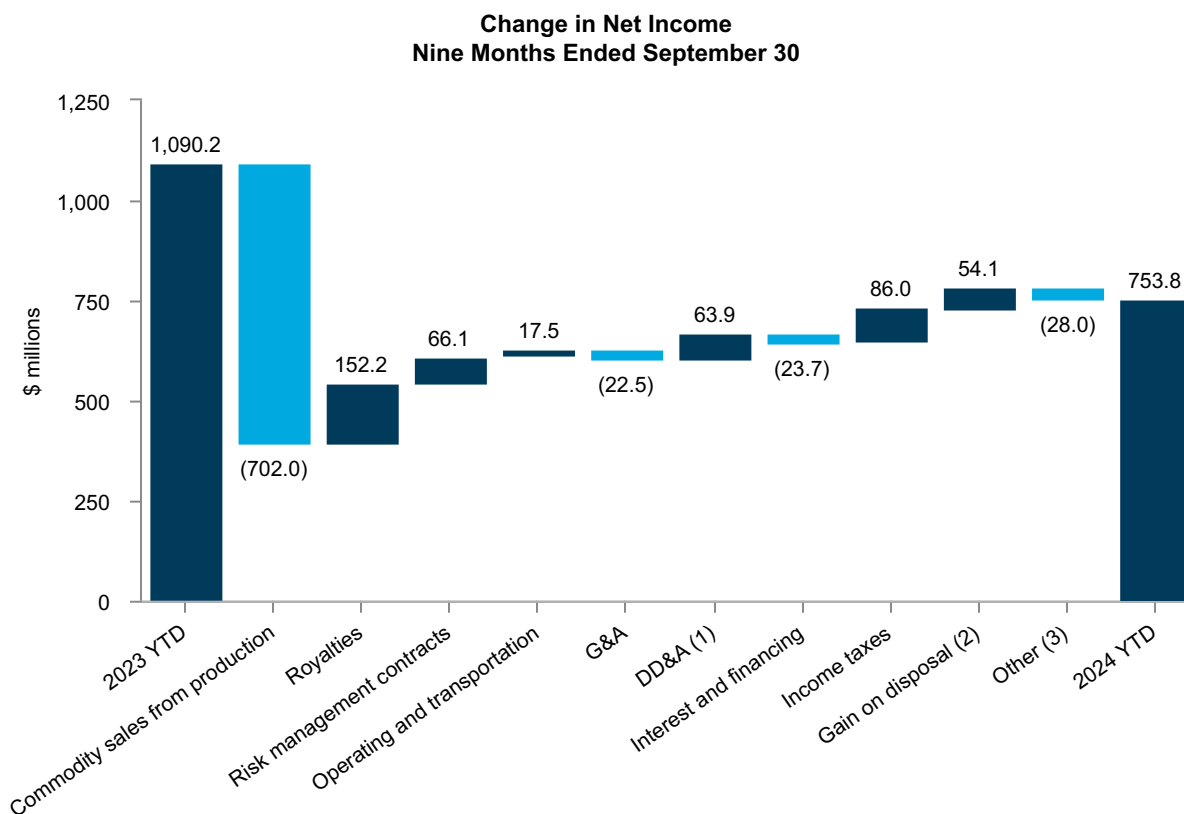
(1) Includes DD&A and impairment of PP&E.

(2) Gain on disposal of crude oil and natural gas assets.

(3) Includes sales of commodities purchased from third parties, interest and other income, commodities purchased from third parties, interest and financing, and impairment of financial assets.

For the nine months ended September 30, 2024, ARC recognized net income of \$753.8 million (\$1.26 per share) compared to \$1.1 billion (\$1.78 per share) for the same period of the prior year. The \$336.4 million decrease in net income is primarily attributed to a decrease in commodity sales from production of \$702.0 million, driven by a lower average realized commodity price and lower production. This was partially offset by a decrease in royalties of \$152.2 million and a decrease in income taxes of \$86.0 million, both attributable to a lower average realized commodity price.

**Exhibit 3a**



(1) Includes DD&A and impairment of PP&E.

(2) Gain on disposal of crude oil and natural gas assets.

(3) Includes sales of commodities purchased from third parties, interest and other income, commodities purchased from third parties, foreign exchange, and impairment of financial assets.

## Cash Flow from Operating Activities and Funds from Operations

Cash flow from operating activities for the three months ended September 30, 2024, was \$518.4 million, a decrease of \$85.8 million from ARC's third quarter 2023 cash flow from operating activities of \$604.2 million. For the nine months ended September 30, 2024, cash flow from operating activities was \$1.7 billion, unchanged from the same period in 2023. The decrease in cash flow from operating activities for the three months ended September 30, 2024, compared to the same period in the prior year, reflects lower funds from operations and changes in non-cash operating working capital. Cash flow from operating activities for the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 reflects lower funds from operations offset by changes in non-cash operating working capital.

ARC considers funds from operations to be a key measure of financial performance as it demonstrates ARC's ability to generate the necessary funds to maintain production at current levels and fund future growth through capital investment. Management believes that such a measure provides an insightful assessment of financial performance on a continuing basis by eliminating certain non-cash charges and actual settlements of ARO, of which the nature and timing of expenditures are discretionary. Funds from operations is a capital management measure, which is not a standardized measure and therefore may not be comparable with the calculation of similar measures by other entities.

Refer to Note 8 "Capital Management" in the financial statements and to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A. Table 4 is a reconciliation of ARC's net income to funds from operations and its most directly comparable GAAP measure, cash flow from operating activities:

**Table 4**

(\$ millions)	Three Months Ended			Nine Months Ended	
	June 30, 2024	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Net income	239.5	<b>328.9</b>	236.4	<b>753.8</b>	1,090.2
Adjusted for the following non-cash items:					
DD&A and impairment of PP&E	314.6	<b>333.5</b>	364.9	<b>988.3</b>	1,052.2
Deferred taxes	29.2	<b>69.7</b>	1.3	<b>94.2</b>	148.2
Unrealized loss (gain) on risk management contracts	(81.9)	<b>(84.5)</b>	59.0	<b>(72.9)</b>	(328.9)
Unrealized loss (gain) on foreign exchange	(3.0)	<b>21.0</b>	(6.2)	<b>7.8</b>	(4.2)
Gain on disposal of crude oil and natural gas assets	—	<b>(80.0)</b>	—	<b>(80.0)</b>	(25.9)
Other	4.4	<b>3.8</b>	6.8	<b>10.9</b>	8.8
<b>Funds from operations</b>	<b>502.8</b>	<b>592.4</b>	<b>662.2</b>	<b>1,702.1</b>	<b>1,940.4</b>
Net change in other liabilities	1.5	<b>(17.9)</b>	(7.9)	<b>(23.1)</b>	(7.7)
Change in non-cash operating working capital	38.7	<b>(56.1)</b>	(50.1)	<b>18.7</b>	(237.3)
<b>Cash flow from operating activities</b>	<b>543.0</b>	<b>518.4</b>	<b>604.2</b>	<b>1,697.7</b>	<b>1,695.4</b>

Details of the change in funds from operations from the three and nine months ended September 30, 2023 to the three and nine months ended September 30, 2024 are included in Table 5 below:

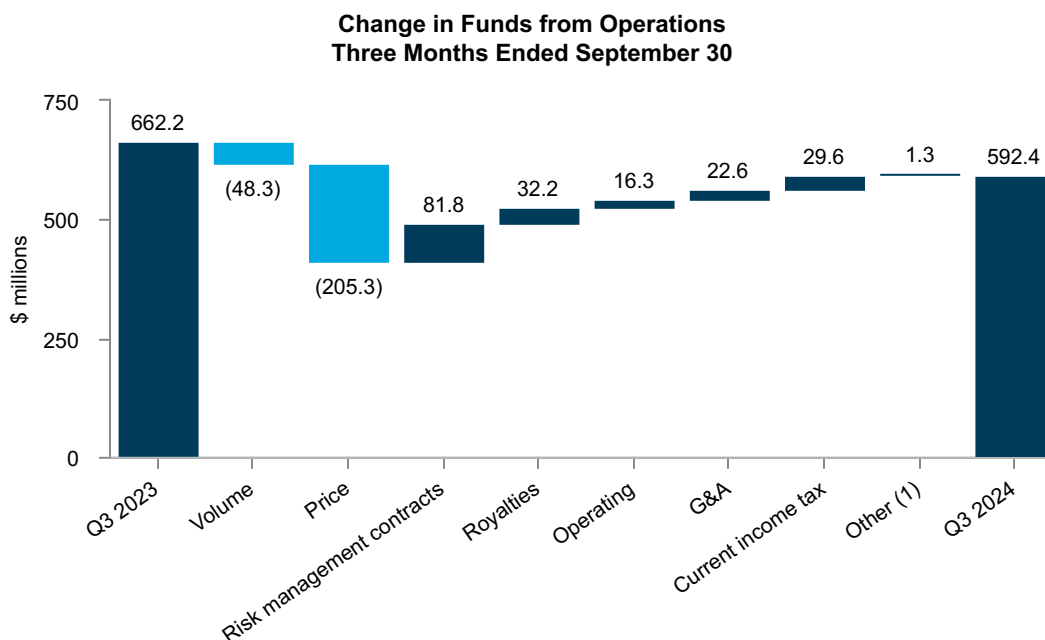
**Table 5**

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	\$ millions	\$/share	\$ millions	\$/share
Funds from operations – 2023	662.2	1.09	1,940.4	3.16
Production volume variance				
Crude oil and liquids	(4.6)	(0.01)	(51.6)	(0.08)
Natural gas	(43.7)	(0.07)	(30.0)	(0.05)
Commodity price variance				
Crude oil and liquids	(52.4)	(0.09)	(51.9)	(0.08)
Natural gas	(152.9)	(0.25)	(568.5)	(0.93)
Sales of commodities purchased from third parties	32.7	0.05	(41.5)	(0.07)
Interest and other income	5.3	0.01	5.1	0.01
Realized gain on risk management contracts	81.8	0.13	322.1	0.53
Royalties	32.2	0.05	152.2	0.25
Expenses				
Commodities purchased from third parties	(32.0)	(0.05)	23.2	0.04
Operating	16.3	0.03	1.7	—
Transportation	6.2	0.01	15.8	0.03
G&A	22.6	0.04	(22.5)	(0.04)
Interest and financing	(6.4)	(0.01)	(22.7)	(0.04)
Current income tax	29.6	0.05	32.0	0.05
Realized (loss) gain on foreign exchange	(2.9)	(0.01)	4.3	0.01
Other	(1.6)	—	(6.0)	(0.01)
Weighted average shares, diluted	—	0.02	—	0.07
Funds from operations – 2024	592.4	0.99	1,702.1	2.85

Funds from operations for the three months ended September 30, 2024, was \$592.4 million (\$0.99 per share), a decrease of \$69.8 million from \$662.2 million (\$1.09 per share) for the three months ended September 30, 2023. For the nine months ended September 30, 2024, funds from operations was \$1.7 billion (\$2.85 per share), a decrease of \$238.3 million from \$1.9 billion (\$3.16 per share) for the nine months ended September 30, 2023.

The decrease in funds from operations for the three months ended September 30, 2024, is primarily due to lower commodity sales from production, resulting from a lower average realized commodity price and a decrease in production. This was partially offset by a realized gain on risk management contracts compared to a realized loss in the same period of the prior year.

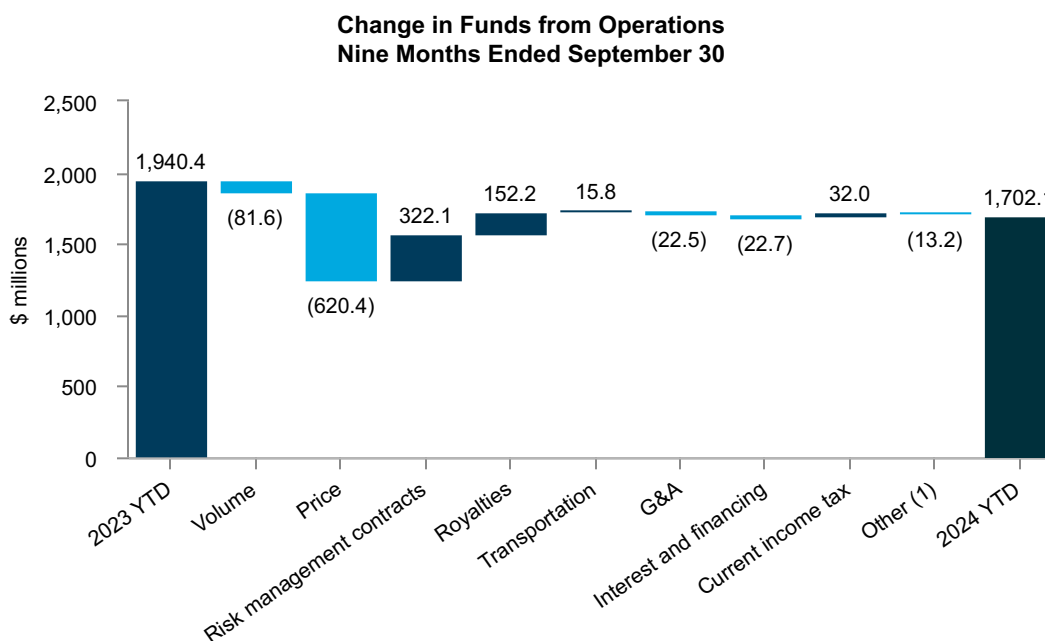
#### Exhibit 4



(1) Includes sale of commodities purchased from third parties, commodities purchased from third parties, interest and financing, transportation, interest and other income, foreign exchange, and other non-cash items.

The decrease in funds from operations for the nine months ended September 30, 2024, is primarily due to lower commodity sales from production, resulting from a lower average realized commodity price and a decrease in production. This was partially offset by a realized gain on risk management contracts compared to a realized loss in the same period of the prior year, as well as a decrease in royalties.

#### Exhibit 4a



(1) Includes sale of commodities purchased from third parties, commodities purchased from third parties, interest and other income, foreign exchange, operating, and other non-cash items.

## Net Income Sensitivity

Table 6 illustrates sensitivities of operating items to business environment and operational changes and the resulting impact on net income:

**Table 6**

	Assumption	Change	Impact on Annual Net Income	
			Notional Amount (\$ millions)	\$/share
<b>Business Environment <sup>(1)</sup></b>				
Crude oil price (\$/bbl) <sup>(2)(3)</sup>	91.46	10 %	250.4	0.42
Natural gas price (\$/Mcf) <sup>(2)</sup>	2.29	10 %	128.6	0.22
Cdn\$/US\$ exchange rate <sup>(2)(4)</sup>	1.36	5 %	164.7	0.28
Interest rate on floating-rate debt (%)	6.59	1 %	3.2	0.01
<b>Operational <sup>(5)</sup></b>				
Crude oil and liquids production (bbl/d)	124,707	5 %	114.7	0.19
Natural gas production (MMcf/d)	1,270	5 %	6.2	0.01
Royalties (\$/boe)	4.14	5 %	19.2	0.03
Operating (\$/boe)	4.88	5 %	22.5	0.04
Transportation (\$/boe)	5.27	5 %	24.4	0.04
G&A (\$/boe)	1.98	5 %	9.1	0.02

(1) Calculations are performed independently and may not be indicative of actual results that would occur when multiple variables change at the same time. The subsequent impact on risk management contracts is not included.

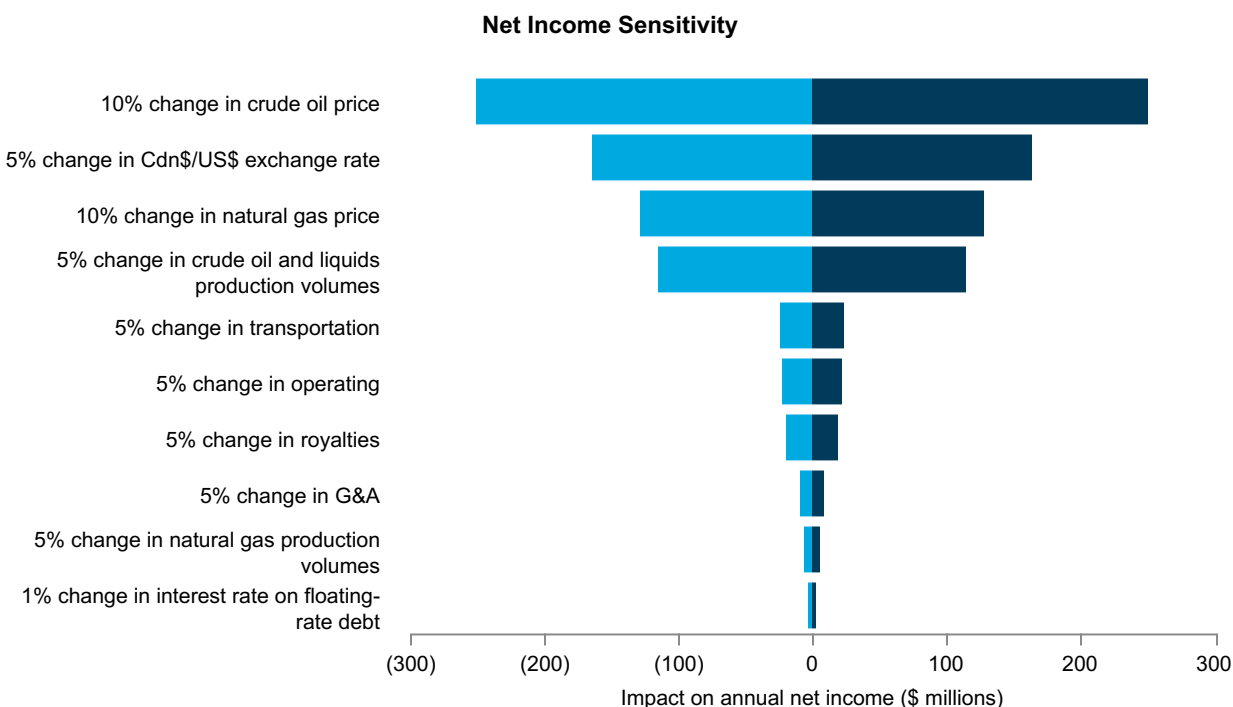
(2) Prices and rates are indicative of ARC's average realized commodity prices for the nine months ended September 30, 2024. Refer to Table 10 contained within this MD&A for additional details. The calculated impact on net income is indicative of changes in the underlying benchmark prices and differentials and would only be applicable within a limited range of these amounts.

(3) Includes the impact on crude oil, condensate, and NGLs prices.

(4) Includes impact of foreign exchange on crude oil, condensate, natural gas, and NGLs prices that are realized in US dollars.

(5) Operational assumptions are based upon results for the nine months ended September 30, 2024 and the calculated impact on net income would only be applicable within a limited range of these amounts.

### Exhibit 5



## Production

Table 7

Production	Three Months Ended				Nine Months Ended		
	June 30, 2024	September 30, 2024	September 30, 2023	% Change	September 30, 2024	September 30, 2023	% Change
Crude oil (bbl/d)	6,403	<b>6,827</b>	8,872	(23)	<b>7,101</b>	8,281	(14)
Condensate (bbl/d)	68,310	<b>81,690</b>	78,226	4	<b>74,890</b>	74,951	—
NGLs (bbl/d)	40,994	<b>37,797</b>	47,557	(21)	<b>42,716</b>	47,182	(9)
Crude oil and liquids (bbl/d)	115,707	<b>126,314</b>	134,655	(6)	<b>124,707</b>	130,414	(4)
Natural gas (MMcf/d)	1,286	<b>1,203</b>	1,353	(11)	<b>1,270</b>	1,302	(3)
Total production (boe/d)	330,046	<b>326,768</b>	360,177	(9)	<b>336,346</b>	347,475	(3)
Natural gas production (%)	65	<b>61</b>	63	(2)	<b>63</b>	62	1
Crude oil and liquids production (%)	35	<b>39</b>	37	2	<b>37</b>	38	(1)

For the three and nine months ended September 30, 2024, total production decreased nine per cent and three per cent, respectively, as compared to the same periods in the prior year.

For the three and nine months ended September 30, 2024, crude oil and liquids production decreased six per cent and four per cent, respectively, as compared to the same periods in the prior year. The decreases were primarily due to downtime associated with scheduled maintenance activities in the Kakwa area, partially offset by new wells coming on-stream in the Greater Dawson area.

For the three and nine months ended September 30, 2024, natural gas production decreased 11 per cent and three per cent, respectively, compared to the same periods in the prior year. The decrease for the three months ended September 30, 2024, was primarily due to the deliberate curtailment of production from the Sunrise area as a response to low western Canadian natural gas prices. The decrease for the nine months ended September 30, 2024, was primarily due to downtime associated with scheduled maintenance activities in the Kakwa area, partially offset with new wells coming on-stream in the Greater Dawson and Sunrise areas.

### Exhibit 6

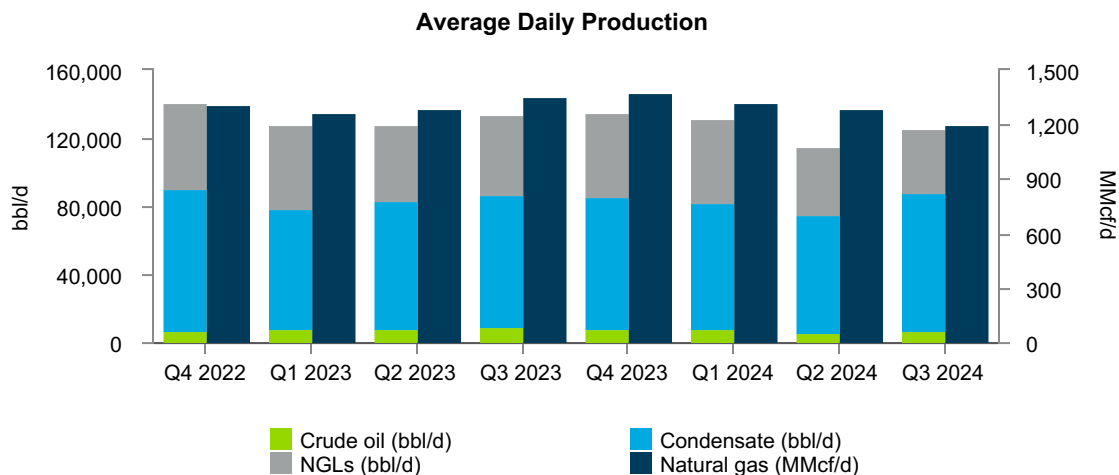


Table 8 summarizes ARC's production by core area for the three months ended September 30, 2024 and September 30, 2023:

**Table 8**

Three Months Ended September 30, 2024					
Production	Total	Crude Oil	Condensate	Natural Gas	NGLs
Core Area	(boe/d)	(bbl/d)	(bbl/d)	(MMcf/d)	(bbl/d)
Kakwa	180,239	17	67,050	510.8	28,040
Greater Dawson	96,215	499	11,354	458.2	7,994
Sunrise	26,717	—	408	157.1	121
Ante Creek	19,683	6,352	641	65.4	1,786
Attachie	4,207	—	2,235	11.0	132
All other	(293)	(41)	2	0.2	(276)
<b>Total</b>	<b>326,768</b>	<b>6,827</b>	<b>81,690</b>	<b>1,202.7</b>	<b>37,797</b>

Three Months Ended September 30, 2023					
Production	Total	Crude Oil	Condensate	Natural Gas	NGLs
Core Area	(boe/d)	(bbl/d)	(bbl/d)	(MMcf/d)	(bbl/d)
Kakwa	199,164	15	66,846	562.5	38,563
Greater Dawson	85,818	718	9,165	412.5	7,184
Sunrise	51,009	—	431	302.4	172
Ante Creek	21,711	7,990	646	67.0	1,903
Attachie	2,421	—	1,132	7.3	75
All other	54	149	6	1.4	(340)
<b>Total</b>	<b>360,177</b>	<b>8,872</b>	<b>78,226</b>	<b>1,353.1</b>	<b>47,557</b>

**Exhibit 7**

**Production by Core Area  
Three Months Ended September 30, 2024**

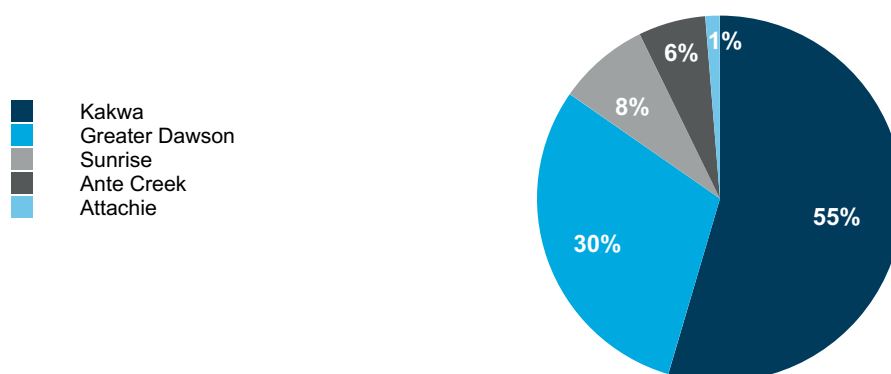


Table 8a summarizes ARC's production by core area for the nine months ended September 30, 2024 and September 30, 2023:

**Table 8a**

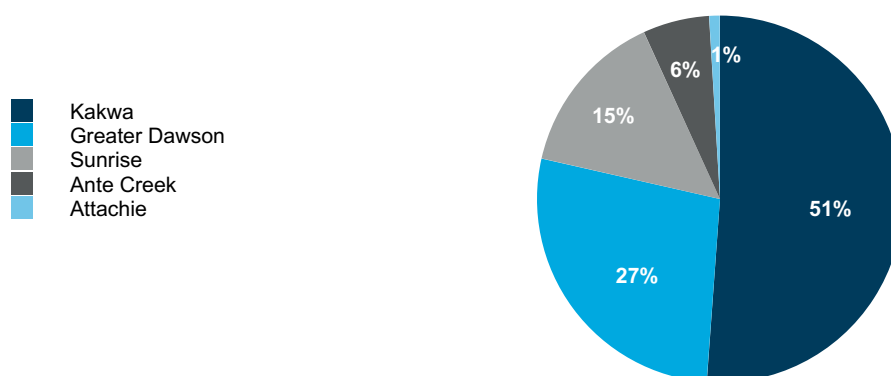
Nine Months Ended September 30, 2024					
Production Core Area	Total (boe/d)	Crude Oil (bbl/d)	Condensate (bbl/d)	Natural Gas (MMcf/d)	NGLs (bbl/d)
Kakwa	171,973	19	61,217	467.1	32,883
Greater Dawson	92,014	551	11,111	435.4	7,783
Sunrise	49,142	—	293	292.5	95
Ante Creek	19,750	6,426	612	65.5	1,802
Attachie	3,203	—	1,656	8.7	90
All other	264	105	1	0.6	63
<b>Total</b>	<b>336,346</b>	<b>7,101</b>	<b>74,890</b>	<b>1,269.8</b>	<b>42,716</b>

Nine Months Ended September 30, 2023					
Production Core Area	Total (boe/d)	Crude Oil (bbl/d)	Condensate (bbl/d)	Natural Gas (MMcf/d)	NGLs (bbl/d)
Kakwa	189,650	15	64,399	521.3	38,355
Greater Dawson	87,139	855	8,442	425.3	6,952
Sunrise	47,423	—	343	282.0	88
Ante Creek	20,193	7,203	578	63.9	1,765
Attachie	2,482	—	1,167	7.5	62
All other	588	208	22	2.4	(40)
<b>Total</b>	<b>347,475</b>	<b>8,281</b>	<b>74,951</b>	<b>1,302.4</b>	<b>47,182</b>

**Exhibit 7a**

**Production by Core Area  
Nine Months Ended September 30, 2024**



## Commodity Sales from Production

For the three and nine months ended September 30, 2024, commodity sales from production decreased by 19 per cent and 18 per cent, respectively, as compared to the same periods in 2023. The decrease for the three and nine months ended September 30, 2024 is due to lower average realized commodity prices, primarily natural gas prices, and a decrease in production volumes.

A breakdown of commodity sales from production by product and percentage of commodity sales from production by product type is outlined in Tables 9 and 9a:

**Table 9**

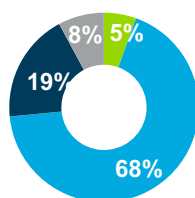
Commodity Sales from Production, by Product (\$ millions)	Three Months Ended				Nine Months Ended		
	June 30, 2024	September 30, 2024	September 30, 2023	% Change	September 30, 2024	September 30, 2023	% Change
Crude oil	58.4	57.9	85.6	(32)	177.9	216.2	(18)
Condensate	645.0	716.7	742.8	(4)	2,003.7	2,050.4	(2)
Natural gas	217.4	197.1	393.7	(50)	797.7	1,396.2	(43)
NGLs	80.9	82.7	85.9	(4)	278.9	297.4	(6)
Commodity sales from production	1,001.7	1,054.4	1,308.0	(19)	3,258.2	3,960.2	(18)

**Table 9a**

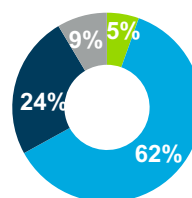
% of Commodity Sales from Production by Product Type	Three Months Ended				Nine Months Ended		
	June 30, 2024	September 30, 2024	September 30, 2023	% Change	September 30, 2024	September 30, 2023	% Change
Crude oil and liquids	78	81	70	11	76	65	11
Natural gas	22	19	30	(11)	24	35	(11)
Commodity sales from production	100	100	100	—	100	100	—

**Exhibit 8**

**Commodity Sales from Production by Product  
Three Months Ended  
September 30, 2024**



**Commodity Sales from Production by Product  
Nine Months Ended  
September 30, 2024**



## Commodity Prices

A listing of benchmark commodity prices and ARC's average realized commodity prices are outlined in Table 10:

**Table 10**

	Three Months Ended				Nine Months Ended		
	June 30, 2024	September 30, 2024	September 30, 2023	% Change	September 30, 2024	September 30, 2023	% Change
<b>Average Benchmark Prices</b>							
WTI crude oil (US\$/bbl)	80.66	<b>75.27</b>	82.22	(8)	<b>77.61</b>	77.28	—
Cdn\$/US\$ exchange rate	1.37	<b>1.36</b>	1.34	1	<b>1.36</b>	1.35	1
WTI crude oil (Cdn\$/bbl)	110.50	<b>102.37</b>	110.17	(7)	<b>105.55</b>	104.33	1
Peace Sour Price at Edmonton (Cdn\$/bbl)	101.42	<b>94.09</b>	104.16	(10)	<b>93.48</b>	94.32	(1)
Condensate Stream Price at Edmonton (Cdn\$/bbl)	105.73	<b>97.59</b>	104.55	(7)	<b>100.70</b>	103.14	(2)
NYMEX Henry Hub Last Day Settlement (US\$/MMBtu)	1.89	<b>2.16</b>	2.55	(15)	<b>2.10</b>	2.69	(22)
Chicago Citygate Monthly Index (US\$/MMBtu)	1.60	<b>1.76</b>	2.29	(23)	<b>1.95</b>	2.87	(32)
AECO 7A Monthly Index (Cdn\$/Mcf)	1.44	<b>0.81</b>	2.39	(66)	<b>1.43</b>	3.03	(53)
<b>ARC Average Realized Commodity Prices <sup>(1)</sup></b>							
Crude oil (\$/bbl)	100.28	<b>92.22</b>	104.91	(12)	<b>91.46</b>	95.65	(4)
Condensate (\$/bbl)	103.73	<b>95.38</b>	103.21	(8)	<b>97.64</b>	100.21	(3)
Natural gas (\$/Mcf)	1.86	<b>1.78</b>	3.16	(44)	<b>2.29</b>	3.93	(42)
NGLs (\$/bbl)	21.69	<b>23.77</b>	19.63	21	<b>23.83</b>	23.09	3
Average realized commodity price (\$/boe)	33.35	<b>35.07</b>	39.47	(11)	<b>35.35</b>	41.75	(15)

(1) Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.

### Benchmark Commodity Prices

Average WTI crude oil prices decreased seven per cent in the third quarter of 2024 compared to the prior quarter and eight per cent compared to the third quarter of 2023. Crude oil prices trended lower during the quarter as weak economic data resulted in downward revisions to near-term crude oil demand growth expectations. Although geopolitical tensions in the Middle East remain heightened, the anticipated easing of coordinated production curtailments, along with ample global spare production capacity have limited the impacts of a potential production disruption.

The Edmonton condensate benchmark price decreased eight per cent in the third quarter of 2024 compared to the prior quarter and seven per cent compared to the third quarter of 2023, reflecting the decrease in WTI benchmark prices. Canadian condensate differentials were steady with growing diluent demand, along with a competitive market for imported diluent supply from the US.

Average NYMEX Henry Hub natural gas prices increased 14 per cent in the third quarter of 2024 compared to the prior quarter and decreased 15 per cent compared to the third quarter of 2023. Record seasonal demand combined with production curtailments and reduced capital investment levels in the US lowered natural gas inventory levels and drove an increase to prices in the quarter. When compared to the same period of the prior year, the decrease in natural gas prices reflects a delay in the expected growth of US liquefied natural gas ("LNG") exports.

The AECO 7A Monthly Index decreased 44 per cent in the third quarter of 2024 compared to the prior quarter and 66 per cent compared to the third quarter of 2023. The combined effects of strong Canadian natural gas production, maintenance on export pipelines, and record high inventory projections resulted in AECO prices underperforming relative to other natural gas benchmark prices.

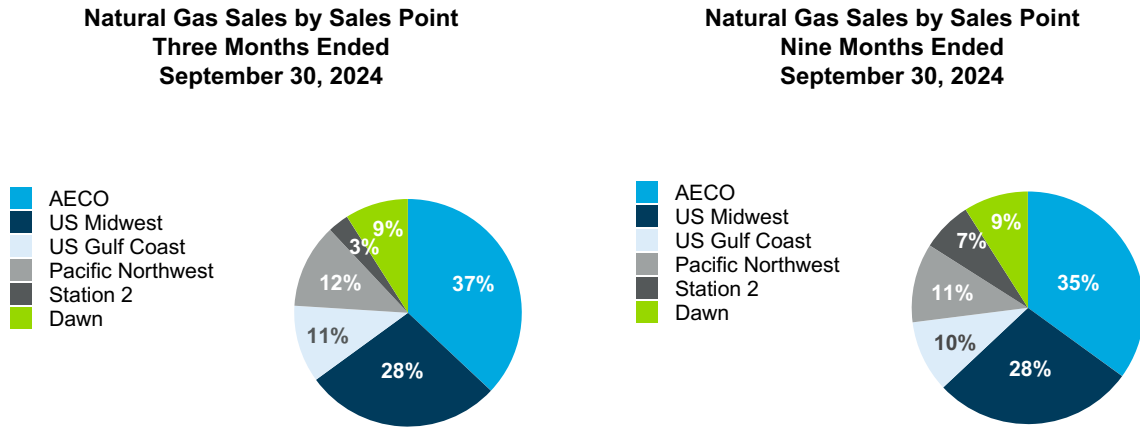
### ARC's Average Realized Commodity Prices

For the three and nine months ended September 30, 2024, ARC's average realized crude oil price decreased 12 per cent and four per cent, respectively, compared to the same periods in 2023. The decrease for the three months ended September 30, 2024 reflects a decrease in the WTI benchmark price and wider differentials between WTI and Peace Sour benchmark prices, compared to the same period of the prior year. The decrease for the nine months ended September 30, 2024 is primarily due to wider differentials between WTI and Peace Sour benchmark prices, compared to the same period of the prior year.

For the three and nine months ended September 30, 2024, ARC's average realized condensate price decreased eight per cent and three per cent, respectively, compared to the same periods of the prior year. The decrease for the three months ended September 30, 2024, reflects a decrease in the WTI benchmark price, compared to the same period of the prior year. The decrease for the nine months ended September 30, 2024, is primarily due to a wider differential between WTI and Edmonton condensate benchmark prices, compared to the same period of the prior year.

ARC's natural gas sales are physically diversified to multiple sales points within North America, each with different index-based pricing. ARC's average realized natural gas price decreased 44 per cent and 42 per cent for the three and nine months ended September 30, 2024, respectively, compared to the same periods of the prior year. The decrease is primarily due to benchmark price declines in all North American markets.

**Exhibit 9**



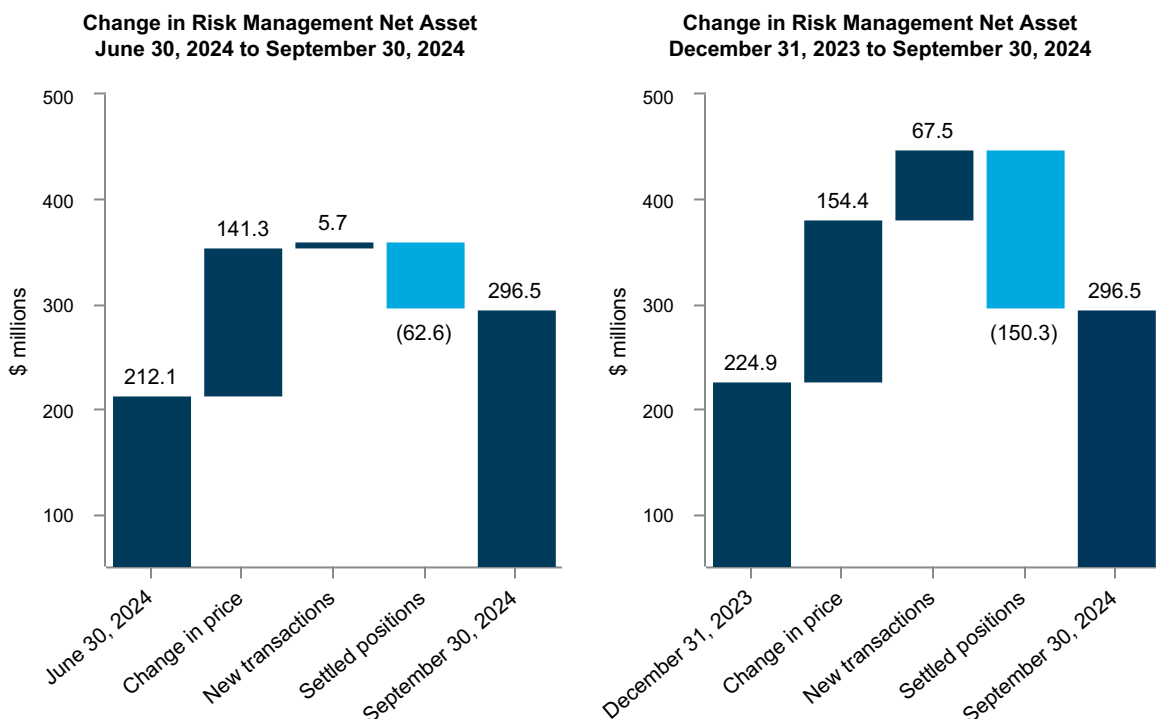
During the nine months ended September 30, 2024, as part of its natural gas market diversification strategy, ARC entered into a long-term liquefaction tolling services agreement and other ancillary agreements (the "Agreements") with Cedar LNG Partners LP ("Cedar LNG"), a partnership between the Haisla Nation and Pembina Pipeline Corporation, advancing the Cedar LNG Project (the "Project"). ARC will deliver approximately 200 MMcf per day of natural gas for liquefaction by the Project for a term of 20 years commencing with commercial operations, anticipated in late 2028. In June 2024, Cedar LNG announced a positive final investment decision for the project, satisfying all the conditions precedent of the Agreement.

In addition to the agreement with Cedar LNG, ARC entered into a non-binding Heads of Agreement with an investment-grade rated company for the associated LNG offtake, the equivalent of approximately 1.5 million tonnes per annum of LNG.

## Risk Management Contracts

The fair value of ARC's risk management contracts at September 30, 2024 was a net asset of \$296.5 million, representing the expected value of settlement of ARC's contracts at the balance sheet date after adjustments for credit risk. This comprises a net asset of \$55.5 million from crude oil contracts, a net asset of \$236.0 million from natural gas contracts, and a net asset of \$5.0 million from foreign currency contracts.

### Exhibit 10



Tables 11 and 11a summarize the gain or loss on risk management contracts for the three and nine months ended September 30, 2024 compared to the same periods in 2023:

**Table 11**

Risk Management Contracts (\$ millions)	Crude Oil & Condensate	Natural Gas	Embedded Derivative <sup>(1)</sup>	NGLs and Foreign Currency	Q3 2024 Total	Q3 2023 Total
Realized gain (loss) on risk management contracts <sup>(2)</sup>	(1.5)	61.0	—	0.4	<b>59.9</b>	(21.9)
Unrealized gain (loss) on risk management contracts <sup>(3)</sup>	55.4	14.4	8.6	6.1	<b>84.5</b>	(59.0)
Gain (loss) on risk management contracts	<b>53.9</b>	<b>75.4</b>	<b>8.6</b>	<b>6.5</b>	<b>144.4</b>	(80.9)

(1) Represents the change in fair value of embedded derivatives contained within certain natural gas sales contracts.

(2) Represents actual cash settlements under the respective contracts recognized in net income during the period.

(3) Represents the change in fair value of the contracts recognized in net income during the period.

**Table 11a**

<b>Risk Management Contracts</b> (\$ millions)	<b>Crude Oil &amp; Condensate</b>	<b>Natural Gas</b>	<b>Embedded Derivative<sup>(1)</sup></b>	<b>NGLs and Foreign Currency</b>	<b>2024 YTD Total</b>	<b>2023 YTD Total</b>
Realized gain (loss) on risk management contracts <sup>(2)</sup>	(21.1)	161.9	—	(0.2)	<b>140.6</b>	(181.5)
Unrealized gain (loss) on risk management contracts <sup>(3)</sup>	37.2	28.2	26.0	(18.5)	<b>72.9</b>	328.9
Gain (loss) on risk management contracts	<b>16.1</b>	<b>190.1</b>	<b>26.0</b>	<b>(18.7)</b>	<b>213.5</b>	147.4

(1) Represents the change in fair value of embedded derivatives contained within certain natural gas sales contracts.

(2) Represents actual cash settlements under the respective contracts recognized in net income during the period.

(3) Represents the change in fair value of the contracts recognized in net income during the period.

ARC's realized gain on risk management contracts for the three and nine months ended September 30, 2024, primarily reflects cash settlements received on AECO natural gas contracts, partially offset by cash settlements paid on WTI crude oil contracts. The realized gain on risk management contracts for the three and nine months ended September 30, 2024, compares to a realized loss on risk management contracts for the same periods of the prior year and is primarily the result of lower average commodity prices relative to contract prices.

ARC's unrealized gain on risk management contracts for the three months ended September 30, 2024, primarily reflects the revaluation of WTI crude oil and AECO natural gas contracts outstanding with lower forward pricing. The unrealized gain on risk management contracts for the three months ended September 30, 2024, compares to an unrealized loss on risk management contracts for the same period of the prior year and is primarily the result of lower average commodity prices relative to contract prices.

ARC's unrealized gain on risk management contracts for the nine months ended September 30, 2024, primarily reflects the revaluation of WTI crude oil, AECO natural gas, and foreign exchange contracts following settlements throughout the period, as well as widening differentials between domestic and international benchmark prices. As compared to the same period of the prior year, the decrease in ARC's unrealized gain on risk management contracts for the nine months ended September 30, 2024, primarily reflects an increase in contract settlements.

### ***Embedded Derivatives***

ARC is party to two separate long-term natural gas supply agreements, whereby ARC delivers natural gas to specified North American delivery points and receives international pricing in exchange. These contracts have been determined to contain embedded derivatives that are required by IFRS Accounting Standards to be valued separately from their host contracts.

	<b>Volume (MMBtu/d)</b>	<b>Term</b>	<b>Delivery Point</b>	<b>Pricing Formula</b>	<b>Anticipated Commencement</b>
Agreement 1	140,000	15 years	Chicago	JKM less transport & liquefaction	2027
Agreement 2	140,000	15 years	Gulf Coast	TTF less transport, liquefaction & regasification	2029

In respect of these contracts, ARC recognized an unrealized gain on risk management contracts of \$8.6 million and \$26.0 million for the three and nine months ended September 30, 2024 (unrealized loss of \$6.8 million and \$14.5 million for the three and nine months ended September 30, 2023), respectively. At September 30, 2024, the combined fair value of the embedded derivatives was \$20.0 million (liability of \$6.0 million at December 31, 2023). The combined fair value reflects the estimated differentials between forward pricing at the respective delivery points and those contained in the pricing formulas. Due to the long-term nature of these agreements and multiple variables impacting the estimated valuations, it is anticipated that the estimated fair value of the embedded derivatives will fluctuate over time as the agreements mature. For further information, refer to Note 9 "Financial Instruments and Market Risk Management" in the financial statements.

## Netback and Netback per boe

The components of ARC's netback and netback per boe for the three and nine months ended September 30, 2024 compared to the same periods in 2023 are summarized in Tables 12 and 12a:

**Table 12**

Netback (\$ millions) <sup>(1)</sup>	Three Months Ended				Nine Months Ended		
	June 30, 2024	September 30, 2024	September 30, 2023	% Change	September 30, 2024	September 30, 2023	% Change
Commodity sales from production	1,001.7	<b>1,054.4</b>	1,308.0	(19)	<b>3,258.2</b>	3,960.2	(18)
Royalties	(125.8)	<b>(123.0)</b>	(155.2)	(21)	<b>(381.8)</b>	(534.0)	(29)
Operating	(165.6)	<b>(147.3)</b>	(163.6)	(10)	<b>(449.5)</b>	(451.2)	—
Transportation	(156.7)	<b>(157.7)</b>	(163.9)	(4)	<b>(485.9)</b>	(501.7)	(3)
Netback	553.6	<b>626.4</b>	825.3	(24)	<b>1,941.0</b>	2,473.3	(22)

(1) Non-GAAP financial measure that does not have any standardized meaning under IFRS Accounting Standards and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A.

**Table 12a**

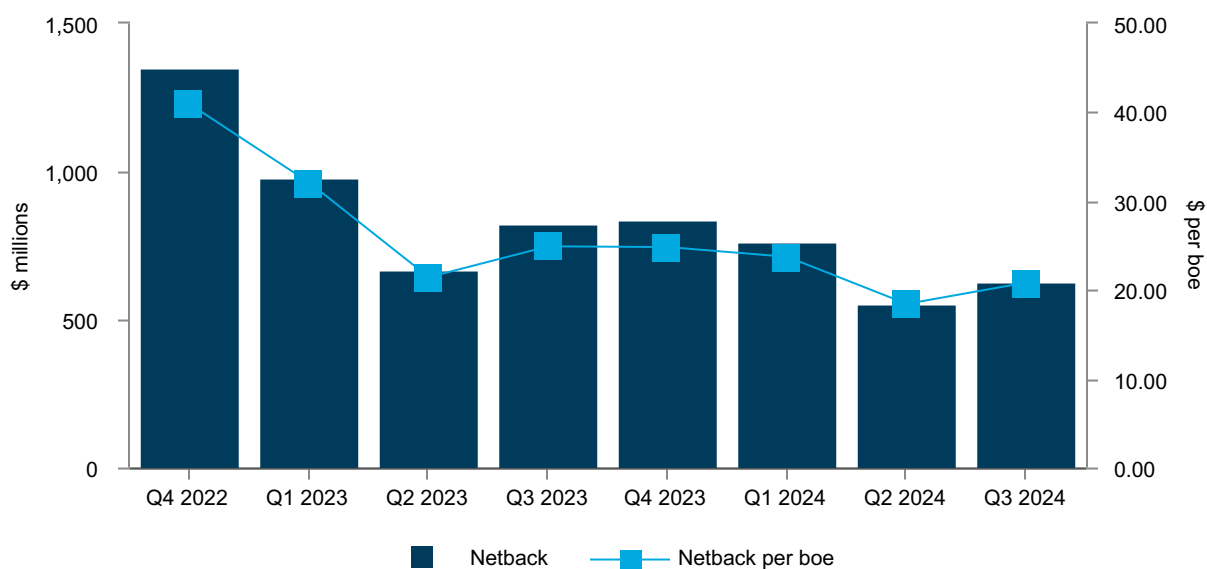
Netback per boe (\$ per boe) <sup>(1)</sup>	Three Months Ended				Nine Months Ended		
	June 30, 2024	September 30, 2024	September 30, 2023	% Change	September 30, 2024	September 30, 2023	% Change
Commodity sales from production <sup>(2)</sup>	33.35	<b>35.07</b>	39.47	(11)	<b>35.35</b>	41.75	(15)
Royalties <sup>(2)</sup>	(4.19)	<b>(4.09)</b>	(4.68)	(13)	<b>(4.14)</b>	(5.63)	(26)
Operating	(5.51)	<b>(4.90)</b>	(4.94)	(1)	<b>(4.88)</b>	(4.76)	3
Transportation	(5.22)	<b>(5.25)</b>	(4.94)	6	<b>(5.27)</b>	(5.29)	—
Netback per boe	18.43	<b>20.83</b>	24.91	(16)	<b>21.06</b>	26.07	(19)

(1) Non-GAAP ratio that does not have any standardized meaning under IFRS Accounting Standards and therefore may not be comparable to similar ratios presented by other entities. Includes a non-GAAP financial measure component of netback. Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A.

(2) Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.

**Exhibit 11**

### Netback and Netback per boe



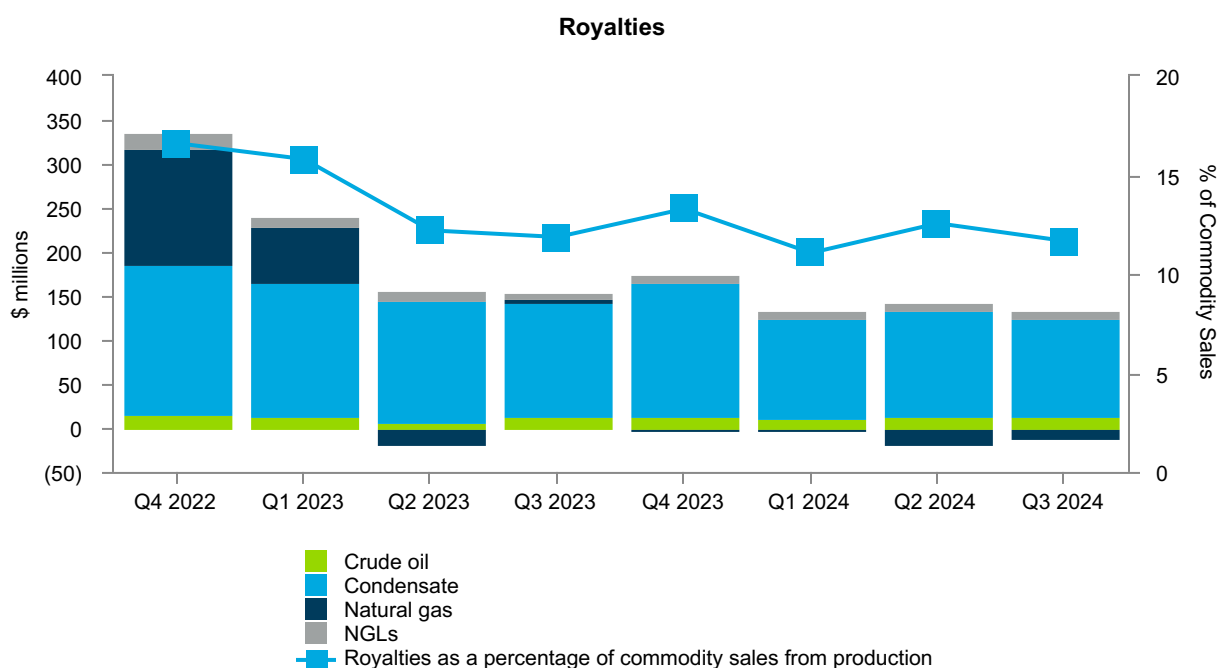
## Royalties

Royalties for the three months ended September 30, 2024 decreased 21 per cent to \$123.0 million from \$155.2 million for the same period in 2023. Royalties for the nine months ended September 30, 2024 decreased 29 per cent to \$381.8 million from \$534.0 million for the same period in 2023. The decrease in royalties for the three and nine months ended September 30, 2024 is due to lower average realized commodity prices and lower production volumes as compared to the same periods in 2023.

Royalties as a percentage of commodity sales from production<sup>(1)</sup> was 12 per cent (\$4.09 per boe) in the third quarter of 2024, unchanged from 12 per cent (\$4.68 per boe) in the third quarter of 2023. Royalties as a percentage of commodity sales from production decreased to 12 per cent (\$4.14 per boe) for the nine months ended September 30, 2024 from 13 per cent (\$5.63 per boe) for the same period in 2023. The decrease in royalties as a percentage of commodity sales from production for the nine months ended September 30, 2024, reflects lower average royalty rates primarily due to decreased natural gas commodity prices compared to the same period in 2023.

(1) Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.

### Exhibit 12



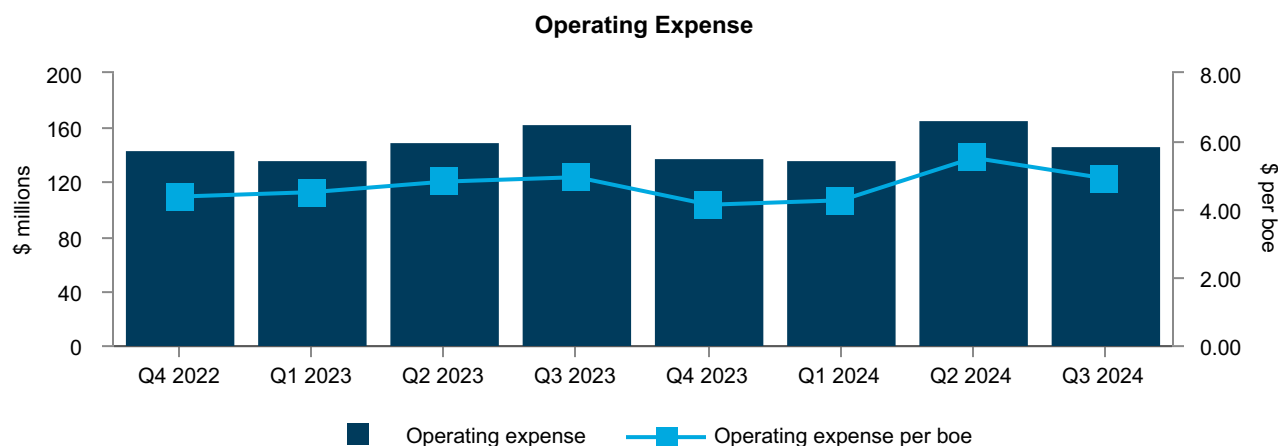
## Operating

Operating expense for the three months ended September 30, 2024 was \$147.3 million, a decrease of 10 per cent from \$163.6 million for the three months ended September 30, 2023. For the nine months ended September 30, 2024, operating expense was \$449.5 million, compared to \$451.2 million in the same period of the prior year.

The decrease in operating expense for the three months ended September 30, 2024, as compared to the same period of the prior year, is primarily due to lower processing fees and maintenance costs in the Kakwa area, and lower electricity costs as a result of lower prices and consumption. The decrease in operating expense for the nine months ended September 30, 2024, as compared to the same period of the prior year, primarily reflects lower processing fees in the Kakwa area, partially offset by increased scheduled maintenance activity in the Greater Dawson area.

Operating expense per boe for the three months ended September 30, 2024 was \$4.90 per boe, a decrease of one per cent from \$4.94 per boe for the three months ended September 30, 2023. For the nine months ended September 30, 2024, operating expense was \$4.88 per boe, an increase of three per cent from \$4.76 per boe in the same period of the prior year.

**Exhibit 13**



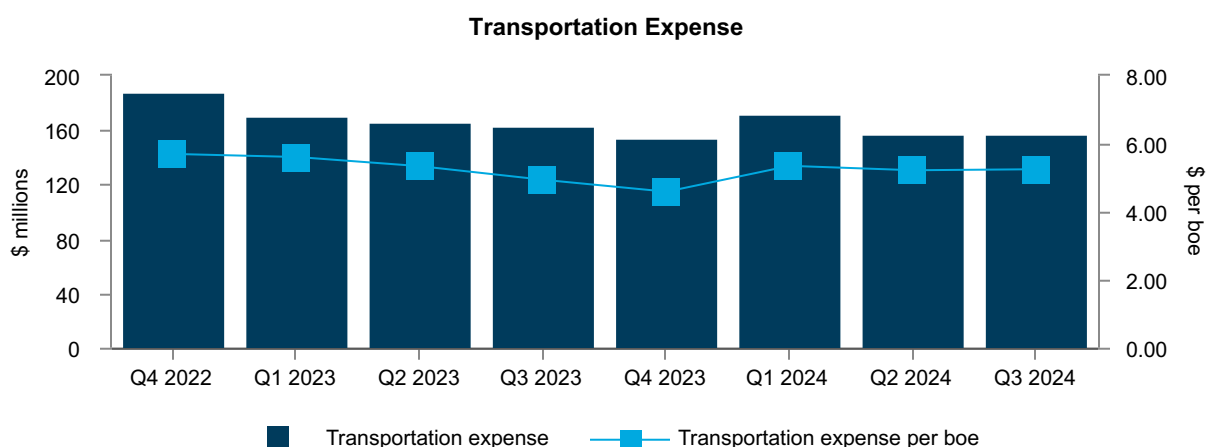
**Transportation**

Transportation expense for the three and nine months ended September 30, 2024 was \$157.7 million and \$485.9 million, a decrease of four per cent and three per cent, from \$163.9 million and \$501.7 million for the three and nine months ended September 30, 2023, respectively.

The decrease in transportation expense for the three and nine months ended September 30, 2024, relative to the same periods in 2023, is primarily due to lower fuel gas charges and lower trucking costs, partially offset by an increase in natural gas pipeline tariffs.

Transportation expense per boe for the three months ended September 30, 2024 was \$5.25 per boe, an increase of six per cent from \$4.94 per boe for the three months ended September 30, 2023. Transportation expense per boe for the nine months ended September 30, 2024 was \$5.27 per boe, compared to \$5.29 per boe for the nine months ended September 30, 2023.

**Exhibit 14**



## G&A

G&A expense before share-based compensation expense increased seven per cent to \$35.8 million in the third quarter of 2024 from \$33.4 million in the third quarter of 2023. For the nine months ended September 30, 2024, ARC's G&A expense before share-based compensation expense was \$120.0 million, a 16 per cent increase from \$103.7 million in 2023. The increase for the three and nine months ended September 30, 2024 is primarily due to increased consulting and information technology costs related to an enterprise system implementation project in 2024.

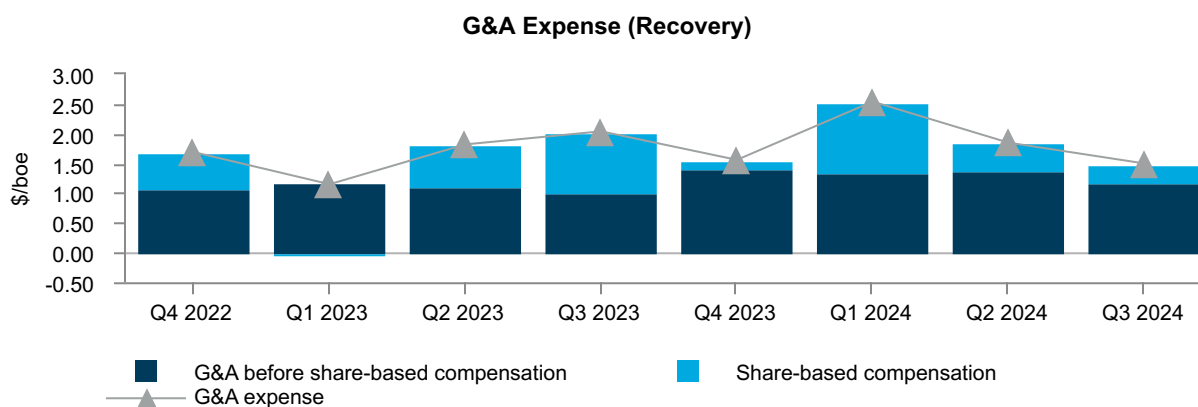
During the three and nine months ended September 30, 2024, ARC recognized G&A expense of \$9.3 million and \$62.2 million associated with its share-based compensation plans, compared to \$34.3 million and \$56.0 million during the same periods of the prior year. The change for the three and nine months ended September 30, 2024, compared to the same periods of the prior year, reflects the revaluation of the liability associated with ARC's share-based compensation, based on the movement of ARC's share price and the average performance multiplier associated with certain of its plans.

Table 13 is a breakdown of G&A expense:

**Table 13**

G&A Expense (\$ millions, except per boe)	Three Months Ended				Nine Months Ended		
	June 30, 2024	September 30, 2024	September 30, 2023	% Change	September 30, 2024	September 30, 2023	% Change
G&A expense before share-based compensation expense	41.2	<b>35.8</b>	33.4	7	<b>120.0</b>	103.7	16
G&A – share-based compensation expense	14.5	<b>9.3</b>	34.3	(73)	<b>62.2</b>	56.0	11
G&A expense	55.7	<b>45.1</b>	67.7	(33)	<b>182.2</b>	159.7	14
G&A expense before share-based compensation expense per boe	1.37	<b>1.19</b>	1.01	18	<b>1.30</b>	1.09	19
G&A – share-based compensation expense per boe	0.48	<b>0.31</b>	1.03	(70)	<b>0.68</b>	0.59	15
G&A expense per boe	1.85	<b>1.50</b>	2.04	(26)	<b>1.98</b>	1.68	18

**Exhibit 15**



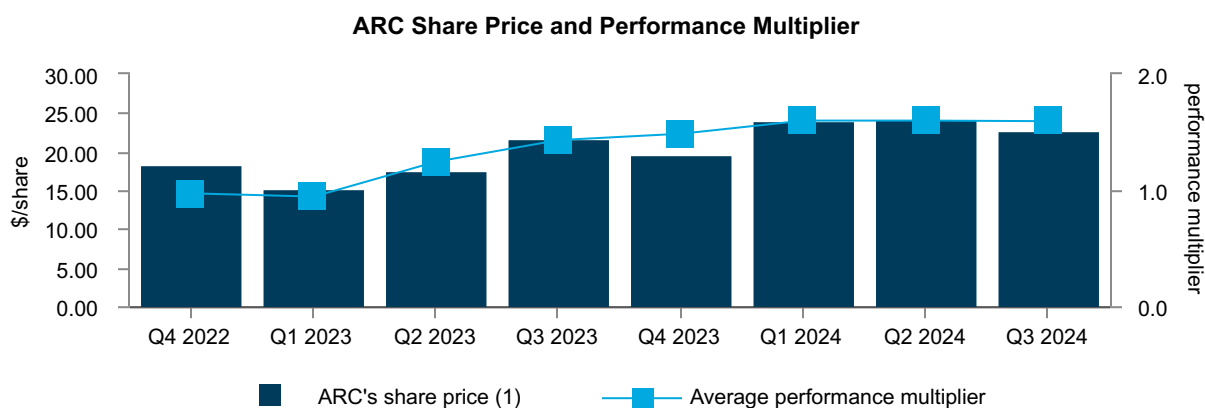
## Share-based Compensation Plans

For a description of ARC's various share-based compensation plans and related accounting policies, refer to Note 3 "Summary of Material Accounting Policies" and Note 20 "Share-based Compensation Plans" of ARC's audited consolidated financial statements as at and for the year ended December 31, 2023.

### Restricted Share Unit ("RSU") and Performance Share Unit ("PSU") Plans

At September 30, 2024, ARC had 1.6 million RSUs and 2.9 million PSUs outstanding under these plans. For the three and nine months ended September 30, 2024, ARC recognized G&A in relation to its RSU and PSU Plans of \$9.9 million and \$55.3 million (\$28.6 million and \$49.0 million for the three and nine months ended September 30, 2023), respectively. The change in expense recognized for the three and nine months ended September 30, 2024 reflects the change in valuation of awards outstanding throughout the respective periods.

#### Exhibit 16



(1) Denotes ARC's closing share price on the Toronto Stock Exchange ("TSX") on the last trading day of each respective quarter.

Table 14 shows the changes to the outstanding RSU and PSU awards for plans that existed prior to a business combination (the "Legacy Plans") during the nine months ended September 30, 2024:

**Table 14**

Legacy Plans (number of awards, thousands)	RSUs	PSUs <sup>(1)</sup>	Total RSUs and PSUs
Balance, December 31, 2023	1,985	3,516	5,501
Granted	732	2,087	2,819
Distributed	(1,078)	(2,644)	(3,722)
Forfeited	(53)	(44)	(97)
<b>Balance, September 30, 2024</b>	<b>1,586</b>	<b>2,915</b>	<b>4,501</b>

(1) Based on underlying awards before any effect of the performance multiplier.

At September 30, 2024, there are an additional 3,000 RSU awards outstanding related to plans acquired through a business combination (the "Acquired Plans").

Due to the variability in the expected future payments under the plans, ARC estimates that between \$36.3 million and \$169.5 million could be paid out in 2025 through 2027 based on possible future changes to ARC's period-end share price, accrued dividends, market performance relative to peers, and corporate scorecard results. Table 15 is a summary of the range of future expected payments under the RSU and PSU Plans based on variability of the performance multiplier and awards outstanding under the RSU and PSU Plans as at September 30, 2024:

**Table 15**

<b>Value of RSU and PSU Awards as at September 30, 2024</b> (awards thousands and \$ millions, except per share)	<b>Performance Multiplier</b>		
	—	1.0	2.0
Estimated awards to vest <sup>(1)</sup>			
RSUs	1,586	1,586	1,586
PSUs	—	2,915	5,830
<b>Total awards</b>	<b>1,586</b>	<b>4,501</b>	<b>7,416</b>
Share price <sup>(2)</sup>	22.86	22.86	22.86
Value of RSU and PSU awards upon vesting	<b>36.3</b>	<b>102.9</b>	<b>169.5</b>
2025	19.9	42.5	65.1
2026	11.2	35.0	58.8
2027	5.2	25.4	45.6

(1) Includes additional estimated awards to be issued under the Legacy Plans for dividends accrued to-date.

(2) Per share outstanding. Values will fluctuate over the vesting period based on the volatility of the underlying share price. Assumes a future share price equal to the TSX closing price at September 30, 2024.

### Share Option Plans

At September 30, 2024, ARC had 0.4 million share options outstanding under the Legacy Plans, with a weighted average exercise price of \$10.18. At September 30, 2024, ARC had 0.8 million share options outstanding under the Acquired Plans, with a weighted average exercise price of \$21.24. All share options were exercisable at September 30, 2024.

### Long-term Restricted Share Award ("LTRSA") Plan

At September 30, 2024, ARC had 0.9 million restricted shares outstanding under the LTRSA Plan. ARC recognized G&A of \$0.3 million and \$0.8 million relating to the LTRSA Plan during the three and nine months ended September 30, 2024 (\$0.2 million and \$0.8 million for the three and nine months ended September 30, 2023), respectively.

### Deferred Share Unit ("DSU") Plans

At September 30, 2024, ARC had 0.8 million DSUs outstanding under the Legacy Plans and 0.3 million DSUs outstanding under the Acquired Plans. For the three and nine months ended September 30, 2024, G&A recovery of \$0.9 million and G&A expense of \$6.1 million was recognized in relation to the DSU Plans (G&A expense of \$5.5 million and \$6.1 million for the three and nine months ended September 30, 2023), respectively.

## Interest and Financing

Interest and financing for the three and nine months ended September 30, 2024 was \$33.8 million and \$97.6 million (\$1.12 per boe and \$1.06 per boe), respectively, compared to \$27.1 million and \$73.9 million (\$0.82 per boe and \$0.78 per boe) for the same periods of the prior year. The increase for the three and nine months ended September 30, 2024, as compared to the same periods of the prior year, is primarily the result of an increase in financing expense associated with additions and modifications to lease obligations, an increase in the amount of long-term debt outstanding and an increase in short-term borrowing costs related to draws on ARC's credit facility. A breakdown of interest and financing expense is shown in Table 16:

**Table 16**

Interest and Financing (\$ millions, except per boe amounts)	June 30, 2024	Three Months Ended			Nine Months Ended		
		September 30, 2024	September 30, 2023	% Change	September 30, 2024	September 30, 2023	% Change
Bank debt and long-term notes	15.3	16.7	13.8	21	46.2	37.2	24
Lease obligations	13.7	13.6	10.1	35	40.9	27.2	50
Accretion on ARO	3.6	3.5	3.2	9	10.5	9.5	11
Interest and financing	32.6	33.8	27.1	25	97.6	73.9	32
Interest and financing per boe	1.09	1.12	0.82	37	1.06	0.78	36

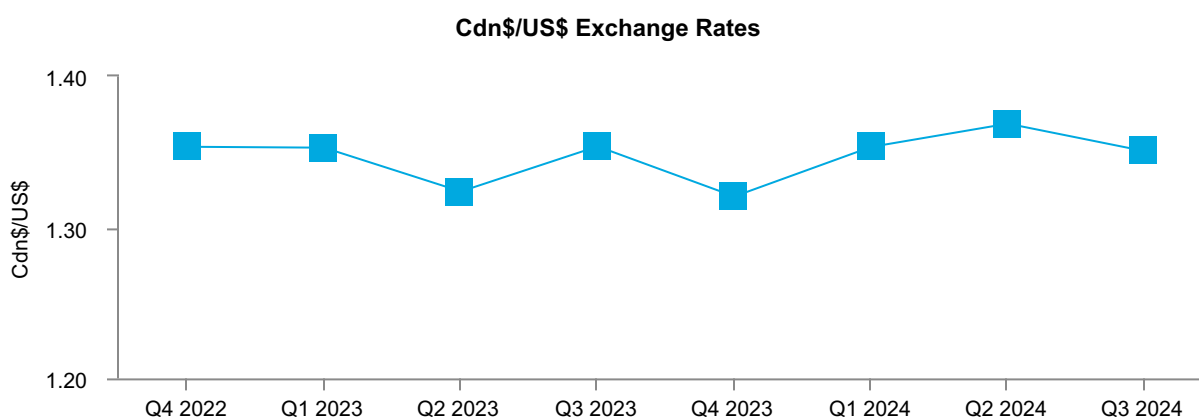
## Foreign Exchange Gain and Loss

Table 17 details the realized and unrealized components of ARC's foreign exchange gain and loss:

**Table 17**

Foreign Exchange Gain and Loss (\$ millions)	June 30, 2024	Three Months Ended			Nine Months Ended		
		September 30, 2024	September 30, 2023	% Change	September 30, 2024	September 30, 2023	% Change
Unrealized gain (loss) on US dollar-denominated accounts receivable	3.0	(21.0)	6.2	(439)	(7.8)	4.2	(286)
Realized gain (loss) on US dollar-denominated transactions	1.4	(1.5)	1.4	(207)	0.3	(4.0)	108
Foreign exchange gain (loss)	4.4	(22.5)	7.6	(396)	(7.5)	0.2	(3,850)

**Exhibit 17**



For the three and nine months ended September 30, 2024, ARC recognized an unrealized gain on foreign currency translation adjustment in other comprehensive income of \$18.6 million and \$12.2 million (unrealized loss of \$4.0 million and unrealized gain of \$0.8 million for the three and nine months ended September 30, 2023), respectively.

## Taxes

ARC recognized current income tax of \$30.4 million and \$128.0 million for the three and nine months ended September 30, 2024, respectively, compared to \$60.0 million and \$160.0 million for the same periods in 2023. The decrease for the three and nine months ended September 30, 2024, is primarily due to lower expected taxable income for the periods resulting from a decrease in ARC's average realized commodity prices compared to the same periods of 2023.

For the three months ended September 30, 2024, ARC recognized deferred income tax of \$69.7 million, compared to \$1.3 million for the same period in 2023. The increase primarily relates to higher income tax pools claimed relative to DD&A expense and an unrealized gain on risk management contracts for the three months ended September 30, 2024, compared to an unrealized loss on risk management contracts for the same period of 2023.

For the nine months ended September 30, 2024, ARC recognized deferred income tax of \$94.2 million, compared to \$148.2 million for the same period in 2023. The decrease primarily relates to a lower unrealized gain on risk management contracts for the nine months ended September 30, 2024, as compared to the same period of 2023.

The income tax pools, which are detailed in Table 18, are deductible at various rates and annual deductions associated with the initial tax pools will decline over time.

**Table 18**

Income Tax Pool Type (\$ millions)	September 30, 2024	Annual Deductibility
Canadian oil and gas property expense	728.8	10% declining balance
Canadian development expense	2,131.9	30% declining balance
Undepreciated capital cost	1,753.9	Primarily 25% declining balance
Other	35.7	Various rates, 5% declining balance to 20%
<b>Total federal tax pools</b>	<b>4,650.3</b>	

## DD&A and Impairment of PP&E

For the three and nine months ended September 30, 2024, ARC recognized DD&A of \$333.5 million and \$985.1 million, respectively, compared to \$364.1 million and \$1.0 billion for the three and nine months ended September 30, 2023. The decrease in DD&A for the three months ended September 30, 2024 compared to the same period in the prior year, is primarily due to a decrease in production. The decrease for the nine months ended September 30, 2024 compared to the same period in the prior year, is primarily due to a lower DD&A rate reflecting reserves and future development costs, and a decrease in production.

A breakdown of DD&A expense is summarized in Table 19:

**Table 19**

DD&A Expense (\$ millions, except per boe amounts)	June 30, 2024	Three Months Ended			Nine Months Ended		
		September 30, 2024	September 30, 2023	% Change	September 30, 2024	September 30, 2023	% Change
Depletion of crude oil and natural gas assets	289.9	<b>310.7</b>	341.6	(9)	<b>913.7</b>	981.0	(7)
Depreciation of corporate assets	0.2	<b>1.3</b>	5.7	(77)	<b>7.4</b>	16.3	(55)
Depreciation of right-of-use ("ROU") assets under lease	21.3	<b>21.5</b>	16.8	28	<b>64.0</b>	52.0	23
DD&A expense	311.4	<b>333.5</b>	364.1	(8)	<b>985.1</b>	1,049.3	(6)
DD&A expense per boe <sup>(1)</sup>	10.37	<b>11.09</b>	10.99	1	<b>10.69</b>	11.06	(3)

(1) Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.

For the three and nine months ended September 30, 2024, ARC recognized impairment charges of \$nil and \$3.2 million (\$0.8 million and \$2.9 million for the three and nine months ended September 30, 2023), respectively, related to certain non-core assets.

## Cash Flow used in Investing Activities, Capital Expenditures, Acquisitions, and Dispositions

ARC's cash flow used in investing activities was \$339.7 million and \$1.5 billion during the three and nine months ended September 30, 2024, respectively, compared to \$394.6 million and \$1.3 billion for the three and nine months ended September 30, 2023. In addition to cash flow used in investing activities, Management uses the non-GAAP financial measure of capital expenditures to monitor its capital investments relative to those budgeted by the Company on an annual basis. ARC excludes acquisition and disposition activities from its annual capital expenditure budget, as well as the accounting impact of any accrual changes or payments under certain lease arrangements. Refer to Table 23 in the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for a reconciliation of ARC's capital expenditures to its most directly comparable GAAP measure, cash flow used in investing activities.

Capital expenditures were \$458.6 million and \$1.5 billion for the three and nine months ended September 30, 2024, respectively, compared to \$401.4 million and \$1.3 billion for the three and nine months ended September 30, 2023. Capital expenditures for the three and nine months ended September 30, 2024 included the drilling of 48 and 125 crude oil and natural gas wells and the completion of 44 and 109 crude oil and natural gas wells, respectively, across ARC's asset base. Additional investment during the three and nine months ended September 30, 2024 has been focused on the Attachie Phase I development, where commissioning began in October 2024 with full-productive capacity anticipated in the fourth quarter of 2024.

During the nine months ended September 30, 2024, ARC disposed of certain non-core, non-Montney assets for cash proceeds of \$80.0 million.

For information regarding ARC's planned capital expenditures for 2025, refer to the news releases dated November 6, 2024, entitled "ARC Resources Ltd. Reports Third Quarter 2024 Results and Announces 2025 Budget, First Production at Attachie, and 12 per cent Dividend Increase", available on ARC's website at [www.arcresources.com](http://www.arcresources.com) and on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

A breakdown of capital expenditures and dispositions for the three months ended September 30, 2024 and September 30, 2023 is shown in Table 20:

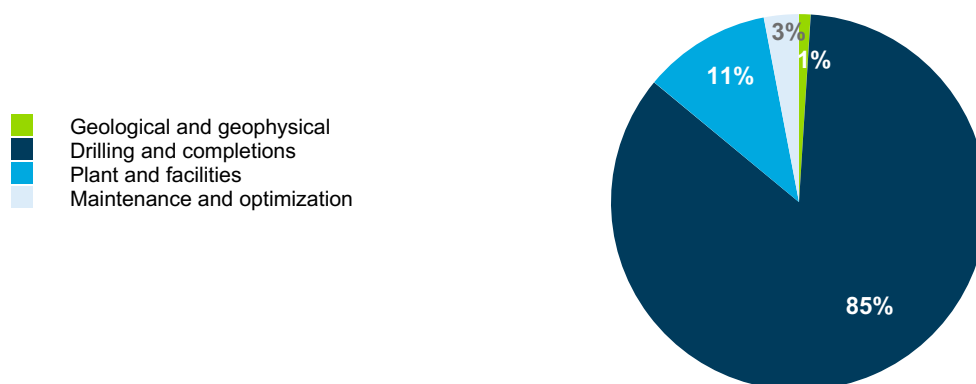
**Table 20**

	Three Months Ended September 30						
	2024			2023			% Change
Capital Expenditures (\$ millions)	E&E <sup>(1)</sup>	PP&E	Total	E&E	PP&E	Total	
Geological and geophysical	—	4.6	4.6	—	2.6	2.6	77
Drilling and completions	5.8	384.5	390.3	2.2	350.1	352.3	11
Plant and facilities	4.4	48.3	52.7	1.7	28.8	30.5	73
Maintenance and optimization	—	17.0	17.0	—	9.4	9.4	81
Corporate	—	(6.0)	(6.0)	—	6.6	6.6	(191)
Capital expenditures	10.2	448.4	458.6	3.9	397.5	401.4	14
Dispositions	—	(80.0)	(80.0)	—	(0.1)	(0.1)	100
Capital expenditures and dispositions	10.2	368.4	378.6	3.9	397.4	401.3	(6)

(1) Exploration and evaluation ("E&E").

Exhibit 18

**Capital Expenditures by Classification**  
**Three Months Ended September 30, 2024**



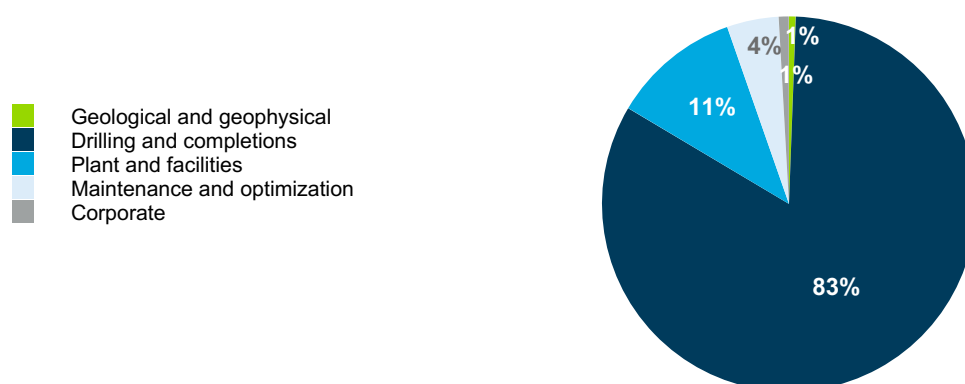
A breakdown of capital expenditures, acquisitions, and dispositions for the nine months ended September 30, 2024 and September 30, 2023 is shown in Table 20a:

**Table 20a**

	Nine Months Ended September 30						
	2024			2023			% Change
Capital Expenditures (\$ millions)	E&E	PP&E	Total	E&E	PP&E	Total	
Geological and geophysical	0.1	8.7	8.8	—	6.9	6.9	28
Drilling and completions	7.5	1,233.1	1,240.6	2.9	1,162.2	1,165.1	6
Plant and facilities	12.4	153.6	166.0	4.4	90.5	94.9	75
Maintenance and optimization	—	66.8	66.8	—	28.0	28.0	139
Corporate	—	13.3	13.3	—	10.4	10.4	28
Capital expenditures	20.0	1,475.5	1,495.5	7.3	1,298.0	1,305.3	15
Acquisitions	—	5.1	5.1	0.5	3.0	3.5	46
Dispositions	—	(80.0)	(80.0)	—	(76.6)	(76.6)	4
Capital expenditures and net acquisitions and dispositions	20.0	1,400.6	1,420.6	7.8	1,224.4	1,232.2	15

Exhibit 18a

**Capital Expenditures by Classification  
Nine Months Ended September 30, 2024**



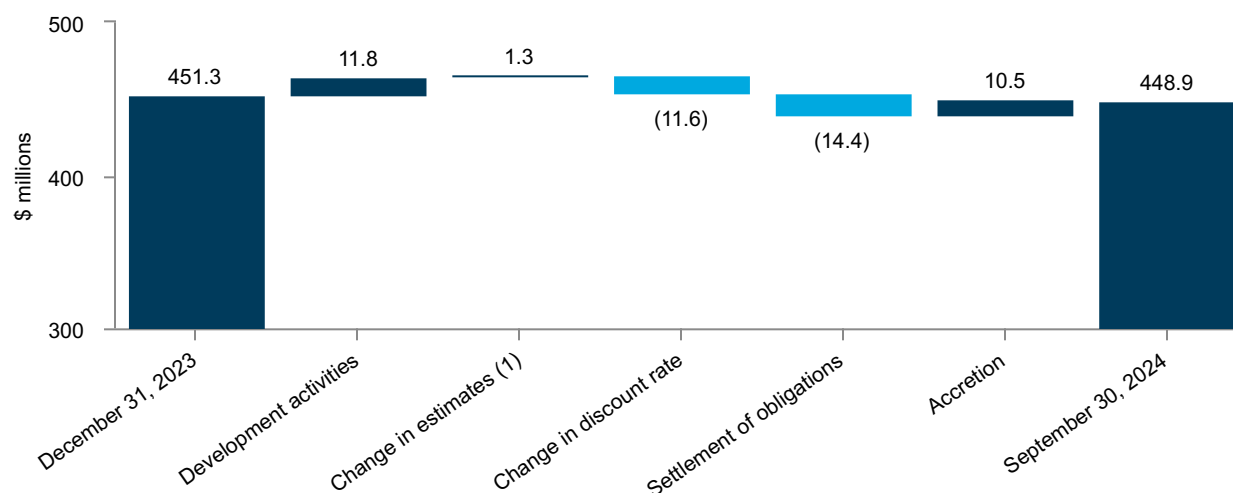
**Asset Retirement Obligation**

ARC maintains a planned and scheduled approach to its abandonment and reclamation activities. At September 30, 2024, ARC recognized ARO of \$448.9 million (\$451.3 million at December 31, 2023), for the future abandonment and reclamation of ARC’s crude oil and natural gas assets, of which \$17.0 million is classified as current and \$431.9 million is classified as long-term (\$17.0 million and \$434.3 million at December 31, 2023, respectively). The estimated ARO includes assumptions in respect of actual future costs to abandon wells and decommission and reclaim assets, the time frame in which such costs will be incurred, and annual inflation factors. The future liability has been discounted at a liability-specific risk-free rate of 3.1 per cent (3.0 per cent at December 31, 2023).

Accretion charges of \$3.5 million and \$10.5 million for the three and nine months ended September 30, 2024 (\$3.2 million and \$9.5 million for the same periods in 2023), respectively, have been recognized in interest and financing in the unaudited condensed interim consolidated statements of income to reflect the increase in ARO associated with the passage of time. Actual spending under ARC’s program for the three and nine months ended September 30, 2024 was \$4.5 million and \$14.4 million (\$4.5 million and \$13.9 million for the same periods in 2023), respectively.

Exhibit 19

**Change in ARO  
December 31, 2023 to September 30, 2024**



(1) Relates to changes in cost estimates of future obligations and anticipated settlement dates of ARO.

## Capitalization, Financial Resources and Liquidity

### Capital Management

ARC's capital management objective is to fund dividend payments, lease payments, current period abandonment and reclamation expenditures, and capital expenditures necessary for the replacement of production declines using only funds from operations. Profitable growth activities will be financed with a combination of funds from operations and other sources of capital. ARC believes that investing in development activities that prioritize profitability over production growth creates significant long-term shareholder value.

Maintaining targeted debt levels, paying a sustainable dividend, and exercising capital discipline to manage a moderate pace of development and control its corporate decline rate are the basis for ARC's current capital allocation framework. ARC takes a portfolio approach by periodically evaluating its capital allocation priorities, considering returns to shareholders through sustainable dividend increases and/or share repurchases, and long-term development investments.

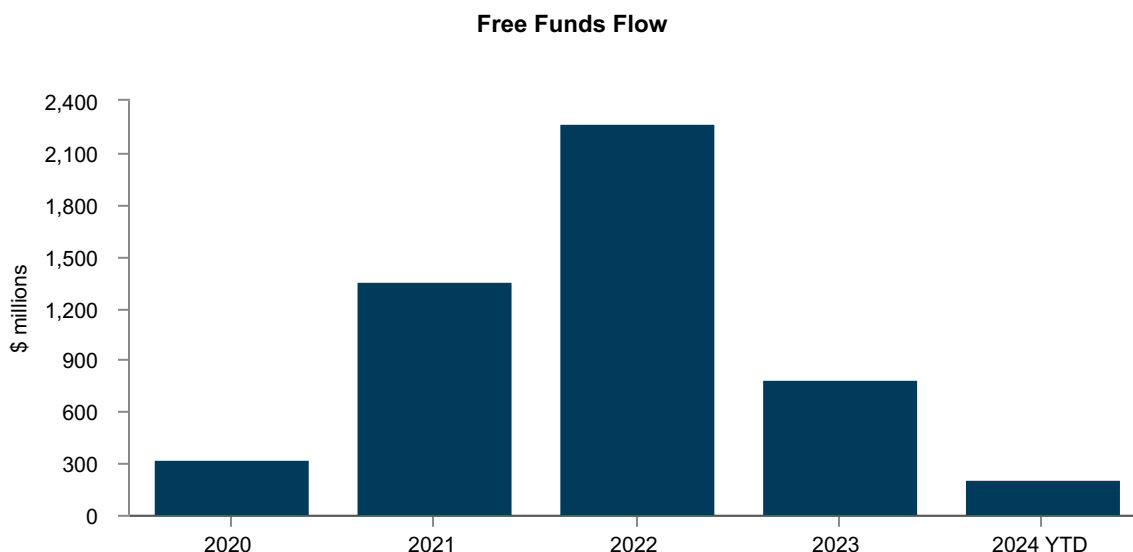
ARC uses free funds flow, defined as funds from operations less capital expenditures, as an indicator of the funds available for capital allocation. For the three and nine months ended September 30, 2024, free funds flow was \$133.8 million and \$206.6 million (\$260.8 million and \$635.1 million for the three and nine months September 30, 2023), respectively. For the calculation of free funds flow, refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A.

ARC plans to distribute essentially all free funds flow in 2024 to shareholders through dividends and repurchase of shares. During the nine months ended September 30, 2024, ARC distributed 220 per cent of free funds flow to shareholders, reflecting additional share repurchases made using the proceeds from an asset disposition. Currently, ARC believes that the optimal mechanism to return shareholder capital is through a combination of a sustainable base dividend that grows over time, and continued share repurchases.

During the nine months ended September 30, 2024, the Board declared quarterly dividends of \$0.51 per share, repurchased 6.3 million common shares under its normal course issuer bid ("NCIB") and announced the renewal of its NCIB.

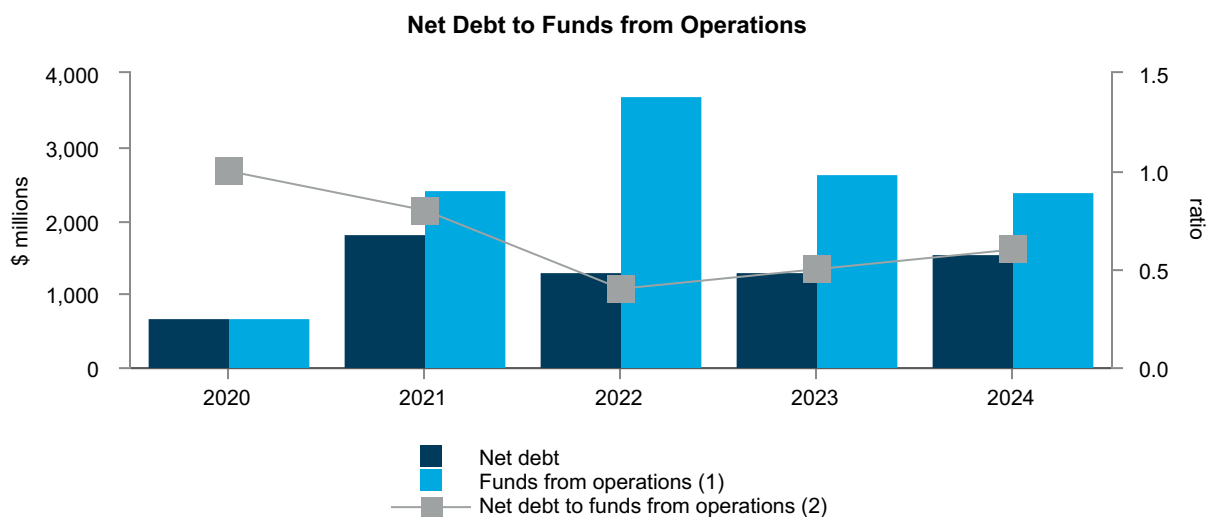
On November 6, 2024, the Board approved a 12 per cent increase to the dividend from \$0.17 per share per quarter to \$0.19 per share per quarter.

#### Exhibit 20



ARC maintains financial flexibility through its strong balance sheet. ARC manages its capital structure for the long term, with the objective of having its net debt less than 1.5 times funds from operations. At September 30, 2024, ARC's net debt was 0.6 times its funds from operations.

## Exhibit 21



(1) 12-month trailing funds from operations.

(2) Composed of net debt divided by 12-month trailing funds from operations.

### Long-term Debt

During the nine months ended September 30, 2024, the maturity date of ARC's unsecured extendible revolving credit facility was extended to February 2028 and the borrowing capacity was reduced to \$1.7 billion from \$1.8 billion.

At September 30, 2024, ARC had total available credit capacity of \$2.7 billion, of which \$1.4 billion was drawn under its credit facility and senior notes. At September 30, 2024, ARC's long-term debt had a weighted average interest rate of 3.9 per cent. For more information, refer to Note 6 "Long-term Debt" in the financial statements.

At September 30, 2024, ARC was in compliance with the financial covenants related to its credit facility as follows:

**Table 21**

Covenant Description	Position at September 30, 2024
Consolidated Debt not to exceed 60 per cent of Total Capitalization	16 %
Consolidated Tangible Assets of the Restricted Group must exceed 80 per cent of Consolidated Tangible Assets	100 %

### Lease Obligations

At September 30, 2024, ARC had lease obligations of \$1.0 billion, of which \$97.8 million is due within one year. ARC's lease obligations primarily relate to office space, equipment used in ARC's operations, and processing facilities. For further information, refer to Note 5 "Lease Obligations" in the financial statements.

### Shareholders' Equity

During the nine months ended September 30, 2024, ARC repurchased 6.3 million common shares under its NCIB at a weighted average price per share of \$24.13 for a total of \$152.2 million, inclusive of all costs. Shares were cancelled upon repurchase.

At September 30, 2024, ARC has recognized a liability of \$30.0 million (\$5.6 million at December 31, 2023) for share repurchases that may take place during its internal blackout period under an automatic share purchase plan agreement with an independent broker. The transaction has been recognized as a reduction to share capital of \$14.2 million and a reduction to retained earnings of \$15.8 million.

At September 30, 2024, there were 591.7 million common shares outstanding and 1.2 million share options outstanding under ARC's share option plans. For more information, refer to the section entitled "Share Option Plans" contained within this MD&A.

At September 30, 2024, ARC had 0.9 million restricted shares outstanding under its LTRSA Plan. For more information on the restricted shares outstanding and held in trust under ARC's LTRSA Plan, refer to the section entitled "Long-term Restricted Share Award Plan" contained within this MD&A.

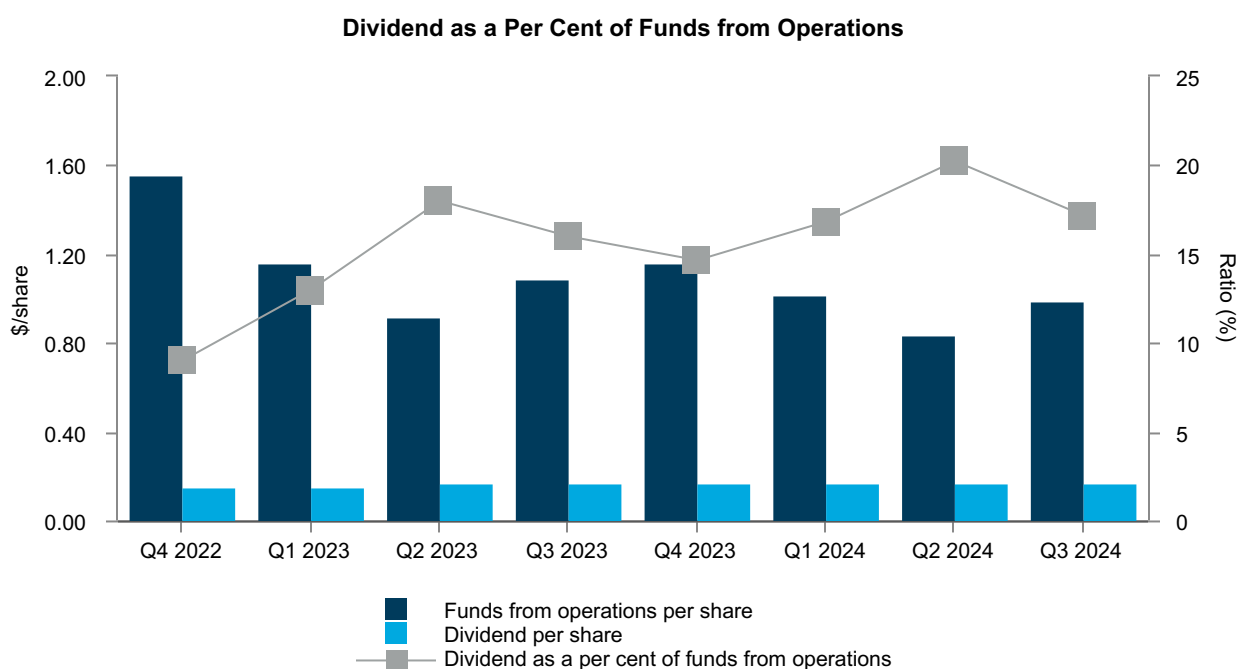
## Dividends

ARC's business strategy is focused on value creation and long-term returns to shareholders, with the dividend being an important component. In the third quarter of 2024, ARC declared dividends totaling \$100.8 million (\$0.17 per share) compared to \$103.0 million (\$0.17 per share) in the same period of 2023. ARC declared dividends of \$304.0 million (\$0.51 per share) for the nine months ended September 30, 2024 and \$298.6 million (\$0.49 per share) for the same period in 2023.

ARC's dividend as a per cent of funds from operations<sup>(1)</sup> increased from an average of 16 per cent and 15 per cent for the three and nine months ended September 30, 2023, respectively, to an average of 17 per cent and 18 per cent for the three and nine months ended September 30, 2024, respectively. The increase in dividend as a per cent of funds from operations for the three months ended September 30, 2024, as compared to the same period of the prior year, reflects the decrease in funds from operations. The increase in dividend as a per cent of funds from operations for the nine months ended September 30, 2024, as compared to the same period of the prior year, reflects the decrease in funds from operations and a higher dividend per share.

(1) Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.

### Exhibit 22



The actual amount of future monthly dividends is proposed by Management and is subject to the approval and discretion of the Board. The Board reviews future dividends in conjunction with their review of quarterly financial and operational results.

On November 6, 2024, the Board approved a 12 per cent increase to the dividend from \$0.17 per share per quarter to \$0.19 per share per quarter.

Please refer to ARC's website at [www.arcresources.com](http://www.arcresources.com) for details of the estimated quarterly dividend amounts and dividend dates for 2024.

## Contractual Obligations and Commitments

The following table is a summary of ARC's contractual obligations and commitments as at September 30, 2024:

**Table 22**

	Payments Due by Period				Total
	1 Year	2-3 Years	4-5 Years	Beyond 5 Years	
Debt repayments	—	895.2	—	550.0	1,445.2
Interest payments <sup>(1)</sup>	29.7	43.4	38.1	28.6	139.8
Purchase and service commitments <sup>(2)</sup>	144.7	100.7	557.9	7,585.4	8,388.7
Transportation commitments	650.9	1,204.6	911.8	4,325.1	7,092.4
<b>Total contractual obligations and commitments</b>	<b>825.3</b>	<b>2,243.9</b>	<b>1,507.8</b>	<b>12,489.1</b>	<b>17,066.1</b>

(1) Fixed interest payments on senior notes.

(2) Includes variable operating costs associated with the Company's lease obligations.

The increase in contractual obligations and commitments during the nine months ended September 30, 2024, primarily relates to liquefaction and transportation amounts committed under the terms of the Agreements entered into with Cedar LNG.

## Off-Balance Sheet Financing

ARC does not have any guarantees or off-balance sheet arrangements that have been excluded from the balance sheets other than commitments disclosed in Note 13 "Commitments & Contingencies" of the financial statements.

## Critical Accounting Estimates

ARC continuously refines and documents its management and internal reporting systems to ensure that accurate and timely internal and external information is gathered and disseminated.

ARC's financial and operational results incorporate certain estimates including:

- estimated commodity sales from production at a specific reporting date for which actual revenues have not yet been received, including associated estimated credit losses;
- estimated royalty obligations, transportation, and operating expenses at a specific reporting date for which costs have been incurred but have not yet been settled;
- estimated capital expenditures on projects that are in progress;
- estimated DD&A charges that are based on estimates of reserves that ARC expects to recover in the future;
- estimated future recoverable value of PP&E, E&E, and goodwill and any associated impairment charges or reversals;
- estimated fair values of financial instruments, including embedded derivatives, that are subject to fluctuation depending upon the underlying forward curves for commodity prices, foreign exchange rates and interest rates, as well as volatility curves, and the risk of non-performance;
- estimated value of ARO that is dependent upon estimates of future costs and timing of expenditures;
- estimated value of ROU assets and lease obligations that are dependent upon estimates of discount rates and timing of lease payments;
- estimated compensation expense under ARC's share-based compensation plans including the PSUs awarded under the PSU Plans that are dependent on the final number of PSU awards that eventually vest based on a performance multiplier; and
- estimated fair values of assets acquired and liabilities assumed in a business combination.

ARC has hired individuals and consultants who have the skills required to make such estimates and ensures that individuals or departments with the most knowledge of the activity are responsible for the estimates. Further, past estimates are reviewed and compared to actual results, and actual results are compared to budgets in order to make more informed decisions on future estimates. For further information on the determination of certain estimates inherent in the financial statements, refer to Note 5 "Management Judgments and Estimation Uncertainty" in the audited consolidated financial statements for the year ended December 31, 2023.

## CONTROL ENVIRONMENT

### Internal Control over Financial Reporting ("ICFR")

ARC is required to comply with National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"). The certification of interim filings for the interim period ended September 30, 2024 requires that ARC disclose in the interim MD&A any changes in ARC's ICFR that occurred during the period that have materially affected, or are reasonably likely to materially affect, ARC's ICFR. In July 2024, ARC implemented a new enterprise resource planning system across the organization, and accordingly, modified a number of internal controls. There were no other changes made to its ICFR during the three and nine months ended September 30, 2024.

## NON-GAAP AND OTHER FINANCIAL MEASURES

Throughout this MD&A and in other materials disclosed by the Company, ARC employs certain measures to analyze financial performance, financial position, and cash flow. These non-GAAP and other financial measures do not have any standardized meaning prescribed under IFRS Accounting Standards and therefore may not be comparable to similar measures presented by other entities. The non-GAAP and other financial measures should not be considered to be more meaningful than GAAP measures which are determined in accordance with IFRS Accounting Standards, such as net income, cash flow from operating activities, and cash flow used in investing activities, as indicators of ARC's performance.

### Non-GAAP Financial Measures

#### Capital Expenditures

ARC uses capital expenditures to monitor its capital investments relative to those budgeted by the Company on an annual basis. ARC's capital budget excludes acquisition and disposition activities as well as the accounting impact of any accrual changes or payments under certain lease arrangements. The most directly comparable GAAP measure for capital expenditures is cash flow used in investing activities. Table 23 details the composition of capital expenditures and its reconciliation to cash flow used in investing activities.

**Table 23**

Capital Expenditures (\$ millions)	Three Months Ended			Nine Months Ended	
	June 30, 2024	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Cash flow used in investing activities	643.4	<b>339.7</b>	394.6	<b>1,482.9</b>	1,256.4
Acquisition of crude oil and natural gas assets	(5.0)	—	—	<b>(5.1)</b>	(0.5)
Disposal of crude oil and natural gas assets	—	<b>80.0</b>	—	<b>80.0</b>	73.6
Long-term investments	(1.3)	<b>(0.6)</b>	(0.7)	<b>(4.7)</b>	(5.1)
Change in non-cash investing working capital	(109.6)	<b>31.0</b>	3.9	<b>(75.6)</b>	(24.9)
Other <sup>(1)</sup>	4.8	<b>8.5</b>	3.6	<b>18.0</b>	5.8
Capital expenditures	532.3	<b>458.6</b>	401.4	<b>1,495.5</b>	1,305.3

(1) Comprises non-cash capitalized costs related to the Company's ROU asset depreciation and share-based compensation.

## Free Funds Flow

ARC uses free funds flow as an indicator of the efficiency and liquidity of ARC's business, measuring its funds available after capital expenditures to manage debt levels, pay dividends, and return capital to shareholders through share repurchases. ARC computes free funds flow as funds from operations generated during the period less capital expenditures. Capital expenditures is a non-GAAP financial measure. By removing the impact of current period capital expenditures from funds from operations, Management monitors its free funds flow to inform its capital allocation decisions. The most directly comparable GAAP measure to free funds flow is cash flow from operating activities. Table 24 details the calculation of free funds flow and the reconciliation of cash flow from operating activities to free funds flow.

**Table 24**

Free Funds Flow (\$ millions)	Three Months Ended		Nine Months Ended		
	June 30, 2024	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Cash flow from operating activities	543.0	<b>518.4</b>	604.2	<b>1,697.7</b>	1,695.4
Net change in other liabilities	(1.5)	<b>17.9</b>	7.9	<b>23.1</b>	7.7
Change in non-cash operating working capital	(38.7)	<b>56.1</b>	50.1	<b>(18.7)</b>	237.3
Funds from operations	502.8	<b>592.4</b>	662.2	<b>1,702.1</b>	1,940.4
Capital expenditures	(532.3)	<b>(458.6)</b>	(401.4)	<b>(1,495.5)</b>	(1,305.3)
Free funds flow	(29.5)	<b>133.8</b>	260.8	<b>206.6</b>	635.1

## Netback

ARC computes netback as commodity sales from production less royalties, operating, and transportation expense. Management believes that netback is a key industry performance indicator and one that provides investors with information that is also commonly presented by other crude oil and natural gas producers. ARC's netback is disclosed in Table 12 within this MD&A which includes its most directly comparable GAAP measure, commodity sales from production.

## Adjusted EBIT

ARC calculates adjusted EBIT as net income (loss) plus interest and financing, less accretion of ARO, plus total income taxes (recovery). ARC uses adjusted EBIT as a measure of long-term operating performance and as a component in the calculation for ROACE, which is calculated by ARC for the 12 months preceding the period end, on an annual basis, and a four-year basis. Table 25 contains a reconciliation of adjusted EBIT to the most directly comparable GAAP measure, net income (loss).

**Table 25**

Adjusted EBIT (\$ millions)	Twelve Months Ended	Twelve Months Ended December 31				2020 - 2023 Average <sup>(1)</sup>
	September 30, 2024	2023	2022	2021	2020	
Net income (loss)	<b>1,260.1</b>	1,596.5	2,302.3	786.6	(547.2)	1,034.6
Add interest and financing	<b>129.2</b>	105.5	97.2	126.1	45.6	93.6
Less accretion of ARO	<b>(14.2)</b>	(13.2)	(11.0)	(9.5)	(6.3)	(10.0)
Add income taxes (recovery)	<b>374.8</b>	460.8	675.9	208.5	(207.7)	284.4
Adjusted EBIT	<b>1,749.9</b>	2,149.6	3,064.4	1,111.7	(715.6)	1,402.6

(1) Average for the years ended December 31, 2020, 2021, 2022 and 2023.

## Average Capital Employed

ARC calculates average capital employed as the total of net debt plus current and long-term portions of lease obligations and shareholders' equity. ARC uses average capital employed as a measure of long-term capital management and operating performance, and as a component in the calculation for ROACE. Table 26 contains a reconciliation of average capital employed to the most directly comparable GAAP measure, shareholders' equity.

**Table 26**

Average Capital Employed (\$ millions)	Twelve Months Ended	Twelve Months Ended December 31				2020 - 2023 Average <sup>(1)</sup>
	September 30, 2024	2023	2022	2021	2020	
Net debt - beginning of period	<b>1,243.5</b>	1,301.5	1,828.7	693.5	894.0	894.0
Current portion of lease obligations	<b>84.0</b>	92.4	109.3	15.3	16.3	16.3
Long-term portion of lease obligations	<b>991.2</b>	702.9	760.0	33.9	29.9	29.9
Shareholders' equity - beginning of period	<b>7,149.5</b>	6,653.5	5,927.5	2,790.6	3,439.9	3,439.9
Opening capital employed (A)	<b>9,468.2</b>	8,750.3	8,625.5	3,533.3	4,380.1	4,380.1
Net debt - end of period	<b>1,560.6</b>	1,317.1	1,301.5	1,828.7	693.5	1,317.1
Current portion of lease obligations	<b>97.8</b>	85.2	92.4	109.3	15.3	85.2
Long-term portion of lease obligations	<b>929.2</b>	974.6	702.9	760.0	33.9	974.6
Shareholders' equity - end of period	<b>7,729.0</b>	7,427.8	6,653.5	5,927.5	2,790.6	7,427.8
Closing capital employed (B)	<b>10,316.6</b>	9,804.7	8,750.3	8,625.5	3,533.3	9,804.7
Average capital employed (A+B)/2	<b>9,892.4</b>	9,277.5	8,687.9	6,079.4	3,956.7	7,092.4

(1) Average for the years ended December 31, 2020, 2021, 2022, and 2023.

## Non-GAAP Ratios

### Netback per boe

ARC calculates netback per boe as netback divided by weighted average daily production. Netback is a non-GAAP financial measure component of netback per boe. Management believes that netback per boe is a key industry performance measure of operational efficiency and one that provides investors with information that is also commonly presented by other crude oil and natural gas producers. ARC's netback per boe is disclosed in Table 12a within this MD&A.

### Free Funds Flow per Share

ARC presents free funds flow per share by dividing free funds flow by the Company's diluted or basic weighted average common shares outstanding. Free funds flow is a non-GAAP financial measure. Management believes that free funds flow per share provides investors an indicator of funds generated from the business that could be allocated to each shareholder's equity position.

## Return on Average Capital Employed

ARC calculates ROACE, expressed as a percentage, as adjusted EBIT divided by the average capital employed. The components adjusted EBIT and average capital employed are non-GAAP financial measures. ARC uses ROACE as a measure of long-term financial performance, to measure how effectively Management utilizes the capital it has been provided and to demonstrate to shareholders the returns generated over the long term. ROACE is calculated by ARC for the 12 months preceding the period end, on an annual basis, and a four-year basis in Table 27:

**Table 27**

ROACE (\$ millions)	Twelve Months Ended	Twelve Months Ended December 31				2020 - 2023 Average <sup>(1)</sup>
	September 30, 2024	2023	2022	2021	2020	
Adjusted EBIT	<b>1,749.9</b>	2,149.6	3,064.4	1,111.7	(715.6)	1,402.6
Divided by average capital employed	<b>9,892.4</b>	9,277.5	8,687.9	6,079.4	3,956.7	7,092.4
ROACE (%)	<b>18</b>	23	35	18	(18)	20

(1) Average for the years ended December 31, 2020, 2021, 2022, and 2023.

## Capital Management Measures

### Funds from Operations

ARC considers funds from operations to be a key measure of capital management as it demonstrates ARC's ability to generate the necessary funds to maintain production at current levels and fund future growth through capital investment. Management believes that such a measure provides an insightful assessment of ARC's financial performance on a continuing basis by eliminating certain non-cash charges and actual settlements of ARO, of which the nature and timing of expenditures are discretionary. Funds from operations is not a standardized measure and therefore may not be comparable with the calculation of similar measures by other entities.

Funds from operations for the three and nine months ended September 30, 2024 and 2023 is calculated as follows in Table 28:

**Table 28**

Funds from Operations (\$ millions)	Three Months Ended			Nine Months Ended	
	June 30, 2024	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Cash flow from operating activities	543.0	<b>518.4</b>	604.2	<b>1,697.7</b>	1,695.4
Net change in other liabilities	(1.5)	<b>17.9</b>	7.9	<b>23.1</b>	7.7
Change in non-cash operating working capital	(38.7)	<b>56.1</b>	50.1	<b>(18.7)</b>	237.3
Funds from operations	502.8	<b>592.4</b>	662.2	<b>1,702.1</b>	1,940.4

## Net Debt and Net Debt to Funds from Operations

Net debt and net debt to funds from operations are used by Management as key measures to assess the Company's liquidity position at a point in time. Net debt and net debt to funds from operations is reflective of the measures used by Management to monitor its liquidity in light of operating and capital budgeting decisions. Net debt is not a standardized measure and therefore may not be comparable with the calculation of similar measures by other entities. Table 29 details the composition of ARC's net debt and net debt to funds from operations as at September 30, 2024 and December 31, 2023:

**Table 29**

<b>Net Debt</b> (\$ millions, except ratio amounts)	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Long-term debt	<b>1,440.1</b>	1,148.9
Accounts payable and accrued liabilities	<b>648.5</b>	753.3
Dividends payable	<b>100.8</b>	101.7
Cash and cash equivalents, accounts receivable, and prepaid expense	<b>(628.8)</b>	(686.8)
<b>Net debt</b>	<b>1,560.6</b>	1,317.1
Funds from operations <sup>(1)</sup>	<b>2,401.3</b>	2,639.6
<b>Net debt to funds from operations (ratio) <sup>(2)</sup></b>	<b>0.6</b>	0.5

(1) 12-month trailing funds from operations.

(2) Composed of net debt divided by 12-month trailing funds from operations.

## Supplementary Financial Measures

**"Average realized commodity price"** is comprised of total commodity sales from production, as determined in accordance with IFRS Accounting Standards, divided by the Company's total production.

**"Average realized condensate price"** is comprised of condensate commodity sales from production, as determined in accordance with IFRS Accounting Standards, divided by the Company's condensate production.

**"Average realized crude oil price"** is comprised of crude oil commodity sales from production, as determined in accordance with IFRS Accounting Standards, divided by the Company's crude oil production.

**"Average realized natural gas price"** is comprised of natural gas commodity sales from production, as determined in accordance with IFRS Accounting Standards, divided by the Company's natural gas production.

**"Average realized NGLs price"** is comprised of NGLs commodity sales from production, as determined in accordance with IFRS Accounting Standards, divided by the Company's NGLs production.

**"Cash flow from operating activities per basic share"** is comprised of cash flow from operating activities, as determined in accordance with IFRS Accounting Standards, divided by basic weighted average common shares outstanding.

**"Cash flow from operating activities per diluted share"** is comprised of cash flow from operating activities, as determined in accordance with IFRS Accounting Standards, divided by diluted weighted average common shares outstanding.

**"Commodity sales from production per basic share"** is comprised of commodity sales from production, as determined in accordance with IFRS Accounting Standards, divided by basic weighted average common shares.

**"Commodity sales from production per diluted share"** is comprised of commodity sales from production, as determined in accordance with IFRS Accounting Standards, divided by diluted weighted average common shares.

**"Commodity sales from production per boe"** is comprised of commodity sales from production, as determined in accordance with IFRS Accounting Standards, divided by the Company's total production.

**"Current income tax expense, as a per cent of funds from operations"** is comprised of current income tax expense, as determined in accordance with IFRS Accounting Standards, divided by funds from operations.

**"DD&A expense per boe"** is comprised of DD&A expense, as determined in accordance with IFRS Accounting Standards, divided by the Company's total production.

**"Dividend as a per cent of funds from operations"** is comprised of dividends declared, as determined in accordance with IFRS Accounting Standards, divided by funds from operations.

**"Dividends declared per share"** is comprised of dividends declared, as determined in accordance with IFRS Accounting Standards, divided by the number of shares outstanding at the dividend record date.

**"Funds from operations per basic share"** is comprised of funds from operations divided by basic weighted average common shares.

**"Funds from operations per diluted share"** is comprised of funds from operations divided by diluted weighted average common shares.

**"G&A expense per boe"** is comprised of G&A expense, as determined in accordance with IFRS Accounting Standards, divided by the Company's total production.

**"G&A expense before share-based compensation expense per boe"** is comprised of G&A expense as determined in accordance with IFRS Accounting Standards, excluding share-based compensation expense, divided by the Company's total production.

**"G&A – share-based compensation expense per boe"** is comprised of G&A expense as determined in accordance with IFRS Accounting Standards, excluding G&A expense not attributable to share-based compensation plans, divided by the Company's total production.

**"Interest and financing expense per boe"** is comprised of interest and financing expense, as determined in accordance with IFRS Accounting Standards, divided by the Company's total production.

**"Operating expense per boe"** is comprised of operating expense, as determined in accordance with IFRS Accounting Standards, divided by the Company's total production.

**"Royalties as a percentage of commodity sales from production"** is comprised of royalties, as determined in accordance with IFRS Accounting Standards, divided by commodity sales from production, as determined in accordance with IFRS Accounting Standards.

**"Royalties per boe"** is comprised of royalties, as determined in accordance with IFRS Accounting Standards, divided by the Company's total production.

**"Transportation expense per boe"** is comprised of transportation expense, as determined in accordance with IFRS Accounting Standards, divided by the Company's total production.

## FORWARD-LOOKING INFORMATION AND STATEMENTS

This MD&A contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect," "anticipate," "continue," "estimate," "objective," "ongoing," "may," "will," "project," "should," "believe," "plans," "intends," "strategy," and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this MD&A contains forward-looking information and statements pertaining to the following: ARC's 2024 annual guidance, production guidance, expense guidance and guidance with respect to current income tax expense as a per cent of funds from operations and ARC's expectations related thereto and planned 2024 capital expenditures under the heading "Annual Guidance"; ARC's 2025 capital budget and expectations with respect to 2025 annual production; the Agreements with Cedar LNG and the anticipated volumes under the non-binding Heads of Agreement under the heading "Commodity Prices"; the terms, including the anticipated timing of commencement, volumes, delivery points and pricing formulas, under certain of ARC's long-term natural gas supply agreements and the expectation that the estimated fair value of such contracts may fluctuate over time under the heading "Risk Management Contracts"; the anticipated vesting of RSUs and PSUs, expected variability of future payments under the RSU and PSU Plans, the estimated range of future expected payments under such plans and expectations regarding the value of RSUs and PSUs upon vesting under the heading "Restricted Share Unit and Performance Share Unit Plans"; expectations regarding ARC's available tax pools under the heading "Taxes"; anticipated timing of commissioning volumes for and full productive capacity of the Attachie Phase I development under the heading "Cash Flow used in Investing Activities, Capital Expenditures, Acquisitions, and Dispositions"; ARC's expectations regarding the estimated fair value of the embedded derivatives; ARC's estimated ARO under the heading "Asset Retirement Obligation"; ARC's capital management objectives, the anticipated sources of financing for profitable growth activities, ARC's belief that investing in development activities that prioritize profitability over production growth creates significant long-term shareholder value, ARC's plans to allocate free funds flow to shareholders, through dividends and the repurchase of shares, and debt reduction and ARC's target net debt to funds from operations under the heading "Capitalization, Financial Resources and Liquidity"; ARC's intentions to continue paying dividends and the anticipated amounts thereof; and similar statements.

The forward-looking information and statements contained in this MD&A reflect material factors, expectations, and assumptions of ARC including, without limitation: that ARC will continue to conduct its operations in a manner consistent with past operations; assumptions regarding ARC's share price; ARC's ability to issue securities and to repurchase its securities under its NCIB; that the terms and conditions of the sale and purchase agreement to be entered into pursuant to the non-binding Heads of Agreement will be substantially similar to those currently contemplated in the Heads of Agreement; that the Project will be completed on timelines anticipated; that counterparties to ARC's various agreements will comply with their contractual obligations; assumptions regarding the successful implementation of future agreements; that future business, regulatory, and industry conditions will be within the parameters expected by ARC, including with respect to prices, margins, demand, supply, product availability, supplier agreements, availability and cost of labour and interest, exchange and effective tax rates; assumptions with respect to global economic conditions and the accuracy of ARC's market outlook expectations for 2024, 2025 and in the future; the general continuance of current industry conditions; the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty, and regulatory regimes; the accuracy of the estimates of ARC's reserve volumes; certain commodity price and other cost assumptions; and the continued availability of adequate debt and equity financing and funds from operations to fund its planned expenditures. ARC believes the material factors, expectations, and assumptions reflected in the forward-looking information and statements are reasonable, but no assurance can be given that these factors, expectations, and assumptions will prove to be correct.

The forward-looking information and statements included in this MD&A are not guarantees of future performance and should not be unduly relied upon. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation: the success of business integration; changes in commodity prices; inflation; changes in the demand for or supply of ARC's products; public health crises, and any related actions taken by governments and businesses; potential regulatory and industry changes stemming from the results of court actions affecting regions in which ARC holds assets; risks and uncertainties related to crude oil and natural gas interests and operations on Indigenous lands; suspension of or changes to guidance, and the associated impact to production; changes to government regulations including royalty rates, taxes, and environmental and climate change regulation; market access constraints or transportation interruptions, unanticipated operating results or production declines; risks and uncertainties related to political instability abroad (including the ongoing Israeli-Hamas and Russian-Ukrainian conflicts); changes in development plans of ARC or by third-party operators of ARC's properties; increased debt levels or debt service requirements; inaccurate estimation of ARC's reserve volumes; limited, unfavorable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and certain other risks detailed in ARC's public disclosure documents. Readers should also

carefully consider the risks discussed in the section entitled "Risk Factors" contained within the MD&A for the year ended December 31, 2023.

ARC's future shareholder distributions, including but not limited to the payment of dividends, if any, and the level thereof is uncertain. Any decision to pay dividends on ARC's shares (including the actual amount, the declaration date, the record date and the payment date in connection therewith) will be subject to the discretion of the Board and may depend on a variety of factors, including, without limitation, ARC's business performance, financial condition, financial requirements, growth plans, expected capital requirements and other conditions existing at such future time including, without limitation, contractual restrictions and satisfaction of the solvency tests imposed on ARC under applicable corporate law. Further, the actual amount, the declaration date, the record date and the payment date of any dividend are subject to the discretion of the Board. There can be no assurance that ARC will pay dividends in the future.

The forward-looking information in this MD&A also includes financial outlooks and other related forward-looking information (including production and financial-related metrics) relating to ARC, including, but not limited to: the expectations of ARC regarding free funds flow, funds from operations, capital expenditures, net debt, operating expenses, transportation expenses, G&A expenses before share-based compensation expense, G&A expenses, interest and financing expenses, and current income tax as a per cent of funds from operations. The internal projections, expectations, or beliefs are based on the 2024 capital budget, which is subject to change in light of ongoing results, prevailing economic conditions, commodity prices, and industry conditions and regulations. These financial outlook and other related forward-looking statements are also subject to the same assumptions, risk factors, limitations, and qualifications as set forth above. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted, and as such, undue reliance should not be placed on financial outlook and/or forward-looking statements. The financial outlook and forward-looking information contained in this MD&A is as of the date of this MD&A, and ARC does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws.

## GLOSSARY

The following is a list of abbreviations that may be used in this MD&A:

### Measurement

bbl	barrel
bbl/d	barrels per day
Mbbl	thousand barrels
MMbbl	million barrels
boe <sup>(1)</sup>	barrels of oil equivalent
boe/d <sup>(1)</sup>	barrels of oil equivalent per day
Mboe <sup>(1)</sup>	thousands of barrels of oil equivalent
MMboe <sup>(1)</sup>	millions of barrels of oil equivalent
Mcf	thousand cubic feet
Mcf/d	thousand cubic feet per day
MMcf	million cubic feet
MMcf/d	million cubic feet per day
Bcf	billion cubic feet
MMBtu	million British thermal units
GJ	gigajoule

- (1) ARC has adopted the standard of 6 Mcf:1 bbl when converting natural gas to boe. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of six Mcf per barrel 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 based on the current price of crude oil as compared to natural gas is significantly different than the energy equivalency of the 6:1 conversion ratio, utilizing the 6:1 conversion ratio may be misleading as an indication of value.

### Financial and Business Environment

AECO	Alberta Energy Company
AIF	annual information form
ARO	asset retirement obligation
DD&A	depletion, depreciation and amortization
DSU	Deferred Share Unit
E&E	exploration and evaluation
GAAP	generally accepted accounting principles
G&A	general and administrative
IFRS	International Financial Reporting Standards
JKM	Japan Korea Marker
LNG	liquefied natural gas
LTRSA	Long-term Restricted Share Award
NGLs	natural gas liquids
NYMEX	New York Mercantile Exchange
PP&E	property, plant and equipment
PSU	Performance Share Unit
ROU	right-of-use
RSU	Restricted Share Unit
TSX	Toronto Stock Exchange
TTF	Title Transfer Facility
WTI	West Texas Intermediate

## QUARTERLY HISTORICAL REVIEW

(\$ millions, except per share amounts)	2024			2023				2022
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<b>FINANCIAL</b>								
Commodity sales from production	<b>1,054.4</b>	1,001.7	1,202.1	1,300.2	1,308.0	1,124.7	1,527.5	2,024.4
Per share, basic <sup>(1)</sup>	<b>1.77</b>	1.68	2.01	2.16	2.15	1.84	2.47	3.22
Per share, diluted <sup>(1)</sup>	<b>1.77</b>	1.67	2.01	2.16	2.15	1.84	2.47	3.21
Net income	<b>328.9</b>	239.5	185.4	506.3	236.4	278.9	574.9	741.0
Per share, basic	<b>0.55</b>	0.40	0.31	0.84	0.39	0.46	0.93	1.18
Per share, diluted	<b>0.55</b>	0.40	0.31	0.84	0.39	0.46	0.93	1.18
Cash flow from operating activities	<b>518.4</b>	543.0	636.3	698.9	604.2	550.9	540.3	878.3
Per share, basic <sup>(1)</sup>	<b>0.87</b>	0.91	1.07	1.16	1.00	0.90	0.87	1.40
Per share, diluted <sup>(1)</sup>	<b>0.87</b>	0.91	1.06	1.16	0.99	0.90	0.87	1.39
Funds from operations	<b>592.4</b>	502.8	606.9	699.2	662.2	560.8	717.4	986.2
Per share, basic <sup>(1)</sup>	<b>1.00</b>	0.84	1.02	1.16	1.09	0.92	1.16	1.57
Per share, diluted <sup>(1)</sup>	<b>0.99</b>	0.84	1.01	1.16	1.09	0.92	1.16	1.56
Free funds flow	<b>133.8</b>	(29.5)	102.3	154.7	260.8	144.3	230.0	602.9
Per share, basic <sup>(1)</sup>	<b>0.22</b>	(0.05)	0.17	0.26	0.43	0.24	0.37	0.96
Per share, diluted <sup>(1)</sup>	<b>0.22</b>	(0.05)	0.17	0.26	0.43	0.24	0.37	0.96
Cash flow used in investing activities	<b>339.7</b>	643.4	499.8	434.3	394.6	464.4	397.4	350.7
Dividends declared	<b>100.8</b>	101.6	101.6	101.7	103.0	103.7	91.9	93.4
Per share	<b>0.17</b>	0.17	0.17	0.17	0.17	0.17	0.15	0.15
Total assets	<b>12,901.2</b>	12,593.4	12,325.5	12,382.9	11,924.9	11,573.8	11,513.4	11,623.9
Total liabilities	<b>5,172.2</b>	4,965.4	4,827.1	4,955.1	4,775.4	4,449.3	4,518.4	4,970.4
Net debt	<b>1,560.6</b>	1,477.9	1,336.1	1,317.1	1,243.5	1,281.1	1,264.7	1,301.5
Weighted average shares, basic	<b>595.1</b>	596.6	596.7	601.0	607.2	609.7	617.6	628.3
Weighted average shares, diluted	<b>596.4</b>	598.2	598.4	602.8	609.0	611.5	619.2	630.3
Shares outstanding, end of period	<b>591.7</b>	596.7	596.7	596.9	605.0	608.4	611.2	620.9
<b>CAPITAL EXPENDITURES</b>								
Geological and geophysical	<b>4.6</b>	1.5	2.7	1.4	2.6	1.2	3.1	1.3
Drilling and completions	<b>390.3</b>	470.2	380.1	387.5	352.3	360.4	452.4	338.6
Plant and facilities	<b>52.7</b>	11.4	101.9	132.9	30.5	35.2	29.2	27.0
Maintenance and optimization	<b>17.0</b>	35.7	14.1	14.6	9.4	8.6	10.0	10.7
Corporate	<b>(6.0)</b>	13.5	5.8	8.1	6.6	11.1	(7.3)	5.7
Capital expenditures	<b>458.6</b>	532.3	504.6	544.5	401.4	416.5	487.4	383.3
Acquisitions	<b>—</b>	5.0	0.1	22.0	—	—	3.5	0.3
Dispositions	<b>(80.0)</b>	—	—	(66.3)	(0.1)	—	(76.5)	(0.1)
Capital expenditures and net acquisitions and dispositions	<b>378.6</b>	537.3	504.7	500.2	401.3	416.5	414.4	383.5
<b>OPERATING</b>								
Production								
Crude oil and condensate (bbl/d)	<b>88,517</b>	74,713	82,672	85,805	87,098	83,540	78,969	90,135
Natural gas (MMcf/d)	<b>1,203</b>	1,286	1,322	1,380	1,353	1,289	1,264	1,310
NGLs (bbl/d)	<b>37,797</b>	40,994	49,411	49,474	47,557	45,202	48,800	51,311
Total (boe/d)	<b>326,768</b>	330,046	352,328	365,248	360,177	343,630	338,377	359,730
Average realized commodity prices								
Crude oil (\$/bbl)	<b>92.22</b>	100.28	83.83	93.34	104.91	88.13	92.78	103.58
Condensate (\$/bbl)	<b>95.38</b>	103.73	94.58	99.09	103.21	93.43	104.10	107.24
Natural gas (\$/Mcf)	<b>1.78</b>	1.86	3.19	3.33	3.16	2.83	5.89	8.31
NGLs (\$/bbl)	<b>23.77</b>	21.69	25.65	21.97	19.63	20.89	28.59	28.86
Oil equivalent (\$/boe)	<b>35.07</b>	33.35	37.49	38.69	39.47	35.97	50.16	61.17
<b>TRADING STATISTICS <sup>(2)</sup></b>								
(\$, based on intra-day trading)								
High	<b>26.45</b>	26.18	24.32	23.77	22.05	18.44	18.07	20.49
Low	<b>21.44</b>	23.45	19.44	19.02	17.63	15.38	14.33	17.05
Close	<b>22.86</b>	24.41	24.15	19.67	21.68	17.67	15.33	18.25
Average daily volume (thousands)	<b>3,696</b>	3,648	3,343	4,271	3,705	4,009	5,949	4,259

(1) Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.

(2) Trading statistics denote trading activity on the TSX only.