

## Management

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## EPG Commentary by Dan Steffens

**Surge Energy (SGY.TO / ZPTAF)** is a Canadian upstream company in our High Yield Income Portfolio. The company achieved production growth of 20.5% year-over-year in 2022, followed by an additional 14.9% increase in 2023. Since 2023, Surge Energy has prioritized using free cash flow to strengthen its balance sheet. **The company has raised its dividend twice since 2023.**

In August 2024 Surge attained Phase Two of its debt repayment objectives, and increased its monthly dividend to \$0.043333 per share (\$0.52 annually), resulting in **an annualized yield of 7.93%** at the current share price. Based on my forecast, Surge should reach its Phase 3 debt target by the second quarter of 2026. In 2H 2026 additional free cash flow after dividends is anticipated to be allocated towards share repurchases if the share price remains below what management believes is net asset value per share.

**Oil Discovery Provides Further Growth Opportunities:** In early 2024, Surge announced a significant Sparky oil discovery in the Hope Valley area, where it holds 32.5 net sections of contiguous leases. Production from new Hope Valley wells in 2025 have exceeded initial forecasts. Continued development and delineation of the Hope Valley Sparky discovery in 2025 included drilling four multi-lateral horizontal wells in the first quarter, three in the second quarter, and five in the third quarter. Each well incorporated twelve lateral legs, accessing an average of 14,500 meters of shallow, conventional Sparky sandstone reservoir. Six additional wells are scheduled for the fourth quarter of 2025, utilizing advanced multi-lateral open hole drilling technology.

## Recent Highlights



Surge's strong drilling and operational results in Q3/25 continue to drive outperformance of budgeted estimates, highlighted by:

- Delivering **average daily production of 23,622 boepd** (88% liquids), more than **1,100 boepd higher** than budgeted production of 22,500 boepd;
- Generating **adjusted funds flow ("AFF")<sup>1</sup> of \$70.1 million**;
- **Drilling 13 gross (10.8 net) wells**, including **5 gross (5.0 net) wells at Hope Valley in Surge's Sparky core area**, where IP90 production rates have exceeded type curve expectations by >30%; and
- **Returning \$25.3 million to shareholders** (36% of Q3/25 AFF) by way of:
  - An attractive (~6.9% yield<sup>2</sup>) annual cash dividend (\$12.9 million returned to shareholders in Q3/25);
  - Normal Course Issuer Bid ("NCIB") share buybacks (\$0.7 million returned to shareholders in Q3/25); **and**
  - **Net debt<sup>1</sup>** reduction of \$11.7 million from Q2/25, with annualized AFF representing 0.78x Q3/25 net debt.

## Third Quarter 2025 Message to Shareholders

**During Q3/25 WTI crude oil prices averaged US\$64.81 per barrel**, and Surge generated adjusted funds flow ("AFF") of \$70.1 million, with cash flow from operating activities of \$66.4 million. In the third quarter of 2025, the Company spent \$32.8 million on property, plant, and equipment, resulting in **free cash flow ("FCF") of \$37.2 million**. On this basis, FCF represented 53 percent of AFF in Q3/25 **and 2.9 X dividend coverage**.

Continued strong drilling and waterflood results in the Company's Sparky and SE Saskatchewan core areas continue to drive production outperformance, as compared to Surge's revised 2025 budget guidance press released on July 28, 2025. **In Q3/25, Surge's production averaged 23,622 Boepd (88 percent liquids), more than 1,100 Boepd above the Company's budgeted average 2H/25 production estimate of 22,500 Boepd.**

At **Hope Valley**, the Company continues to experience better than anticipated well results from its open hole multi-lateral ("OHML") drilling program. Surge has drilled 12 gross (12.0 net) OHML wells at Hope Valley in 2025, with average IP90 production rates of 216 bopd. **These results are 34 percent better than the Company's independent reserve auditor IP90 Total Proved type curve expectations of 162 bopd.** Surge successfully drilled and brought on production 5 gross (5.0 net) wells in Hope Valley in Q3/25, and the Company anticipates drilling a further 6 gross (6.0 net) Sparky wells in Q4/25. **< Surge's recently released production guidance for 2026 (23,000 Boepd) is still based on the Company's independent reserve auditors IP90 type curves.**

Additionally, over the last 12 months, the Company has drilled 20 single lateral multi-frac wells in the Sparky core area, where Surge has employed new high-density frac technology. This approach has doubled the number of frac stages per 1,400m lateral from 26 to 52 stages per well, representing an additional cost increase of approximately 15 percent (\$0.3 million per well). **This has resulted in a 50 percent increase in IP90 average production rates as compared to Surge's previous single lateral Sparky wells.**

In Q3/25, net operating expenses were \$17.69 per boe, a decrease of \$1.12 per boe (6 percent) as compared to \$18.81 per boe in Q3/24. This decrease in operating expenses is primarily due to the Company's continued drilling and operational success in the Sparky and SE Saskatchewan core areas, which now represent over 92 percent of Surge's corporate production.

The combination of better than anticipated production levels, lower net operating expenses, and lower than budgeted exploration and development expenditures, have combined to allow Surge to generate over \$104.9 million of FCF in the first three quarters of 2025.

## ***My Fair Value Estimate for SGY.TO is \$10.00Cdn/share***

**Compares to TipRanks' consensus price target of \$9.00Cdn**

**Disclosure:** I have a long position in ZPTAF. I do not intend on buying or selling any shales in the next 72 hours. I wrote this profile myself, and it expresses my own opinions. I am not receiving compensation for it from the company. I have no business relationship with any company whose stock is mentioned in this article.

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## Company Overview

**Surge Energy Inc. (SGY and ZPTAF)** is an independent oil and gas company based in Calgary, Alberta and operating in Alberta, Saskatchewan, and Manitoba. The Common Shares are listed on the TSX under the symbol "SGY." Surge Energy is an oil focused energy company with a sustainable strategy to enhance returns and free cash flow. Their simple, repeatable business strategy is based on developing high-quality, conventional oil reservoirs using proven technology to enhance recovery through waterflood.

The Surge strategy is based on three core pillars:

- **Disciplined Capital Allocation** – The Company undertakes low cost, high impact projects that support long-term sustainability
- **Financial Flexibility** – By focusing on high return strategic opportunities, the Company seeks to maximize free cash flow and enhance liquidity *< 2025 free cash flow should exceed \$115Cdn million; \$10 million higher than our last profile update.*
- **Responsible ESG Principles** – Surge deploys ongoing abandonment programs to reduce corporate decommissioning liability

## The Surge Value Proposition

High quality assets and strategic capital allocation maximize shareholder value and returns



### High Quality Conventional Assets

- Light/medium oil asset base
- Large OOIP (>2.7 billion barrels)
- High operating netbacks<sup>1</sup> (\$39/boe)
- Low recoveries (6.7%)
- Low declines (25%)
- 12-year drilling inventory

### Disciplined Capital Allocation

- Drilling capital is focused on two of the top crude oil plays in Canada (Sparky and SE Saskatchewan)<sup>2</sup>
- Returning free cash flow<sup>1</sup> to shareholders through a sustainable base dividend and NCIB share repurchases

### Proven Management and Board

- Seasoned management team with a proven track record
- Strong governance with significant insider ownership = shareholder alignment and commitment to long-term sustainability and success

### Maximize Free Cash Flow and Shareholder Returns

- Focus on enhanced free cash flow<sup>1</sup> and financial flexibility
- A shareholder returns-based model with an increasing, compounding dividend
- \$1.2 billion in tax pools allows for maximum distribution of free cash flow<sup>1</sup> on a tax-efficient basis<sup>3</sup>

**SGY.TO currently trades below PV10 Net Asset Value based only on Proved Reserves**

<b>Dec. 31, 2024 Sproule Reserves</b>		Oil Equivalent Total Reserves (Mboe)	Oil & Liquids (%)	BTax NPV10 (\$MM) <sup>2,3</sup>
Gross Reserves <sup>1</sup>				
Proved Developed Producing (PDP)		38,186	91%	\$791
Total Proved (1P) <i>(284 net locations)</i>		65,445	92%	\$1,184
Total Proved Plus Probable (2P) <i>(367 net locations)</i>		90,174	91%	\$1,692

<b>Dec. 31, 2024 Net Asset Value on YE2024 Sproule Reserves</b>			
	Proved Producing	Total Proved (1P)	Proved + Probable (2P)
BTax NPV10 (\$MM)	\$791	\$1,184	\$1,692
Net Debt (\$MM)	(\$247)	(\$247)	(\$247)
Total Net Assets (\$MM)	\$544	\$936	\$1,444
Basic Shares Outstanding (MM)	100.4	100.4	100.4
Estimated NAV per Basic Share	\$5.42/share	\$9.33/share	\$14.39/share

## Corporate Guidance for 2026

### Key Guidance & Assumptions<sup>1</sup>

	US\$65 WTI <sup>6</sup>
2026 Adjusted Funds Flow <sup>2</sup>	\$265 MM
2026 Cash Flow From Operating Activities <sup>3</sup>	\$245 MM
2026 Free Cash Flow <sup>2</sup>	\$95 MM
2026 Free Cash Flow Margin <sup>2</sup>	36%

### Market Snapshot

Basic Shares Outstanding <sup>4</sup>	99.0 MM
Average Daily Volume	0.6 MM Shares
Market Capitalization / Net Debt / Enterprise Value <sup>5</sup>	\$743 MM / \$217 MM / \$960 MM

<b>\$23,000 BOEPD</b> 2026 Average Production (est.) (88% liquids)	<b>\$150 MILLION</b> Sustainably-Oriented 2026 Capital Budget (est.)	<b>\$0.52</b> Annual Per Share Dividend	<b>\$1.2B</b> Tax Pools
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## Third Quarter 2025 Financial and Operational Highlights (in \$Canadian dollars)

- Higher than budgeted average daily production of 23,622 Boepd (89 percent liquids).
- Generating \$70.1 million of Adjusted Funds Flow (AFF), with WTI crude oil prices averaging US\$64.81/bbl.
- Decreased net operating expenses by 6 percent over the past year, from \$18.81 per boe in Q3/24 to \$17.69 per boe in Q3/25;
- Drilled 13 gross (10.8 net) wells in the quarter;
- Distributed \$12.9 million to Surge's shareholders by way of the Company's \$0.52 per share per annum base dividend (paid monthly), representing only 18 percent of AFF generated during the period.
- Decreased net debt by \$11.7 million, from \$229.1 million in Q2/25, to \$217.4 million in Q3/25;
- On an annualized basis, Q3/25 AFF represented 0.78 times Q3/25 net debt of \$217.4 million;
- The Company's \$250 million first lien credit facility remained undrawn as at September 30, 2025, providing Surge with substantial available liquidity.
- Given the current lower crude oil price environment, Management elected to direct the majority of excess FCF to net debt reduction during the quarter. However, Surge also returned \$0.7 million to shareholders in Q3/25 through its normal course issuer bid ("NCIB"), repurchasing 108,000 shares.

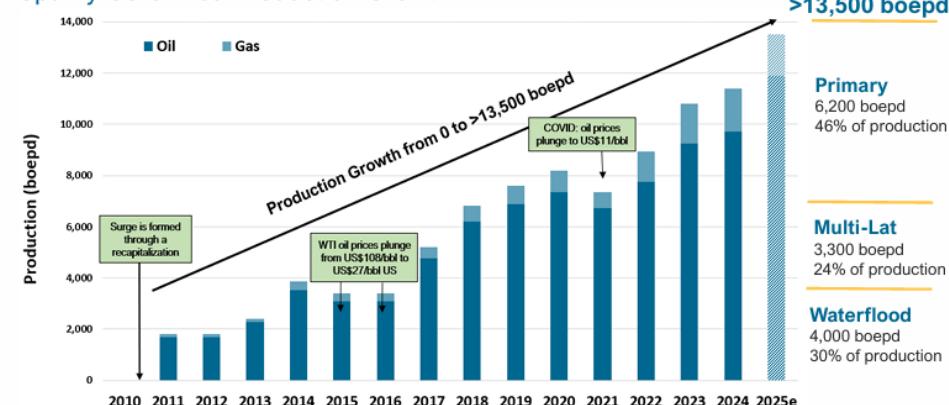
## Sparky

**SURGE**

## Long-Term Growth Potential

Pad drilling, advanced horizontal multi-stage fracturing technology, and multi-lateral horizontal success have unlocked the potential of the Sparky play

### Sparky Core Area Production Growth



- Production has grown by 650% from 1,800 boepd in 2011 to >13,500 boepd today
- Low-cost drilling (DCET<sup>1</sup> of ~\$1.6MM per well)
- Focus on lighter WCS oil gravity (18-31° API) = higher operating netbacks<sup>2</sup>
- Proven waterflood potential (Wainwright pool at >30% recovery factor)

**~1.4 billion bbls**

OOIP net to SGY (internally estimated)

**>510 net**

>160 Multi-Lateral Locations

\* Internally estimated as of July 1, 2025

**>13,500 boepd**

Production (88% liquids)

**~15 year**

Drilling Inventory (based on 34 wells per year)

**31 net wells**

To be drilled in 2026

## Commencement of Phase 2 Return of Capital Framework: Share Buy Backs & Increase to Base Dividend

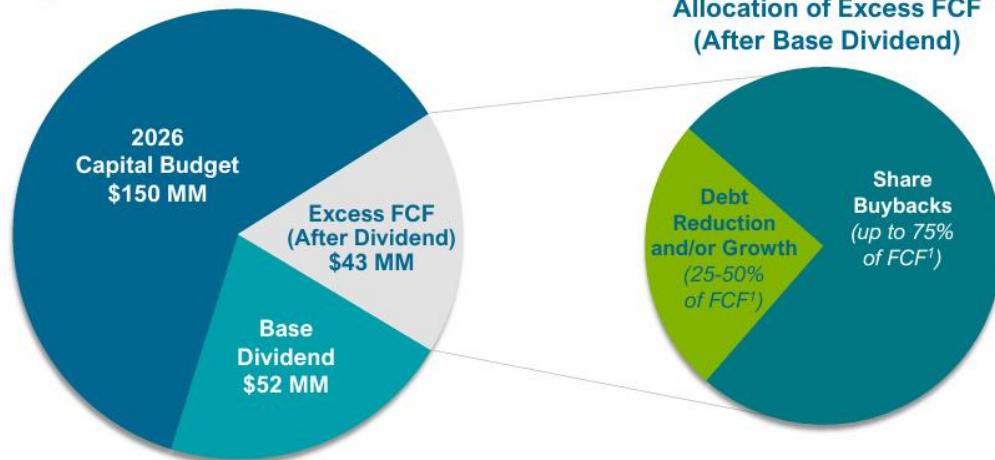
- The Company has now reduced its net debt (\$229.1 million at 6/30/2025) below Management's previously stated \$250 million target and has reached Phase 2 of its Return of Capital Framework.
- The Company now forecasts having \$54 million of excess free cash flow ("FCF") (after base dividends) annually to allocate, based on US\$65 WTI per barrel oil pricing. *< Surge recently increased the volume of oil it has hedged for 2H 2025 and Q1 2026 to reduce oil price risk.*
- Surge's Board and Management anticipate allocating the \$105 million of free cash flow as follows:
  - \$52 million will be allocated to Surge's base dividend; raising the dividend per share from \$0.48 annually to \$0.52 annually (an 8% increase)
  - \$53 million is forecast to be directed to share buybacks and continued net debt reduction. Within Phase 2 of Surge's Return of Capital Framework, the Company is now targeting a return of up to 50% of excess FCF to its shareholders by way of share buybacks, with the remainder directed to further reductions to Surge's net debt; and
  - Surge's dividends are paid the 15<sup>th</sup> of each month. The September 15th dividend will be \$0.043333

## Return of Capital Framework



Surge is well positioned to deliver returns to shareholders through its base dividend and excess free cash flow (FCF)<sup>1</sup>

**2026 Guidance Cash Flow  
@ US\$65 WTI: \$245 MM**



Surge has returned **\$340 million to shareholders** since 2021 by way of:

- Base cash dividend (\$158 million in total)
- NCIB share buybacks (\$19 million in total)
- Debt reduction (\$163 million in total)

## Operations Update: Continued Drilling Success in Sparky and SE Saskatchewan Core Areas

Surge's Q3/25 production averaged 23,622 Boepd (88 percent liquids), more than 1,100 Boepd ahead of the Company's budgeted average 2H/2025 production estimate of 22,500 Boepd. This continued production outperformance is primarily due to the ongoing, successful drilling and waterflood results in Surge's two core areas, highlighted by consistent OHML drilling success at the Company's Sparky discovery at Hope Valley.

Surge's Q3/25 drilling program was executed with one rig drilling in each of the Sparky and SE Saskatchewan core areas and consisted of a total of 13 gross (10.8 net) wells drilled in the quarter.

At **Hope Valley** in the Company's Sparky core area, Surge continues to experience better than anticipated well results from the Company's OHML drilling. Surge has drilled 12 gross (12.0 net) OHML wells at Hope Valley in 2025, with average IP90 production rates of 216 bopd. **These results are 34 percent better than the Company's independent reserve auditor IP90 Total Proved type curve expectations of 162 bopd.** Surge successfully drilled and brought on production 5 gross (5.0 net) wells in Hope Valley in Q3/25, and the Company anticipates drilling a further 6 gross (6.0 net) wells in Q4/25.

*"With Hope Valley development wells continuing to produce at rates higher than the type curve, I expect Surge's Q4 2025 and 2026 production to exceed guidance."* – Dan Steffens

### Sparky

## A One-of-a-Kind Position

Surge holds a dominant land position and is drilling a mix of horizontal multi-frac and horizontal open hole multi-lateral wells in the Sparky area

### Sparky Formation Facts

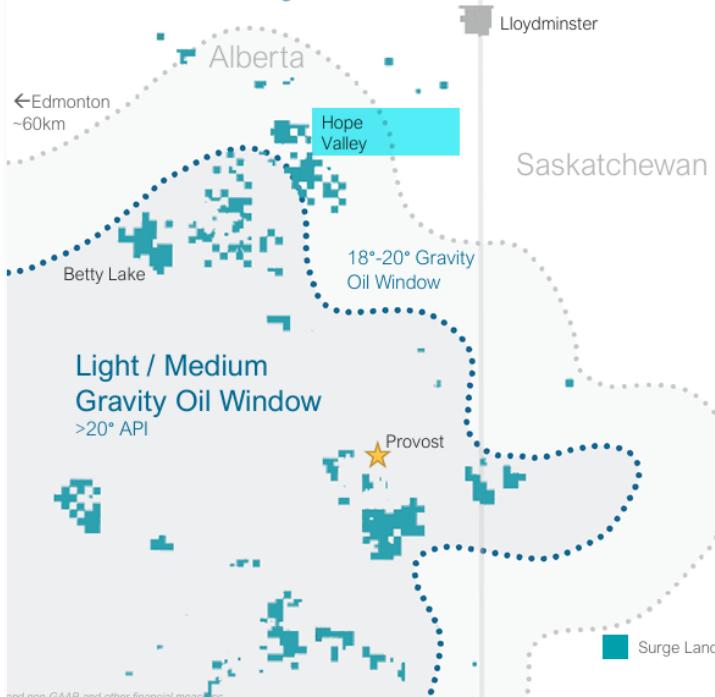
First Production	May 1922
Original Oil in Place	>11 Bbls
Cumulative Production	~1.4 Bbls
Recovery Factor to date	~13%
Producing Wells	~24,100
Hz Wells	~1,650
Multi-Frac Hz Wells	~480
Surge Drilled Multi-Frac Hz	>265
Multi-Leg Hz Wells	~600
Surge Drilled Multi-Leg Hz	40

Data sourced from Canadian Discovery and Geoscout

- Large, well established oil producing fairway in Western Canada
- Increased market focus with operators implementing multi-lateral horizontals in areas of higher oil viscosity; being compared to the Clearwater
- Per well economics with quick payoffs and excellent rates
- Conventional sandstone reservoirs support top-tier capital efficiencies
- Shallow depth (700-900m)
- Low geological risk due to 3D seismic and thousands of vertical penetrations

### Over 11 Billion Barrel Trend

*One of Canada's Largest Accumulations of Oil*



Surge has a low annual corporate production decline rate estimated to be 25 percent. Surge systematically budgets and spends significant waterflood capital each year to enhance pressure support in its crude oil reservoirs, lower production declines, and increase estimated ultimate recoveries from its conventional reservoirs.

Currently, 53% of the Company's production benefits from legacy vertical and horizontal waterfloods, along with natural aquifer support, contributing to a low decline rate. Surge is expanding its horizontal waterflood program from seven injector conversions in 2024 to 19 planned for 2025, driven by success in several fields. In Q3/25, Surge drilled its first Hope Valley waterflood injector, aiming to boost recoveries at this Sparky oil discovery. The well is now producing for cleanup and will convert to injection in early Q1/26.

Additionally, over the past 12 months the Company has drilled 20 single lateral multi-frac wells in the Sparky core area where Surge has trialed high-density frac technology. This approach has doubled the go forward design with the number of frac stages per 1,400m lateral; increasing from 26 stages per well, to 52 stages per well.

To date in 2025, Surge has drilled a total of 42 gross (36.8 net) wells, while adding 80 gross (78.0 net) drilling locations to its inventory in the Company's Sparky and SE Saskatchewan core areas through both organic crown land sales and strategic land acquisitions. **Running Room:** This adds to Surge's lower risk development drilling inventory of more than 900 net internally identified locations, providing an inventory of more than 12 years.

## Core Area Focused

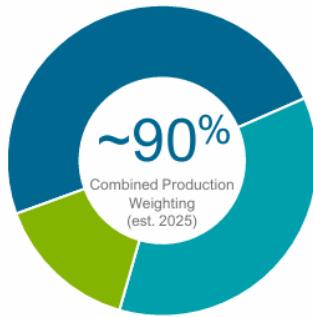
**SURGE**

Sparky and SE Saskatchewan provide exceptional economics and a depth of drilling inventory

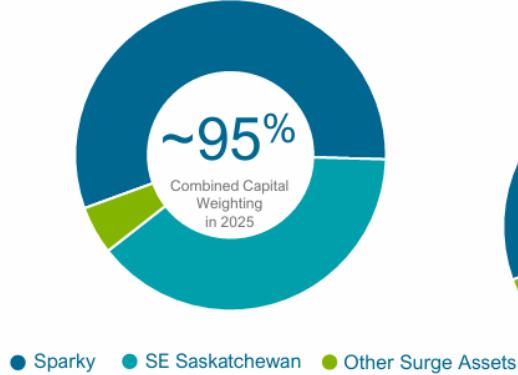
### Sparky

Light/medium crude oil production with compelling returns. Low on-stream costs with extensive drilling and waterflood inventory provides excellent long term sustainable growth potential.

#### 2025 Production Weighting by Area



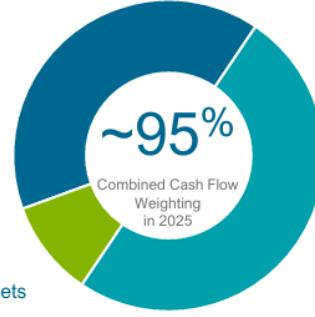
#### 2025 Capital Weighting by Area



### SE Saskatchewan

Highly focused, operated asset base with excellent light oil operating netbacks. Low-cost wells with short payouts. Potential for continued area consolidation.

#### 2025 Cash Flow Weighting by Area



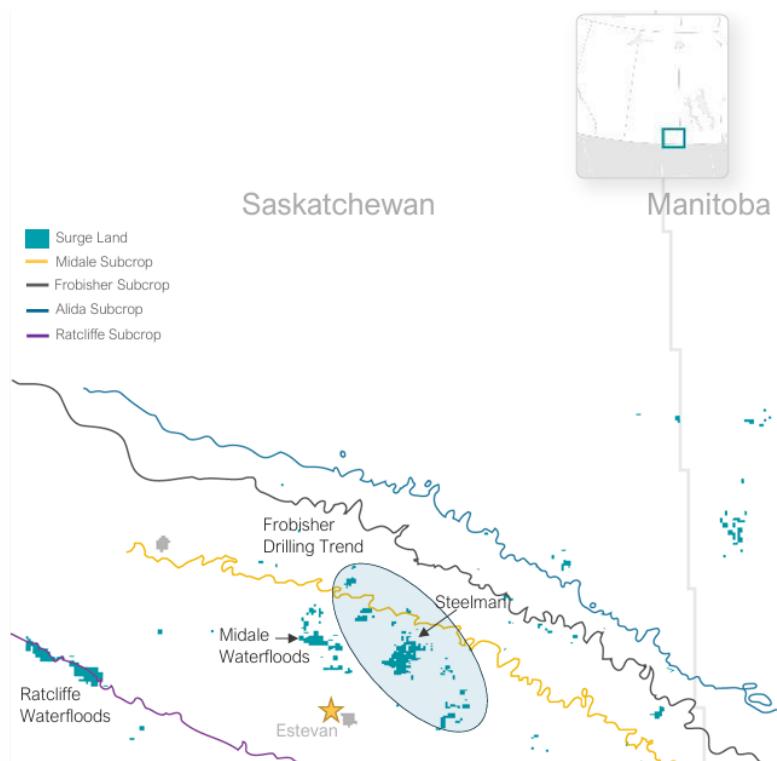
## SE Saskatchewan

### A Light Oil Balance

Surge's operational track record of success in SE Saskatchewan makes this an exciting growth area

#### Area Benefits

- Organic growth opportunities
- Strategic acquisitions or tuck-in consolidation opportunities
- Cost-efficient drilling
- Extremely quick turnaround from spud to on production (under two weeks)
- High operating netback<sup>1</sup> (\$44 at \$65 WTI)
- Mix of low decline waterfloods & highly economic drilling
- Assets have low liabilities; minimal inactive ARO
- Year-round access

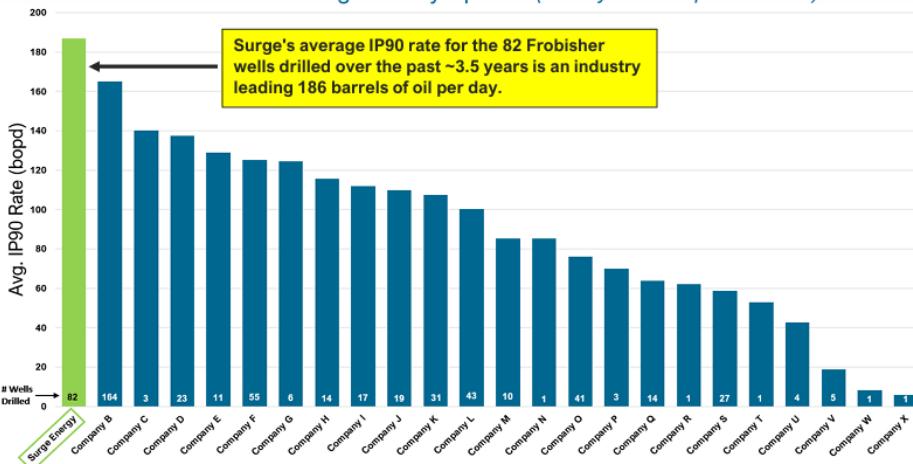


## SE Saskatchewan

### Key Growth Driver

High operating netback<sup>1</sup> light oil production and reserves from low risk, proven conventional reservoirs

SE Saskatchewan Frobisher Average IP90 By Operator (January 2022 – September 2025)



**>500 million bbls**

OOIP net to SGY (internally estimated)

**>320 net**

SE Saskatchewan drilling locations

\* Internally estimated as of July 1, 2025

**~7,500 boepd**

Production (90% liquids)

**~10 year**

Drilling Inventory (based on ~30 wells per year)

**23.5 net wells**

To be drilled in 2026

19.5 multi-lateral and 4 single-leg wells

## Third Quarter Financial Highlights and Debt Update

During the quarter, WTI crude oil prices averaged US\$64.81 per barrel, and Surge generated AFF of \$70.1 million, with cash flow from operating activities of \$66.4 million.

During Q3/25, the Company spent \$32.8 million on property, plant, and equipment, resulting in FCF of \$37.2 million. On this basis, FCF represented 53 percent of the AFF generated in the quarter. Additionally, Surge closed the strategic acquisition of certain Mannville (Sparky) lands during the quarter for a cost of \$5.7 million. The Company has internally identified more than 25 drilling locations on these acquired lands.

In Q3/25, Surge distributed \$12.9 million in dividends to shareholders, representing only 18 percent of AFF generated during the period. In addition, Surge reduced net debt by \$11.7 million in Q3/25, decreasing from \$229.1 million as at June 30, 2025 to \$217.4 million as at September 30, 2025.

Given the current lower crude oil price environment, Management elected to direct the majority of excess FCF to net debt reduction during the quarter. However, Surge also returned \$0.7 million to shareholders in Q3/25 through its normal course issuer bid ("NCIB"), repurchasing 108,000 shares.

In total, Surge returned \$25.3 million to shareholders during Q3/25 through its monthly base dividend, net debt reduction, and share buybacks. These shareholder returns represent 36 percent of Q3/25 AFF.

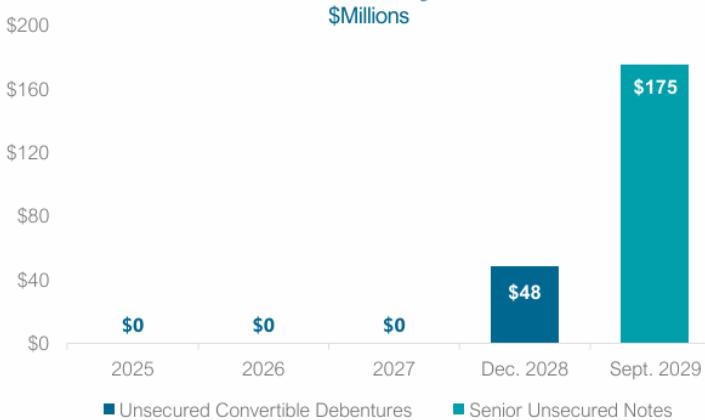
## Significant Liquidity

**SURGE**

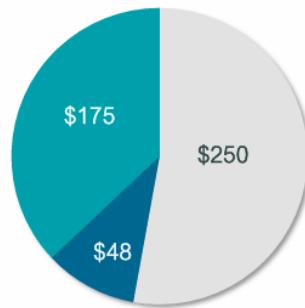
Debt structure supports return of capital framework

Surge's current drawn debt has long-dated maturities, termed out through late 2028 and 2029, with attractive interest rates.

### Term Debt Maturity Schedule

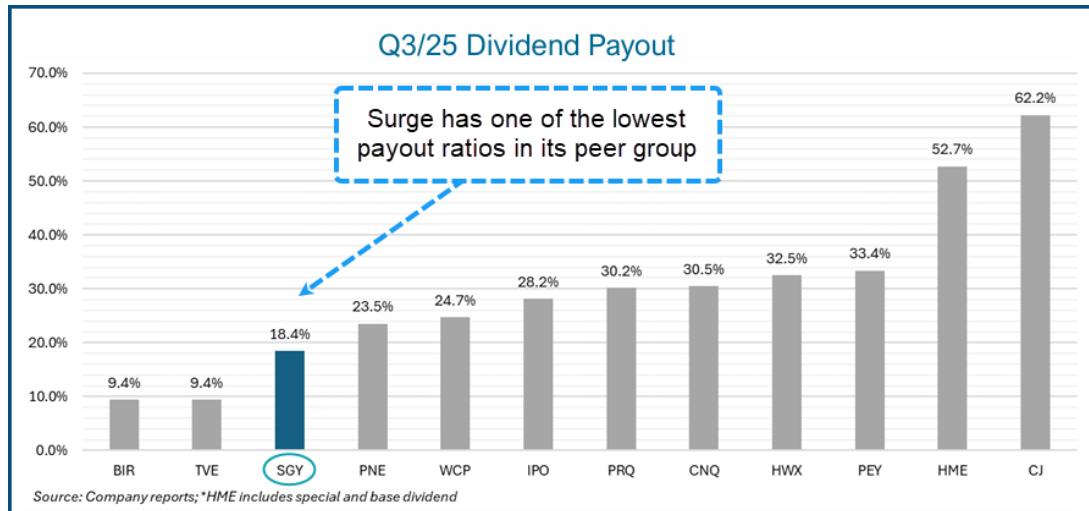


### Debt Composition (\$MM)



<sup>1</sup> Undrawn Capacity<sup>1</sup>  
<sup>2</sup> Senior Unsecured Notes<sup>2</sup>

**\$250 million of undrawn capacity provides significant financial flexibility**



## Hedging Details (new hedges significantly reduce oil price risk)

Surge Management strategically locked in attractive crude oil fixed price hedges above Surge's budget price of US\$70 WTI, in order to protect the Company's 2025 free cash flow profile. Since our last profile, Surge has layered on more oil hedges for Q4 2025 and Q1 2026.

## Hedging Program

**SURGE**

Minimizing the impact of volatility in global markets and crude oil pricing

### Crude Oil Derivative Contracts

WTI: Swaps		WCS: Swaps		MSW: Swaps		
Period	Volumes	Avg. Price	Volumes	Avg. Price	Volumes	Avg. Price
Q4 2025	3,500	\$68.11	5,000	-\$13.59	2,000	-\$3.93
Q1 2026	3,000	\$67.49	4,000	-\$13.20	-	\$ -
Q2 2026	-	\$ -	1,500	-\$13.05	-	\$ -
Q3 2026	-	\$ -	1,500	-\$13.05	-	\$ -

### Natural Gas Derivative Contracts

Swaps			Collars		
Period	Vol.	Avg. Price	Vol.	Average Bought Put	Average Sold Call
Q4 2025	3,888	\$3.38	1,112	\$4.18	\$4.88
Q1 2026	5,000	\$3.18	-	\$ -	\$ -
Q2 2026	3,000	\$3.01	-	\$ -	\$ -
Q3 2026	3,000	\$3.01	-	\$ -	\$ -
Q4 2026	3,000	\$3.01	-	\$ -	\$ -
Q1 2027	3,000	\$3.01	-	\$ -	\$ -

### Foreign Currency Exchange Derivative Contracts

Type	Term	Notional Amount (USD)	Floor	Ceiling	Forward Rate
Average Rate Collar	Jan 2025 – Dec 2025	\$5,000,000	\$1.3300	\$1.4050	-
Average Rate Collar	Jan 2025 – Jun 2026	\$5,000,000	\$1.3850	\$1.4610	-
Average Rate Collar	Jul 2025 – Dec 2025	\$5,000,000	\$1.3900	\$1.4650	-
Average Rate Collar	Jan 2026 – Dec 2026	\$5,000,000	\$1.3800	\$1.4450	-
Average Rate Swap	Jan 2026 – Dec 2026	\$3,000,000	-	-	\$1.3775

### Power Hedges

Swaps		
Period	MW (24 x7)	Avg. Price
2025	5.5	\$56.91
2026	5.5	\$64.60
2027	3.5	\$75.39

## Net Income and Cash Flow Forecast Model

		Enerplus Asset Acquisition closed 12-19-2022		Non-Core Asset Sales closed 12/19/24 lowered production by ~1,250 Boepd		< \$9.5 Million cash proceeds										
		Canadian Dollars						Canadian Dollars								
(\$Thousands)		Actual 2022	Actual 2023	Actual Qtr1 2024	Actual Qtr2 2024	Actual Qtr3 2024	Actual Qtr4 2024	Actual Year 2024	Actual Qtr1 2025	Actual Qtr2 2025	Actual Qtr3 2025	Forecast Qtr4 2025	Forecast Year 2025	Forecast 2026		
REVENUES:																
Oil, NGL and natural gas sales	\$727,228	\$670,375	\$158,167	\$173,173	\$162,191	\$163,172	\$656,703	\$160,722	\$141,215	\$143,301	\$133,022	\$578,260	\$545,125	< Forecast Revenues include effect of hedges which are broken out below when actuals are reported		
Processing and other income	7,242	7,780	2,504	2,254	2,054	1,780	8,592	2,162	1,900	1,905	2,300	8,267	10,000	< 17.25%		
Less: Royalties	(127,548)	(119,513)	(30,144)	(27,501)	(32,581)	(29,693)	(119,919)	(28,457)	(24,139)	(25,212)	(23,611)	(101,419)	(96,760)			
Commodity derivatives - cash settlements	(98,145)	(3,164)	137	(3,149)	(217)	(264)	(3,493)	1,427	6,066	3,701	0	11,194	0			
Commodity derivatives - Non-cash MTM	27,913	5,256	(15,054)	9,587	12,339	(7,033)	(161)	(3,520)	16,936	(9,492)	0	3,924	0			
<b>Total Revenues</b>	<b>536,690</b>	<b>560,734</b>	<b>115,610</b>	<b>154,364</b>	<b>143,786</b>	<b>127,962</b>	<b>541,722</b>	<b>132,334</b>	<b>141,978</b>	<b>114,203</b>	<b>111,710</b>	<b>500,225</b>	<b>458,365</b>			
EXPENSES:																
Operating expenses	160,133	196,256	51,937	45,896	43,242	44,563	185,638	41,996	38,573	40,340	40,167	161,076	155,308	< \$18.50 / boe		
Gathering, processing & transportation	11,272	13,755	2,663	2,630	3,035	3,101	11,429	2,458	2,155	2,045	2,714	9,372	10,494	< \$1.25 / boe		
G&A	16,626	19,158	5,126	5,157	5,154	5,216	20,653	5,598	5,597	5,344	5,600	22,139	24,000			
Transaction and other costs	3,679	1,423	775	702	5,655	630	7,762	233	(82)	198	150	499	800			
Share based compensation	4,925	8,773	1,646	1,940	2,758	2,662	9,006	2,033	3,116	1,789	2,000	8,938	10,000			
DD&A	142,316	197,474	46,837	44,831	46,786	50,026	188,480	56,013	41,657	45,992	46,138	189,800	178,394	< \$21.25/boe		
Impairment	0	59,150	0	96,495	0	0	96,495	0	0	0	0	0	0			
Financing expense in cash	35,097	48,152	11,866	11,834	11,862	8,692	44,254	5,695	4,603	5,916	5,700	21,914	23,000			
Financing expense non-cash									8,055	4,655	3,459	3,500	19,669	15,000		
(Gain) loss on disposal of assets	3,240	(4,028)	0	29,764	0	18,621	48,385	(217)	(95)	0	0	(312)	0			
<b>TOTAL EXPENSES</b>	<b>377,288</b>	<b>540,113</b>	<b>120,850</b>	<b>239,249</b>	<b>118,492</b>	<b>133,511</b>	<b>612,102</b>	<b>121,864</b>	<b>100,179</b>	<b>105,083</b>	<b>105,969</b>	<b>433,095</b>	<b>416,995</b>			
NET INCOME BEFORE TAXES	<b>159,402</b>	<b>20,621</b>	<b>(5,240)</b>	<b>(84,885)</b>	<b>25,294</b>	<b>(5,549)</b>	<b>(70,380)</b>	<b>10,470</b>	<b>41,799</b>	<b>9,120</b>	<b>5,741</b>	<b>67,130</b>	<b>41,370</b>			
INCOME TAXES														< Large "Tax Pools" eliminate all current taxes		
Current	0	0	0	0	0	0	0	0	0	0	0	0	0	< 25%		
Deferred	(72,316)	4,870	(1,610)	(20,192)	8,031	(2,893)	(16,664)	2,224	9,892	1,921	1,435	15,472	10,342	2025 EBITDA \$252,694		
NET INCOME	<b>\$231,718</b>	<b>\$15,751</b>	<b>(\$3,630)</b>	<b>(\$64,693)</b>	<b>\$17,263</b>	<b>(\$2,656)</b>	<b>(\$53,716)</b>	<b>\$8,246</b>	<b>\$31,907</b>	<b>\$7,199</b>	<b>\$4,306</b>	<b>\$51,658</b>	<b>\$31,027</b>			
Common Stock outstanding (thousands)	<b>96,477</b>	<b>100,314</b>	<b>100,382</b>	<b>100,382</b>	<b>100,382</b>	<b>100,382</b>	<b>99,523</b>	<b>99,092</b>	<b>98,984</b>	<b>98,900</b>	<b>99,125</b>	<b>98,500</b>	< 1H 2025 is stock o/s at end of each Qtr			
Earnings per share	<b>\$2.40</b>	<b>\$0.16</b>	<b>(\$0.04)</b>	<b>(\$0.64)</b>	<b>\$0.17</b>	<b>(\$0.03)</b>	<b>(\$0.54)</b>	<b>\$0.08</b>	<b>\$0.32</b>	<b>\$0.07</b>	<b>\$0.04</b>	<b>\$0.52</b>	<b>\$0.31</b>	Stock Buyback started in 2H 2024		
NOTE: Current First Call Estimated EPS								\$0.08	\$0.32	\$0.07	\$0.06	\$0.53	\$0.53	< First Call's EPS forecasts in Cdn dollars		
Adjusted Operating Cash Flow	\$ 280,396	\$ 275,491	\$ 57,832	\$ 80,420	\$ 63,063	\$ 70,141	\$ 271,456	\$ 75,752	\$ 71,661	\$ 65,951	\$ 52,879	\$ 266,243	\$ 209,764	< 2026 CapEx estimate is \$150Cdn million (Nov 4)		
Cashflow per share (before CapEx)	\$ 2.91	\$ 2.75	\$ 0.58	\$ 0.80	\$ 0.63	\$ 0.70	\$ 2.70	\$ 0.76	\$ 0.72	\$ 0.67	\$ 0.53	\$ 2.69	\$ 2.13	< Valuation of 4 X 2025 to 2026 CFPS = \$ 10.00 Cdn		
PRODUCTION								\$0.76	\$0.72	\$0.67	\$0.63	\$2.69	\$2.13	EPG PT in US dollars \$ 7.30 < US @73%		
Crude Oil (bbls/d)	17,413	20,436	20,620	19,628	19,988	20,675	20,228	20,673	20,332	20,223	20,202	20,357	19,642	< 85.61% < 85.4% First Call Price Target \$ 9.47 < Cdn		
NGLs (bbls/d)	708	702	860	856	779	777	818	248	554	606	607	504	598	< 02.57% < 02.6% Recent Updates \$ 9.93 < Cdn		
Natural Gas (Mcfd/d)	18,846	19,800	20,539	18,805	18,168	17,199	18,678	15,877	16,217	16,759	16,737	16,398	16,560	< 11.82% < 12.0% Natural Gas prices should improve in 2026		
boepd	21,262	24,438	24,903	23,618	23,795	24,319	24,159	23,567	23,589	23,622	23,600	23,594	23,000	< Preliminary Guidance for 2026 is 23,000 Boepd (Nov 5)		
PRODUCT PRICES	20.5%	14.9%	Commodity Prices in \$Cdn net of hedges						-1.1%	Commodity Prices in \$Cdn net of hedges				-2.3% -2.5% < YOY production growth		
Crude Oil	90.48	85.60	80.36	91.84	85.21	83.14	85.14	84.88	77.16	76.64	68.85	76.88	\$ 72.62	< See impact of hedges below less \$13 Differential		
NGLs	64.89	50.74	50.25	45.85	46.50	47.26	47.47	50.53	43.29	40.15	44.00	44.49	\$ 50.00			
Natural Gas	5.41	2.20	1.92	1.41	1.16	0.88	1.34	1.85	1.58	1.41	1.69	1.63	\$ 2.25	< See impact of hedges below less \$2Cdn differentials		
Gross Revenue check (prod * ave price)	629,051	667,403	158,304	170,024	161,974	162,908	651,906	163,149	147,281	147,002	133,022	589,235	545,125	Natural Gas prices should improve in 2026		
			Revenues include cash settlements on hedges >>>						163,149	147,281	147,002	139,700	597,132	537,360	< First Call's Revenue Estimates in \$Cdn	