

ATHABASCA
OIL CORPORATION

Revised Annual Information Form

FOR THE YEAR ENDED DECEMBER 31, 2022

May 11, 2023

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NOTICE TO READER

This Notice accompanies the Revised Annual Information Form for Athabasca Oil Corporation dated May 11, 2023, for the financial year ended December 31, 2022. The Revised Annual Information Form supersedes and replaces the Annual Information Form for Athabasca Oil Corporation dated March 1, 2023 for the financial year ended December 31, 2022 (the "**Original Annual Information Form**"). The Revised Annual Information Form corrects the following information in the Original Annual Information Form:

- in the table titled "*Reconciliation of Reserves by Principal Product Type – Forecast Prices and Costs as of December 31, 2022*" the reconciliation of changes to our reserves estimates, before royalties, was updated as follows:
 - the value for Gross Proved Reserves for Bitumen in respect of:
 - Technical Revisions has been changed to -0.1 MMbbl from 6.3 MMbbl; and
 - Production has been changed to -10.6 MMbbl from -17.0 MMbbl;
 - the value for Gross Proved + Probable Reserves for Bitumen in respect of:
 - Technical Revisions has been changed to 1.1 MMbbl from 7.6 MMbbl; and
 - Production has been changed to -10.6 MMbbl from -17.0 MMbbl;
 - the value for Gross Proved Reserves for Oil Equivalents in respect of:
 - Technical Revisions has been changed to 0.1 MMbbl from 6.6 MMbbl; and
 - Production has been changed to -12.8 MMbbl from -19.3 MMbbl; and
 - the value for Gross Proved + Probable Reserves for Oil Equivalents in respect:
 - Technical Revisions has been changed to 0.6 MMbbl from 7.1 MMbbl; and
 - Production has been changed to -12.8 MMbbl from -19.3 MMbbl.

Other than as expressly set forth above, the Revised Annual Information Form does not, and does not purport to, update or restate the information in the Original Annual Information Form or reflect any events that occurred after the date of the Original Annual Information Form.

FORWARD-LOOKING STATEMENTS

This Revised Annual Information Form contains forward-looking statements and information. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "projection", "forecast", "scheduled", "intend", "should", "believe", "predict", "pursue" and "potential" and similar expressions are intended to identify forward-looking statements. Since forward-looking statements address future events or conditions, they involve inherent risks and uncertainties. Actual results or events could differ materially from those anticipated in such statements. No assurance can be given that expectations will prove to be correct and forward-looking statements included in this Revised Annual Information Form should not be unduly relied upon. These statements speak only as of the date of this Revised Annual Information Form.

This Revised Annual Information Form contains forward-looking statements that include, but are not limited to:

- the reserve and resource potential of Athabasca's assets;
- our business strategy, objectives and opportunities;
- access to third-party infrastructure including pipeline and rail;
- our capital expenditure program, future capital requirements and future sources of funding;
- our projections of commodity prices, costs and netbacks;
- anticipated future abandonment and reclamation costs;
- anticipated timing for the payment of Canadian income taxes;
- supply and demand fundamentals for oil, bitumen blend, natural gas and diluent;
- timing and size of Athabasca's operations, development projects, optimizations and anticipated production levels;
- production and design capacity of Athabasca's assets;
- the estimated quantity and value of our reserves and contingent resources;
- our anticipated land expiries;
- drilling and completion plans;
- the timing and nature of return of capital operations;
- industry conditions, including the timing, nature and expected impact of certain infrastructure projects and regulations;
- the regulatory framework governing royalties, taxes and environmental matters;
- environmental performance, sustainability and our ESG goals;
- the impact of the COVID-19 pandemic and geopolitical conflicts; and
- the anticipated impact of the factors discussed under the heading "*Risk Factors*".

The forward-looking statements are based on key expectations and assumptions that include, but are not limited to:

- general economic and financial market conditions;
- commodity prices, exchange rates, interest rates and inflation rates;
- future sources of funding for Athabasca's capital programs and Athabasca's ability to obtain financing on acceptable terms;
- the regulatory framework governing royalties, taxes, environmental protection and foreign investment;
- Athabasca's ability to transport and market production;
- our future production levels;
- the success of our exploration and development activities;
- operating costs and capital expenditures;
- recoverability of Athabasca's reserves and contingent resources;
- Athabasca's future debt levels;
- compliance of counterparties in contractual arrangements with Athabasca;
- geological and engineering estimates in respect of Athabasca's reserves and contingent resources;
- estimated abandonment and reclamation costs;
- the prevailing climatic conditions in Athabasca's operating locations;

- ability to access and implement all technology and equipment necessary to achieve expected future results, including in respect of climate and GHG emission intensity reduction targets and ambitions and the commercial viability and scalability of emission intensity reduction strategies and related technology and products;
- the impact of the COVID-19 pandemic on Athabasca; and
- the impact of competition on Athabasca.

Some of the risks that could affect our future results and cause results to differ materially from those expressed in the forward-looking statements include, but are not limited to:

- Weakness in the Oil and Gas Industry;
- Exploration, Development and Production Risks;
- Prices, Markets and Marketing;
- Market Conditions;
- Climate Change and Carbon Pricing Risk;
- Statutes and Regulations Regarding the Environment;
- Regulatory Environment and Changes in Applicable Law;
- Gathering and Processing Facilities, Pipeline Systems and Rail;
- Reputation and Public Perception of the Oil and Gas Sector;
- Environment, Social and Governance Goals;
- Political Uncertainty;
- State of the Capital Markets;
- Ability to Finance Capital Requirements;
- Access To Capital and Insurance;
- Abandonment and Reclamation Costs;
- Continued Impact of the COVID-19 Pandemic;
- Changing Demand for Oil and Natural Gas Products;
- Anticipated Benefits of Acquisitions and Dispositions;
- Royalty Regimes;
- Foreign Exchange Rates and Interest Rates;
- Reserves;
- Hedging;
- Operational Dependence;
- Operating Costs;
- Project Risks;
- Supply Chain Disruption;
- Financial Assurances;
- Diluent Supply;
- Third Party Credit Risk;
- Indigenous Claims;
- Reliance on Key Personnel and Operators;
- Income Tax;
- Cybersecurity;
- Advanced Technologies;
- Hydraulic Fracturing;
- Liability Management;
- Seasonality and Weather Conditions;
- Unexpected Events;
- Internal Controls;
- Limitations of Insurance;
- Litigation;
- Natural Gas Overlying Bitumen Resources;

- Competition;
- Chain of Title and Expiration of Licenses and Leases;
- Breaches of Confidentiality;
- New Industry Related Activities or New Geographical Areas; and
- Risks related to our Debt and Securities.

in each case as further described under the heading "*Risk Factors*".

Readers are cautioned that our list of risk factors should not be construed as exhaustive. In addition, statements relating to "reserves" and "resources" are deemed to be forward-looking information and statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated, and that the reserves and resources described can be profitably produced in the future.

Although management of the Company believes that the assumptions underlying and the expectations reflected in the forward-looking information are reasonable, significant risks and uncertainties are involved in such information. Management can give no assurances that its assumptions, estimates and expectations will prove to have been correct. Forward-looking information should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether such performance or results will be achieved. Many factors that are beyond Athabasca's control could cause actual results to differ materially from the results discussed in the forward-looking statements.

The forward-looking statements included in this Revised Annual Information Form are expressly qualified by this cautionary statement and are made as of the date of this Revised Annual Information Form. The Company does not undertake any obligation to publicly update or revise any forward-looking statements, except as required by applicable securities laws.

ABBREVIATIONS

In this Revised Annual Information Form, the abbreviations set forth below have the following meanings:

bbl	barrel
bbl/d	barrels per day
BOE or boe	barrels of oil equivalent
Boe/d	barrels of oil equivalent per day
MMboe	million barrels of oil equivalent
Mbbl	thousand barrels
MMbbl	million barrels
Mcf	thousand cubic feet
Mcfe	thousand cubic feet equivalent
MMcf	million cubic feet
MMcf/d	million cubic feet per day
Bcf	billion cubic feet

OIL AND GAS INFORMATION

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

The 700 Greater Kaybob drilling locations referenced include: 5 proved undeveloped or non-producing locations and 77 probable undeveloped locations for a total of 82 booked locations with the balance being unbooked locations. The 150 Placid drilling locations referenced include: 48 proved undeveloped locations and 50 probable undeveloped locations for a total of 98 booked locations with the balance being unbooked locations. Proved undeveloped locations and probable undeveloped locations are booked and derived from the Company's most recent independent reserves evaluation as prepared by McDaniel as of December 31, 2022 and account for drilling locations that have associated

proved and/or probable reserves, as applicable. Unbooked locations are internal management estimates. Unbooked locations do not have attributed reserves or resources (including contingent or prospective). Unbooked locations have been identified by management as an estimation of Athabasca's multi-year drilling activities expected to occur beyond the existing reserve bookings and are based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that the Company will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which the Company will actually drill wells, including the number and timing thereof, is ultimately dependent upon the availability of funding, oil and natural gas prices, provincial fiscal and royalty policies, costs, actual drilling results, additional reservoir information that is obtained and other factors.

CONVERSIONS AND CONVENTIONS

The following table sets forth certain standard conversions from Standard Imperial units to the International System of Units (or metric units).

To Convert From	To	Multiply By
Mcf	cubic metres	28.174
cubic metres	cubic feet	35.315
Bbl	cubic metres	0.159
cubic metres	Bbl	6.290
feet	metres	0.305
metres	feet	3.281
miles	kilometres	1.609
kilometres	miles	0.621
acres	hectares	0.405
hectares	acres	2.500

OUR COMPANY

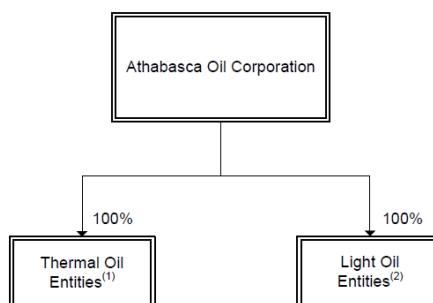
Name, Address and Incorporation

The Company was incorporated as "Athabasca Oil Sands Corp." under the ABCA on August 23, 2006 and we filed articles of amendment to remove our private company restrictions on September 1, 2006. On March 22, 2010, we filed articles of amendment to create first preferred shares, issuable in series, and second preferred shares, issuable in series. On May 10, 2012, we filed articles of amendment to change our name from "Athabasca Oil Sands Corp." to "Athabasca Oil Corporation".

Our head office is located at Suite 1200, 215 – 9th Avenue S.W., Calgary, Alberta T2P 1K3, and our registered office is located at Suite 2400, 525 – 8th Avenue S.W., Calgary, Alberta T2P 1G1.

Intercorporate Relationships

The following simplified organizational chart and related notes illustrate our intercorporate relationships and our material subsidiaries, as at December 31, 2022, including the percentage of votes attaching to the voting securities of the entities that are beneficially owned, controlled or directed (directly or indirectly) by us. Each of our subsidiaries is incorporated or formed under the laws of the Province of Alberta.



Notes:

- (1) The "Thermal Oil Entities" are Alberta corporations and Alberta-formed partnerships that hold the Company's Thermal Oil assets and that are directly or indirectly wholly-owned by the Company: AOC Dover West Corp., AOC Grosmont Ltd., AOC Carbonates Ltd., AOC (ELE) Corp., AOC Birch Corp., AOC Dover West Partnership, AOC Grosmont Partnership, AOC Carbonates Partnership, AOC Hangingstone Partnership, AOC Birch Partnership, AOC Leismer Corner Partnership and 1686303 Alberta Ltd.
- (2) The "Light Oil Entities" are Alberta corporations and Alberta-formed partnerships that hold the Company's Light Oil assets and that are directly or indirectly wholly-owned by the Company: AOC Light Oil Corp., AOC Kaybob Corp., AOC Simonette Corp., AOC Light Oil Partnership, AOC Kaybob Partnership and AOC Simonette Partnership.

Our Common Shares trade on the TSX under the trading symbol "ATH".

DEVELOPMENT OF OUR BUSINESS

Developments in 2022

At Leismer, bitumen production averaged 20,135 bbl/d in 2022. In May, the Company completed a ten-day planned facility turnaround with a peak workforce of ~550 people completing ~92,000 hours of work with no lost time incidents or reportable spills. The Company ramped up production of the first five well pairs at Pad 8 and completed drilling and completion activities on five additional well pairs in October. Steaming is underway on the additional well pairs with first production expected in the first half of 2023.

At Hangingstone, bitumen production averaged 8,854 bbl/d in 2022. Reservoir performance continues to be supported by strong facility runtime and non-condensable gas co-injection is aiding in reduced energy usage.

At Placid, production averaged 3,232 boe/d (42% liquids) in 2022. At Kaybob, production averaged 3,041 boe/d (72% liquids) in 2022. Light Oil capital expenditures were primarily incurred at Greater Kaybob for the completion and infrastructure work for three gross wells previously drilled in 2019. Both Greater Kaybob and Greater Placid are

positioned for flexible future development with an inventory of approximately 700 locations and 150 locations, respectively, established infrastructure and minimal near-term land retention requirements.

In 2022, Athabasca redeemed US\$174.8 million of its senior secured second lien notes due November 1, 2026 (the "**2026 Notes**"), effectively achieving the Company's debt reduction target of US\$175 million or 50% of the original US\$350 million 2026 Notes issued in October 2021. In September, Athabasca renewed its \$110 million Amended Credit Facility until October 21, 2023. See "*Capital Structure – Revolving Senior Secured Credit Facility*". In December, the Company completed the annual renewal of its unsecured letter of credit facility with a Canadian bank and increased the capacity by \$10 million to \$60 million. The facility is supported by a performance security guarantee from Export Development Canada.

Developments in 2021

During the second quarter of 2021, Athabasca executed an amended Hangingstone Transportation and Storage Services Agreement that resulted in a \$44 million prepayment from restricted cash, an approximately \$5 million reduction to annual tolls and a \$44 million reduction in financial assurances. The Company also executed a commercial arrangement with an industry leading marketing company to construct a truck-in terminal at no cost to Athabasca. Operations of the truck-in terminal commenced in July 2021 with approximately 5,000 bbl/d of third party truck-in capacity generating up to approximately \$5 million in operating income.

In the third quarter of 2021, Athabasca completed two strategic market egress transactions that increased corporate liquidity by approximately \$100 million. The Company assigned its Keystone base service of approximately 7,200 bbl/d of blended bitumen capacity and the development cost agreement in relation to the TC Energy Keystone pipeline to an industry player. The Company also entered into a seven-year marketing agreement with the counterparty for 15,000 bbl/d of heavy oil to diversify the Company's sales to the US Gulf Coast once the incremental Keystone Base service becomes available to industry. Additionally, the Company executed a sale and assignment agreement of its 20,000 bbl/d Trans Mountain Expansion ("**TMX**") pipeline service to a downstream player for \$20 million cash consideration. The transaction reduced \$1.1 billion of transportation commitments over the 20-year term and removed a \$50 million future financial assurance requirement once the pipeline is operational. Expanded basin egress capacity (including Enbridge Line 3 Replacement, the TMX project and diluent recovery unit implemented crude-by-rail) is providing Canadian producers improved access to the global heavy oil market in the future. At the same time, modest growth forecasts for Canadian oil production have driven excess egress capacity.

In the fourth quarter of 2021, Athabasca completed the refinancing of its senior secured second lien notes due February 24, 2022 in the amount of US\$450 million (the "**2022 Notes**"), pursuant to which the Company issued 350,000 units for gross cash proceeds of US\$339.5 million. Each unit consisted of US\$1,000 principal amount of senior secured second lien notes due November 1, 2026 which bear interest at 9.75% per annum, and one five-year warrant to purchase 227 common shares at an exercise price of \$0.9441 per warrant share which can be exercised on a cashless basis. Athabasca used the net proceeds of such offering and cash-on-hand to redeem the 2022 Notes on November 6, 2021. Concurrent with the offering, Athabasca entered into an amended and restated credit agreement with a syndicate of financial institutions. The amended and restated credit agreement provides for a \$110 million reserves-based secured credit facility with a maturity date in October 2023. In December 2021, the company completed the annual renewal of its unsecured letter of credit facility with a Canadian bank and increased the capacity by \$10 million to \$50 million. The facility is supported by a performance security guarantee from Export Development Canada.

At Leismer, bitumen production averaged 17,707 bbl/d in 2021. The Company completed drilling five well pairs at Pad 8 in May 2021 and construction on the pipeline and surface facilities was completed during the third quarter of 2021. Pad 8 commenced steaming in October 2021 and first production occurred in early 2022.

At Hangingstone, bitumen production averaged 9,098 bbl/d in 2021. Hangingstone production in 2021 was higher than 2020 due to voluntary curtailments and a five-month shut-in period in response to low oil prices during 2020.

At Placid, production averaged 4,310 boe/d (44% liquids) in 2021. At Kaybob, production averaged 3,503 boe/d (72% liquids) in 2021. The lower Light Oil production in 2021 as compared to 2020 was primarily due to natural declines as no new wells had been placed on-stream since the first half of 2020.

The Company previously held a 100% working interest in approximately 134,000 net acres of land located in northeastern Alberta, known as the Birch assets, and a 50% operated working interest in approximately 110,000 net acres of land in the Grosmont (Mikwa) area located in northeastern Alberta, known as the Grosmont assets. The mineral interest lands were relinquished on these long-dated assets in early 2021. By working closely with the Mikisew Cree First Nation, Athabasca recognized the area's importance in their culture and the value an expanded Kitaskino Nuwenëné Park could bring to the Indigenous People in the area, and to all Albertans. With this in mind, Athabasca supported the Mikisew Cree First Nation's efforts to expand the park boundaries, approaching the Government of Alberta in 2019 with a proposal to relinquish mineral rights in the area and provide a foundation for the Mikisew Cree vision of an expanded park. Initially, the park covered an area of 400,014 acres. Following its expansion, the park's boundaries have nearly doubled to encompass 755,352 acres. The Kitaskino Nuwenëné Wildland Provincial Park connects existing Wildland Provincial Parks and Wood Buffalo National Park. It increases a buffer area for Wood Buffalo National Park, Canada's largest national park and a UNESCO Heritage Site.

Developments in 2020

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. Global commodity prices declined significantly as countries around the world enacted emergency measures to combat the spread of the virus. The decrease in oil demand and pricing volatility was unprecedented.

In response to the COVID-19 pandemic, the Company implemented business procedures in compliance with Alberta Health Guidelines and implemented major initiatives including, but not limited to: a reduction to the 2020 capital program, significant production curtailments, partnering with service companies to reduce operating costs and reducing financial commitments on the Keystone XL pipeline.

On April 28, 2020, Athabasca upsized the Royalty with Burgess for additional cash consideration of \$70 million. The upsized Royalty follows the same structure as the existing contingent bitumen royalties and ensures the Thermal Oil assets are not encumbered at low commodity prices. The upsized Royalty has no associated commitments to develop future expansions or projects.

At Leismer, bitumen production averaged 18,264 bbl/d in 2020. Annual volumes were impacted by voluntary curtailments in the second quarter. During 2020, the Company's sustaining Pad L7 ramped up to ~5,000 bbl/d. Pad L7 demonstrated successful utilization of technologies to increase well lengths by 50% (achieved lengths of ~1,250 meters per well pair) resulting in improved project capital efficiency and reduced surface footprint. Athabasca implemented a number of permanent costs saving measures at Leismer including a water disposal project and NCG co-injection on mature pads to reduce project energy intensities.

At Hangingstone, bitumen production averaged 4,481 bbl/d in 2020. Operations were suspended in April 2020 due to unprecedented low commodity prices. During the second and third quarter, the Company completed Hangingstone's first major scheduled plant turnaround. Operations resumed on September 1, 2020.

At Placid, production averaged 5,138 boe/d (47% liquids) in 2020. Annual volumes were impacted by voluntary curtailments in the second quarter. The Company completed and placed 10 gross development wells on production during the year.

At Kaybob, production averaged 4,600 boe/d (75% liquids) in 2020. Athabasca placed 17 gross wells on production in 2020 across the volatile oil window. Production results were consistently strong with wells screening as top liquids producers in the basin. The 2020 program completed the Kaybob Carry Commitment in the first quarter which resulted in \$1 billion of investment at Kaybob over approximately four years achieving the delineation and commercial de-risking of the play.

Significant Acquisitions

We have not completed any significant acquisitions during our most recently completed financial year for which disclosure is required under NI 51-102.

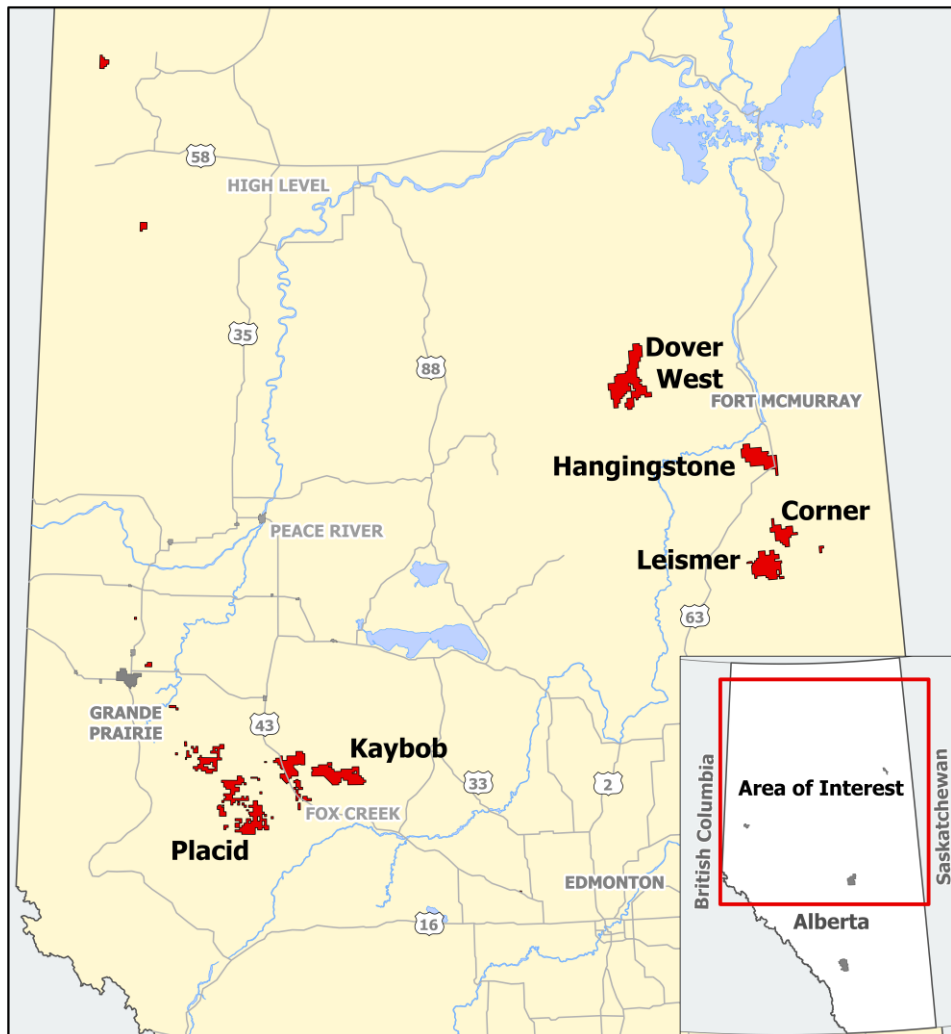
DESCRIPTION OF OUR BUSINESS

Our Development Strategy for Our Principal Properties

Athabasca is an intermediate liquids weighted producer with a position in three of Alberta's most active resource plays: the oil sands, Montney and Duvernay. The Company is organized into a Thermal Oil Division and a Light Oil Division. As at December 31, 2022, our principal properties in the Thermal Oil Division include the Leismer and Hangingstone producing projects and longer term development leases including Corner (a top tier extension of the Leismer field) and Dover West. The Light Oil Division includes the Greater Placid area and the Greater Kaybob area near the Town of Fox Creek in northwestern Alberta.

Athabasca is focused on maximizing corporate free cash flow and maintaining its production base with low sustaining capital requirements. The Company has long-term growth optionality across a deep inventory of high-quality Thermal Oil projects and flexible Light Oil development opportunities. This balanced portfolio provides shareholders with differentiated exposure to liquids weighted production and significant long reserve life assets.

The following map illustrates the locations of our principal assets as at December 31, 2022:



Thermal Oil Division

Athabasca's Thermal Oil Division consists of two operating oil sands SAGD projects and an exploration area in the Athabasca region of northeastern Alberta. The Thermal Oil Division provides Athabasca with a material low decline production base that generates significant free cash flow in the current commodity price environment.

As of December 31, 2022, Athabasca's Thermal Oil Division held approximately 348,000 net acres of oil sands rights in the Athabasca region of northeastern Alberta. Sales from the Thermal Oil Division, for the year ended December 31, 2022, averaged 28,989 bbl/d of bitumen.

Athabasca's Thermal Oil Division has transportation and storage agreements at the Cheecham Terminal and on the Enbridge Waupisoo transportation pipeline which then accesses multiple sales points from Edmonton, Alberta.

All reference to bbl in the Thermal Oil Division section refer to bitumen.

Leismer Corner Assets

The Leismer and Corner assets are located in northeastern Alberta and include approximately 79,000 net acres of oil sands leases and an approximately 100% working interest in both the operating Leismer Project and the 44,000 net acres of oil sands leases in the delineated Corner asset area.

McDaniel has assigned approximately 327 MMbbl of proved reserves and 698 MMbbl of proved plus probable reserves on a gross reserves basis to the Leismer assets as at December 31, 2022.

The Leismer Project is a SAGD project that was commissioned in 2010 with regulatory approval for expanding capacity to 40,000 bbl/d. The Leismer Project averaged 20,135 bbl/d production in 2022.

The Leismer Project has additional planned SAGD phases including a Leismer Project 2 which would increase the total capacity to 40,000 bbl/d and a further planned expansion phase, Leismer Project 3, which would increase the total capacity to approximately 80,000 bbl/d. For further details relating to Leismer expansions, please see "*Appendix A – Supplemental Disclosure – Contingent Resource Estimates*".

Future SAGD development for the delineated Corner asset includes the first phase that has a regulatory approval for 40,000 bbl/d followed by a second phase to take the asset up to 90,000 bbl/d of capacity. Development of the Corner assets is contingent upon various factors. For further detail relating to potential future development plans for the Corner assets please see "*Appendix A – Supplemental Disclosure – Contingent Resource Estimates*".

McDaniel has assigned approximately 353 MMbbl of proved plus probable reserves on a gross reserves basis to the Corner assets as at December 31, 2022.

Hangingstone Assets

The Hangingstone assets are located approximately 20 kilometres southwest of the city of Fort McMurray in northeastern Alberta and include a concentrated, contiguous land base of approximately 76,000 net acres. Athabasca owns a 100% working interest. The Hangingstone Project achieved first production in 2015.

McDaniel has assigned approximately 76 MMbbl of proved reserves and 170 MMbbl of proved plus probable reserves on a gross reserves basis to the Hangingstone assets as at December 31, 2022. See "*Statement of Reserves Data*".

The Hangingstone Project averaged 8,854 bbl/d production in 2022. Minimal capital activities are planned for 2023 with the Company preparing for operational readiness to drill sustaining well pairs in 2024 and beyond to maintain production levels.

Light Oil Division

Within its Light Oil Division, Athabasca produces light oil and liquids-rich natural gas from unconventional reservoirs (see "*Other Oil and Gas Information – Production History*" for production by product type). The Company's focus in the Light Oil Division is harvesting free cash flow and evaluating high margin and quick payout opportunities for future investment. The Company's principal development properties are located in the Greater Placid and Greater Kaybob areas. As discussed further below, Athabasca holds a 70% operated working interest in the Placid assets and a 30% non-operated interest in the Kaybob assets.

As of December 31, 2022, Athabasca held approximately 213,000 net acres of petroleum and natural gas rights in its Light Oil Division, which primarily includes rights in the Duvernay and Montney formations. Production from the Light Oil Division for the year ended December 31, 2022 averaged 6,273 boe/d (see "*Other Oil and Gas Information – Production History*" for production by product type).

Athabasca sells all of its oil and condensate produced from the Light Oil Division into the Pembina Pipeline system and receives Edmonton prices. Most of our natural gas is sent to Keyera Corp.'s Simonette Gas Plant where it is

processed and sold into the TC Energy Pipeline and receives AECO prices. NGLs that are separated at this gas plant are transported through the Pembina Pipeline system and receive Edmonton prices. Athabasca's Kaybob assets are also connected to Pembina Gas Infrastructure Inc.'s Kaybob amalgamated gas plant.

Placid Assets

Athabasca holds an operated 70% interest in the Placid assets, primarily targeting the development of the Montney Formation. As of December 31, 2022, the Company held approximately 63,000 net acres in the Placid asset area.

McDaniel has assigned approximately 22 MMboe of proved reserves and 46 MMboe of total proved plus probable reserves on a gross reserves basis to Athabasca's interests in the Placid asset area, as at December 31, 2022. See "*Statement of Reserves Data*".

During the year ended December 31, 2022, Athabasca spent approximately \$3.3 million (net) in the Placid asset area. No gross wells were bought on-stream in 2022.

Kaybob Assets

Athabasca holds a non-operated 30% interest in the Kaybob assets, primarily targeting the development of the Duvernay Formation. As of December 31, 2022, the Company held approximately 63,000 net acres in the Kaybob assets. McDaniel has assigned approximately 7 MMboe of proved reserves and 24 MMboe of proved plus probable reserves on a gross reserves basis.

The Company spent \$8.4 million (net) on capital projects in the Kaybob assets during the year ended December 31, 2022. Activity in the Kaybob Duvernay included the completion of three previously drilled wells which were placed on stream in the first quarter of 2022.

Thermal Oil Exploration

Dover West Assets

Athabasca has a 100% working interest in its Dover West assets which are located 90 kilometers north of Fort McMurray. There are no immediate development plans or current capital allocated for these assets. The Dover West assets are geologically unique in that they contain three primary bitumen reservoirs.

As of December 31, 2022, the Dover West assets were comprised of a large contiguous land base of approximately 149,000 net acres. The bitumen resource associated to the McMurray formation and the Wabiskaw Member of the Clearwater Formation (the Dover West Sands) were booked as contingent resource. For further details about the Dover West assets, please see "*Appendix A – Supplemental Disclosure – Contingent Resource Estimates*".

Athabasca sees further resource potential in the Leduc and Cooking Lake formations of the Devonian Woodbend Group (the Dover West Carbonates) but, at this time, no resources have been booked.

Competition

Our industry is competitive in all its phases. We compete with numerous other participants in the acquisition, exploration and development of our assets and in the marketing of oil and natural gas. Our competitors include resource companies that may have greater financial resources, staff and facilities than us. We believe that our competitive position is, on the whole, equivalent to that of other producers of similar size and at a similar stage of development.

Environmental, Social and Governance Policies

We have a longstanding commitment to Environmental, Social, and Governance ("ESG") initiatives and are proud of the work we do to take care of the environment and the communities where we operate. We are committed to environmental protection and health and safety by integrating these essential principles and practices through our management systems and occupational health and safety programs. We strive to conduct our activities in a way that safeguards our employees, contractors, the environment and the public. Preserving air quality, biodiversity and water quality are considerations we address in all phases of our projects including planning, construction, operations and reclamation. We work with regulators, industry peers, multi-stakeholder organizations and communities to share information and continuously improve our environmental performance.

Athabasca is preparing for a lower carbon future by evaluating technologies aimed at delivering responsible energy production with lower carbon intensity. Athabasca is advancing carbon capture and storage technology at its Leismer project with its partner Entropy Inc., a cleantech company based in Alberta.

We believe that measurement is key to evaluating our work, setting goals, and making year over year progress. Our ESG strategy and performance is reviewed, considered, and fully integrated at Board level. Our management team and Board are committed to incorporating ESG considerations and the application of technology in all our capital allocation decisions. In 2022, Athabasca published its second annual ESG report, which sets out the following goals:

- **GHG Intensity:** Reduce Scope 1 emissions intensity by 30% from our 2015 baseline by 2025;
- **Carbon Capture and Storage:** Advance the investment decision on the carbon capture and storage project with Entropy Inc. following the completion of front end engineering design and a local injection test.
- **Safety:** Total recordable injury frequency target of 0.5 in 2022, with an aspiration of no harm to people and no reportable hydrocarbon spill;
- **Indigenous Relations:** Complete Indigenous cultural awareness training for executives, leadership and key team members in 2022;
- **Board Governance with ESG:** Incorporate ESG goals into capital allocation decisions; and
- **Disclosures:** Continually improve external disclosure with alignment to leading ESG standards and frameworks including the Global Reporting Initiatives, Sustainability Accounting Standards Board (SASB) and Task Force on Climate-Related Financial Disclosure (TCFD).

These goals represent the next stage of our progression to ensure we are positioned to grow the Company sustainably for many decades to come.

Athabasca supports the communities in which we live and operate and strives to build long-term relationships with stakeholders in such communities. Our community engagement is guided by Athabasca's Three Pillars of Giving Back to the Community: Indigenous relations, community investments and education. The Company engages with Indigenous stakeholders at all stages of a project's development and early in our procurement processes to ensure local services from vendors from Indigenous communities are considered. Athabasca provides funding to a variety of organizations, charities and outreach programs that benefit local communities and Albertans throughout the province. Athabasca also supports a number of educational initiatives including scholarships, endowments and practicum opportunities at universities and colleges across Alberta.

To learn more about our environmental, social and governance policies, please see our website and our 2022 ESG Report at <https://www.atha.com/esg.html>.

Seasonal Factors

The exploration for and development of reserves is dependent on access to areas where operations are to be conducted. Seasonal weather variations, including freeze-up and break-up as well as forest fires affect access in certain circumstances. Unexpected adverse weather conditions can have negative impacts on operations and costs.

Renegotiation or Termination of Contracts

As at the date hereof, we do not anticipate that any aspect of our business will be materially affected during the remainder of 2023 by the renegotiation or termination of contracts.

Personnel

As at December 31, 2022, Athabasca had 169 employees (comprised of 80 head office and 89 field employees).

STATEMENT OF RESERVES DATA

Independent Report

Athabasca is required to report its reserves and to provide other oil and gas information in accordance with NI 51-101– *Standards of Disclosure for Oil and Gas Activities*. We engaged McDaniel to independently assess and evaluate

Athabasca's bitumen, light crude oil and medium crude oil, tight oil, conventional natural gas, shale gas and NGL reserves as of December 31, 2022. McDaniel carried out its evaluation in accordance with standards established in NI 51-101. Those standards require that the bitumen, light crude oil and medium crude oil, tight oil, conventional natural gas, shale gas and NGL reserves be prepared in accordance with the COGE Handbook. The reserves estimates set out below reflect the Company's working interests (as of December 31, 2022) in the Leismer, Hangingstone and Corner assets and its interests in the Light Oil assets.

The effective date of the information provided below is December 31, 2022 and the preparation date of the Independent Report is February 28, 2023. McDaniel's responsibility is to express opinions on the bitumen, light crude oil and medium crude oil, tight oil, conventional natural gas, shale gas and NGL reserves including the associated estimated net present values. The preparation and disclosure of the reported reserves estimates is the responsibility of Athabasca's management.

McDaniel's Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor is set forth in Appendix C to this Revised Annual Information Form. Athabasca's Report of Management and Directors on Oil and Gas Disclosure in the form of NI 51-101F3 is set forth in Appendix B to this Revised Annual Information Form. The reserves estimates presented in the Independent Report are based upon the definitions and guidelines contained in the COGE Handbook. A summary of those definitions is set forth below.

Information relating to Athabasca's reserves constitutes forward-looking information, which is subject to certain risks and uncertainties. See "*Forward-Looking Statements*" for additional information.

Reserves Classifications

Reserves Categories

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on analysis of drilling, geological, geophysical and engineering data; the use of established technology; and specified economic conditions. Reserves are classified as proved reserves or probable reserves according to the degree of certainty associated with the estimates. These categories may be further divided into developed and undeveloped categories.

Developed reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. Developed reserves may be further classified as developing producing reserves, meaning those reserves that are expected to be recovered from wells at the time of the estimate, and developing non-producing reserves, meaning those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production.

Reserves Estimates

Set out below is a summary of Athabasca's reserves, as well as the estimated value of future net revenue of Athabasca from the reserves, as of December 31, 2022, evaluated in the Independent Report. The pricing used in the forecast price evaluations for all assets is set forth below under "*Price Forecast*".

As of December 31, 2022, Athabasca's bitumen reserves were contained in its Leismer, Hangingstone and Corner assets. Proved reserves were assigned by McDaniel to the Hangingstone Project and Leismer Project, and probable reserves were assigned by McDaniel to the Hangingstone Project, Leismer Project, Leismer Project 2 and Corner Project. Athabasca's light crude oil and medium crude oil, tight oil, conventional natural gas, shale gas and NGL reserves are all associated with Athabasca's Light Oil assets. Both proved reserves and probable reserves have been assigned by McDaniel to Athabasca's Light Oil assets.

All evaluations of future net revenue are after the deduction of royalties, development costs, production costs and abandonment and reclamation costs but before consideration of indirect costs such as administrative, overhead and other miscellaneous expenses. The estimated future net revenues contained in the following tables do not represent the fair market value of Athabasca's reserves. There is no assurance that the forecast price assumptions that have

been utilized by McDaniel will be realized and variances could be material. Other assumptions have been made by McDaniel and qualifications relating to costs and other matters are included in the Independent Report. The recovery and reserves estimates of Athabasca's properties described herein are estimates only. The actual reserves of Athabasca's properties may be greater or less than those calculated.

Summary of Reserves Data – Forecast Prices and Costs as of December 31, 2022⁽¹⁾⁽²⁾⁽⁸⁾

Reserve Category	Bitumen		Tight Oil & Light/Medium Crude Oil		Conventional Natural Gas	
	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mbbbl)	Net (Mbbbl)	Gross (MMcf)	Net (MMcf)
PROVED RESERVES						
Developed Producing	65,881	59,416	3,350	2,626	187	176
Developed Non-Producing	0	0	0	0	0	0
Undeveloped	337,493	241,093	814	641	0	0
TOTAL PROVED RESERVES	403,374	300,510	4,164	3,267	187	176
TOTAL PROBABLE RESERVES	816,851	545,974	12,071	9,166	55	50
TOTAL PROVED PLUS PROBABLE RESERVES	1,220,226	846,484	16,235	12,433	242	227
Reserve Category	Shale Gas		Natural Gas Liquids		Oil Equivalent	
	Gross (MMcf)	Net (MMcf)	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mboe)	Net (Mboe)
PROVED RESERVES						
Developed Producing	33,093	30,296	3,239	2,505	78,018	69,627
Developed Non-Producing	438	413	70	51	143	119
Undeveloped	49,878	44,888	7,750	6,305	354,370	255,520
TOTAL PROVED RESERVES	83,410	75,597	11,060	8,860	432,531	325,266
TOTAL PROBABLE RESERVES	95,378	83,222	12,875	9,807	857,703	578,826
TOTAL PROVED PLUS PROBABLE RESERVES	178,788	158,819	23,935	18,667	1,290,234	904,092

For notes, please see the notes following the "Reconciliation of Reserves by Principal Product Type" table.

Summary of Net Present Values of Future Net Revenue – Forecast Prices and Costs as of December 31, 2022 ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾

Reserve Category	Before Income Tax Discounted at					After Income Tax Discounted at					Net Unit Value	
	(%/year)					(%/year)					Before Income	
	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%	Discount/Year	
	(MM\$)	(MM\$)	(MM\$)	(MM\$)	(MM\$)	(MM\$)	(MM\$)	(MM\$)	(MM\$)	(MM\$)	\$/boe	\$/Mcf
PROVED RESERVES												
Developed Producing	\$1,722	\$1,580	\$1,393	\$1,233	\$1,103	\$1,722	\$1,580	\$1,393	\$1,233	\$1,103	\$20.00	\$3.33
Developed Non-Producing	\$3	\$3	\$2	\$2	\$2	\$3	\$3	\$2	\$2	\$2	\$17.63	\$2.94
Undeveloped	\$5,310	\$2,449	\$1,307	\$777	\$496	\$4,277	\$2,007	\$1,091	\$661	\$428	\$5.11	\$0.85
TOTAL PROVED RESERVES	\$7,035	\$4,031	\$2,702	\$2,011	\$1,601	\$6,002	\$3,589	\$2,486	\$1,895	\$1,533	\$8.31	\$1.38
TOTAL PROBABLE RESERVES	\$15,006	\$4,700	\$1,926	\$888	\$414	\$11,420	\$3,481	\$1,366	\$583	\$231	\$3.33	\$0.55
TOTAL PROVED PLUS PROBABLE RESERVES	\$22,041	\$8,731	\$4,627	\$2,899	\$2,014	\$17,422	\$7,070	\$3,852	\$2,478	\$1,764	\$5.12	\$0.85

For notes, please see the notes following the "Reconciliation of Reserves by Principal Product Type" table.

Future Net Revenue (Undiscounted) – Forecast Prices and Cost as of December 31, 2022 ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾

Reserve Category	Revenue (\$MM)	Royalties (\$MM)	Operating Costs (\$MM)	Development Costs (\$MM)	Abandonment and Reclamation Costs (\$MM)	Future Net Revenue Before Future Income Tax Expense	Future Income Tax Expense	Future Net Revenue After Future Income Tax Expense
						(\$MM)	(\$MM)	(\$MM)
PROVED RESERVES	\$31,987	\$8,526	\$11,170	\$4,728	\$528	\$7,035	\$1,033	\$6,002
PROBABLE RESERVES	\$80,842	\$27,061	\$23,780	\$14,564	\$432	\$15,006	\$3,586	\$11,420
PROVED PLUS PROBABLE	\$112,830	\$35,587	\$34,949	\$19,292	\$960	\$22,041	\$4,619	\$17,422

For notes, please see the notes following the "Reconciliation of Reserves by Principal Product Type" table.

Future Net Revenue by Product Type – Forecast Prices and Costs as of December 31, 2022 ⁽¹⁾⁽²⁾⁽³⁾⁽⁵⁾⁽⁶⁾

Reserve Category	Production Group (\$M)	Future Net Revenue Before Income Taxes (Discounted at 10%/Yr and net vol.)		
		\$MM	\$/bbl	\$/Mcf
PROVED RESERVES	Bitumen	\$2,384	\$7.93	\$1.32
	Tight Oil/Light and Medium Oil	\$126	\$39.03	\$6.50
	Conventional Natural Gas	\$0	\$8.15	\$1.36
	Shale Gas	\$191	\$17.68	\$2.95
	Total	\$2,702	\$7.62	\$1.27
PROVED PLUS PROBABLE RESERVES	Bitumen	\$3,985	\$4.71	\$0.78
	Tight Oil/Light and Medium Oil	\$266	\$21.40	\$3.58
	Conventional Natural Gas	\$0	\$7.61	\$1.27
	Shale Gas	\$376	\$17.41	\$2.90
	Total	\$4,627	\$4.89	\$0.81

For notes, please see the notes following the "Reconciliation of Reserves by Principal Product Type" table.

Reconciliation of Reserves by Principal Product Type – Forecast Prices and Costs as of December 31, 2022 ⁽¹⁾⁽²⁾⁽³⁾⁽⁵⁾⁽⁷⁾⁽⁸⁾

The following table sets forth a reconciliation of the changes of Athabasca's reserves estimates, before royalties, of bitumen, tight oil, light/medium crude oil, conventional natural gas, shale gas and NGL as of December 31, 2022, compared to such reserves as at December 31, 2021, based on the forecast price and cost assumptions that are described in Note 1 below.

Factors	Bitumen			Tight Oil & Light/Medium Crude Oil		
	Gross Proved Reserves (MMbbl)	Gross Probable Reserves (MMbbl)	Gross Proved + Probable Reserves (MMbbl)	Gross Proved Reserves (MMbbl)	Gross Probable Reserves (MMbbl)	Gross Proved + Probable Reserves (MMbbl)
December 31, 2021	414.1	815.6	1,229.7	4.2	12.1	16.3
Discoveries	0.0	0.0	0.0	0.0	0.0	0.0
Extensions and Improved Recovery	0.0	0.0	0.0	0.2	-0.2	0.0
Technical Revisions	-0.1	1.2	1.1	0.3	-0.1	0.2
Acquisition	0.0	0.0	0.0	0.0	0.0	0.0
Dispositions	0.0	0.0	0.0	0.0	0.0	0.0
Economic Factors	0.0	0.0	0.0	0.1	0.2	0.4
Production	-10.6	0.0	-10.6	-0.7	0.0	-0.7
December 31, 2022	403.4	816.9	1,220.2	4.2	12.1	16.2
Factors	Conventional Natural Gas			Shale Gas		
	Gross Proved Reserves (Bcf)	Gross Probable Reserves (Bcf)	Gross Proved + Probable Reserves (Bcf)	Gross Proved Reserves (Bcf)	Gross Probable Reserves (Bcf)	Gross Proved + Probable Reserves (Bcf)
December 31, 2021	0.1	0.0	0.1	78.1	107.9	186.0
Discoveries	0.0	0.0	0.0	0.0	0.0	0.0
Extensions and Improved Recovery	0.0	0.0	0.0	9.4	-9.4	0.0
Technical Revisions	0.1	0.0	0.1	-0.5	-3.6	-4.1
Acquisition	0.0	0.0	0.0	0.0	0.0	0.0
Dispositions	0.0	0.0	0.0	0.0	0.0	0.0
Economic Factors	0.1	0.0	0.1	2.4	0.5	2.9
Production	0.0	0.0	0.0	-6.0	0.0	-6.0
December 31, 2022	0.2	0.1	0.2	83.4	95.4	178.8
Factors	Natural Gas Liquids			Oil Equivalent		
	Gross Proved Reserves (MMbbl)	Gross Probable Reserves (MMbbl)	Gross Proved + Probable Reserves (MMbbl)	Gross Proved Reserves (MMboe)	Gross Probable Reserves (MMboe)	Gross Proved + Probable Reserves (MMboe)
December 31, 2021	10.0	14.3	24.3	441.3	860.1	1,301.3
Discoveries	0.0	0.0	0.0	0.0	0.0	0.0
Extensions and Improved Recovery	1.5	-1.5	0.0	3.2	-3.2	0.0
Technical Revisions	0.0	-0.1	0.0	0.1	0.5	0.6
Acquisition	0.0	0.0	0.0	0.0	0.0	0.0
Dispositions	0.0	0.0	0.0	0.0	0.0	0.0
Economic Factors	0.2	0.0	0.3	0.8	0.3	1.1
Production	-0.6	0.0	-0.6	-12.8	0.0	-12.8
December 31, 2022	11.1	12.9	23.9	432.5	857.7	1,290.2

Notes:

- (1) Based on the Independent Report. Future net revenue estimates were calculated by McDaniel using the pricing assumptions set forth below under "Price Forecast" to ensure for consistency and in accordance with the COGE Handbook.
- (2) Totals may not add due to rounding.
- (3) All evaluations of future net revenue are after the deduction of royalties, development costs, production costs and abandonment and reclamation costs but before consideration of indirect costs such as administrative, overhead and other miscellaneous expenses. For further detail on what is and isn't included in abandonment and reclamation costs, please see "Abandonment and Reclamation Obligations for Properties with Reserves" below.
- (4) The estimated tax burden included in the after-tax net present values of the Company's oil and gas properties is reflected at the corporate consolidation level and does not consider tax planning or provide an estimate of the tax burden at the business entity level which may be significantly different.
- (5) Including by-products but excluding solution gas.
- (6) Other company revenue and costs not related to a specific production group have been allocated proportionately to production groups. Unit values are based on the Company's Net Reserves.
- (7) Infill drilling is included in the Extensions and Improved Recovery category.
- (8) Light/Medium Crude Oil has been combined with Tight Oil for reporting purposes. Tight Oil accounts for greater than 98% of the reported volumes in this category as of December 31, 2022.

Price Forecast

The price forecast ("**Price Forecast**") that formed the basis for McDaniel's revenue projections and net present value estimates is based on a price deck that averages the McDaniel, GLJ and Sproule January 1, 2023 price forecasts. A summary of the forecast is set forth below.

Year	Inflation	Exchange Rate	WTI Crude Oil	Edmonton		Western Canadian Select		US Henry Hub Gas	AECO Spot Gas	Pentanes Plus Edmonton	Butane Edmonton	Propane Edmonton
				Light Crude Oil	Crude Oil	Crude Oil	Crude Oil					
	%	US\$/C\$	US\$/bbl	C\$/bbl	C\$/bbl	C\$/bbl	C\$/bbl	US\$/MMBtu	C\$/MMBtu	C\$/bbl	C\$/bbl	C\$/bbl
2023	0	0.745	\$80.33	\$103.76	\$76.54	\$76.54	\$76.54	\$4.74	\$4.23	\$106.22	\$53.88	\$39.80
2024	2.33	0.765	\$78.50	\$97.74	\$77.75	\$77.75	\$77.75	\$4.50	\$4.40	\$101.35	\$52.67	\$39.14
2025	2	0.768	\$76.95	\$95.27	\$77.55	\$77.55	\$77.55	\$4.31	\$4.21	\$98.94	\$51.42	\$39.74
2026	2	0.772	\$77.61	\$95.58	\$80.07	\$80.07	\$80.07	\$4.40	\$4.27	\$100.19	\$51.61	\$39.86
2027	2	0.775	\$79.16	\$97.07	\$81.89	\$81.89	\$81.89	\$4.49	\$4.34	\$101.74	\$52.39	\$40.47
2028	2	0.775	\$80.74	\$99.01	\$84.02	\$84.02	\$84.02	\$4.58	\$4.43	\$103.78	\$53.44	\$41.28
2029	2	0.775	\$82.36	\$100.99	\$85.73	\$85.73	\$85.73	\$4.67	\$4.51	\$105.85	\$54.51	\$42.11
2030	2	0.775	\$84.00	\$103.01	\$87.44	\$87.44	\$87.44	\$4.76	\$4.60	\$107.97	\$55.60	\$42.95
2031	2	0.775	\$85.69	\$105.07	\$89.20	\$89.20	\$89.20	\$4.86	\$4.69	\$110.13	\$56.71	\$43.81
2032	2	0.775	\$87.40	\$106.69	\$91.11	\$91.11	\$91.11	\$4.95	\$4.79	\$112.33	\$57.56	\$44.47
2033	2	0.775	\$89.15	\$108.83	\$92.93	\$92.93	\$92.93	\$5.05	\$4.88	\$114.58	\$58.71	\$45.35
2034	2	0.775	\$90.93	\$111.00	\$94.79	\$94.79	\$94.79	\$5.15	\$4.98	\$116.87	\$59.88	\$46.26
2035	2	0.775	\$92.75	\$113.22	\$96.69	\$96.69	\$96.69	\$5.26	\$5.08	\$119.21	\$61.08	\$47.19
2036	2	0.775	\$94.61	\$115.49	\$98.62	\$98.62	\$98.62	\$5.36	\$5.18	\$121.59	\$62.30	\$48.13
2037	2	0.775	\$96.50	\$117.80	\$100.59	\$100.59	\$100.59	\$5.47	\$5.29	\$124.02	\$63.55	\$49.09
Thereafter	2	0.775	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr

The weighted average realized sales prices for Athabasca for the year ended December 31, 2022 were \$79.87/bbl for bitumen, \$117.29/bbl for tight oil and light/medium crude oil, \$5.67/Mcf for conventional natural gas, \$98.35/bbl for NGL and \$5.73/Mcf for shale gas.

Undeveloped Reserves

Bitumen

Proved reserves are assigned to lands inside the approved development areas at the Leismer Project and Hangingstone Project. These areas also contain sufficient stratigraphic drilling to demonstrate with a high degree of certainty the presence of bitumen in commercially recoverable volumes. McDaniel's standard for sufficient drilling in a fluvial SAGD formation is a minimum of eight stratigraphic wells per section with 3D seismic or 16 stratigraphic wells per section with no seismic. The proved undeveloped bitumen reserves attributed to the Leismer Project and Hangingstone Project will transition to proved developed reserves with the drilling and start-up of sustaining wells.

At the Leismer Project and Hangingstone Project, probable undeveloped reserves are assigned to lands outside the development areas where the company has firm development intent with sufficient levels of delineation. The lands assigned probable reserves are in close proximity to the initial developments and contain sufficient drilling of stratigraphic wells to establish reservoir suitability for SAGD. McDaniel's standard for probable reserves is a minimum of four stratigraphic wells per section. The probable undeveloped bitumen reserves attributed to the Leismer Project and Hangingstone Project will transition to proved developed reserves with the drilling and start-up of additional sustaining wells. At the Corner Project, probable undeveloped reserves are assigned within the development area based on current regulatory approval, firm development intent and sufficient levels of delineation. The probable undeveloped bitumen reserves attributed to the Corner Project will transition to proved developed reserves with the sanctioning, construction and commissioning of the Corner Project.

In the case of both proved and probable undeveloped reserves, the number of well pairs drilled is limited by the available steam capacity. This is the main factor in determining the development timetable, and since the lifetime of a steam plant exceeds that of a well pair, the majority of the proved and probable undeveloped reserves are expected to be developed beyond two years.

Athabasca's undeveloped bitumen reserves, which are considered to be longer term opportunities, are expected to be developed over the next several decades. For additional information regarding projects that have undeveloped bitumen reserves, see "*Description of Our Business – Our Development Strategy for Our Principal Properties – Thermal Oil Division*".

Light Oil

Light Oil's undeveloped reserves reside in the Placid and Kaybob properties. Both of these properties are considered resource plays targeting the Montney and Duvernay formations respectively. Development in these properties has been ongoing since 2012 with 850 remaining locations for development. Proved reserves at the Placid and Kaybob assets are scheduled for development within five years. For the Placid asset, the proven reserves are scheduled to

align with internal capital allocation and facility constraints. For the Kaybob asset, which is operated by our partner, proven reserves reflect the five-year development plan which has been approved under the Kaybob JDA. Probable locations at the Placid and Kaybob assets are scheduled for development subsequent to proved locations and are scheduled for development within nine years in Placid and ten years in Kaybob. Probable reserves do not require any infrastructure or facility expansions.

General

Athabasca's development plans have been designed to be funded within adjusted funds flow in the current commodity price environment.

A number of factors that impact the timing of our development plans and that may result in accelerated, delayed or cancelled development plans are as follows:

- changing economic conditions (i.e., due to pricing, operating and capital expenditure fluctuations);
- transportation and marketing issues (i.e., availability of diluent, access to market for production due to pipeline delays or unavailability of rail transportation);
- changing technical conditions (i.e., production anomalies, such as water breakthrough or accelerated depletion);
- multi-zone developments (i.e., prospective formation completion may be delayed until the initial completion is no longer economic);
- availability and allocation of capital based on other opportunities available to Athabasca in any given year;
- a larger development program may need to be spread out over several years to optimize capital allocation and facility utilization;
- surface access issues (i.e., landowner issues, weather conditions and receipt of required regulatory approvals);
- supply chain constraints; and
- changes in the legal and regulatory framework applicable to the assets (i.e., rendering it uneconomic, difficult or impossible to proceed with development).

The following table set out the volumes of proved undeveloped reserves and probable undeveloped reserves that were attributed for each of Athabasca's product types for each of Athabasca's most recent three financial years using forecast prices and costs:

Gross Proved Undeveloped Reserves⁽¹⁾⁽²⁾⁽³⁾

Year	Bitumen (MMbbl)		Conventional Natural Gas (Bcf)		Natural Gas Liquids (MMbbl)	
	First Attributed	Total at Year-End	First Attributed	Total at Year-End	First Attributed	Total at Year-End
2020	0.0	303.9	0.0	0.0	0.0	10.4
2021	0.0	340.2	0.0	0.0	0.0	6.3
2022	0.0	337.5	0.0	0.0	1.5	7.8

Year	Tight Oil & Light/Medium Crude Oil (MMbbl)		Shale Gas (Bcf)		Oil Equivalent (MMboe)	
	First Attributed	Total at Year-End	First Attributed	Total at Year-End	First Attributed	Total at Year-End
2020	0.0	0.9	0.0	70.4	0.0	326.9
2021	0.0	0.9	0.0	41.4	0.0	354.3
2022	0.2	0.8	9.4	49.9	3.2	354.4

For notes, please see the notes following the "Gross Probable Undeveloped Reserves" table.

Gross Probable Undeveloped Reserves⁽¹⁾⁽²⁾⁽³⁾

Year	Bitumen (MMbbl)		Conventional Natural Gas (Bcf)		Natural Gas Liquids (MMbbl)	
	First Attributed	Total at Year-End	First Attributed	Total at Year-End	First Attributed	Total at Year-End
2020	0.0	708.7	0.0	0.0	1.5	9.2
2021	0.0	806.1	0.0	0.0	0.0	13.7
2022	0.0	808.4	0.0	0.0	0.0	12.3

Year	Tight Oil & Light/Medium Crude Oil (MMbbl)		Shale Gas (Bcf)		Oil Equivalent (MMboe)	
	First Attributed	Total at Year-End	First Attributed	Total at Year-End	First Attributed	Total at Year-End
2020	2.3	11.2	12.2	75.6	5.9	741.7
2021	0.0	11.3	0.0	100.8	0.0	847.8
2022	0.0	11.2	0.0	89.5	0.0	846.8

Notes:

- (1) "First Attributed" refers to the initial allocation of an undeveloped volume of reserves by the Company for the corresponding financial year.
- (2) Based on the Independent Report.
- (3) Light/Medium Crude Oil has been combined with Tight Oil for reporting purposes. Tight Oil accounts for greater than 99% of the reported volumes in this category as of December 31, 2022.

Significant Factors or Uncertainties

The process of evaluating reserves is inherently complex. It requires significant judgments and decisions based on available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change. The reserves estimates contained herein are based on current production forecasts, prices and economic conditions and other factors and assumptions that may affect the reserves estimates and the present worth of the future net revenue therefrom. See "Risk Factors – Reserves".

As circumstances change and additional data becomes available, reserve estimates may also change. Estimates made are reviewed and revised, either upward or downward, as warranted by new information. Revisions may be required as a result of a number of factors that are beyond Athabasca's control, including, among others, product pricing, economic conditions, access to markets, changes to royalty and tax regimes, governmental restrictions, changing operating and capital costs, surface access issues, the receipt of regulatory approvals, availability of services and processing facilities and technical issues affecting well performance. Although every reasonable effort is made to ensure that reserves estimates are accurate, reserve estimation is an inferential science and revisions to reserve estimates based upon the foregoing factors may be either positive or negative.

Abandonment and Reclamation Obligations for Properties with Reserves

In connection with Athabasca's operations, Athabasca will incur abandonment and reclamation costs for surface leases, wells and associated pads with proved and probable reserves, interconnecting flowlines, trunk lines, central processing facilities and all related infrastructure facilities and pipelines. Athabasca budgets for and recognizes as a liability the estimated present value of the future decommissioning liabilities associated with its property, plant and equipment. Athabasca's overall abandonment and reclamation costs include all costs associated with the process of restoring a property that has been disturbed by oil and gas activities to the standard imposed by the applicable government or regulatory authorities. These costs were estimated using, amongst other things, Athabasca's experience conducting abandonment and reclamation programs, previous actual costs incurred and published industry information. Athabasca reviews suspended or standing wells for reactivation, recompletion or sale and conducts systematic abandonment programs for those wells that do not meet its criteria. A portion of Athabasca's liability issues are retired every year and facilities are decommissioned when all the wells producing to them have been abandoned. All of Athabasca's liability reduction programs take into account seasonal access, high priority and stakeholder issues, requirements of applicable laws and opportunities for multi-location programs to reduce costs. There are no unusually significant abandonment and reclamation costs associated with our properties with attributed reserves.

The future net revenues disclosed in this Revised Annual Information Form are based on the Independent Report and contain an allowance for abandonment and reclamation costs for wells and facilities with reserves associated with

the Light Oil, Leismer, Hangingstone and Corner assets. The future net revenue disclosures contained in the Independent Report also includes reclamation and abandonment costs associated with future development wells and facilities which were not included in the Company's consolidated financial statements. The Independent Report deducted an aggregate of \$0.96 billion (undiscounted) and \$65 million (10% discount) for abandonment and reclamation costs of wells and facilities with proved and probable reserves.

Future Development Costs⁽¹⁾

The following table sets forth the undiscounted development costs deducted in the estimation of future net revenue attributable to each of the following reserves categories contained in the Independent Report.

Year	Total Proved Reserves Future Development Costs (MM\$)	Total Proved Plus Probable Reserves Future Development Costs (MM\$)
2023	\$106	\$105
2024	\$143	\$223
2025	\$245	\$424
2026	\$132	\$553
2027	\$241	\$671
Total for all remaining years	\$3,861	\$17,315
Total Undiscounted	\$4,728	\$19,292

Note:

(1) Totals may not add due to rounding.

Athabasca expects to fund the development costs of its reserves through cash flow from operating activities and existing cash and cash equivalents. There can be no guarantee that funds will be available or that the Board will allocate funding to develop all of the reserves attributed in the Independent Report. Failure to develop those reserves could have a negative impact on Athabasca's future net revenue relative to the estimates provided herein. See "*Risk Factors – Ability to Finance Capital Requirements*" for additional information.

OTHER OIL AND GAS INFORMATION

Oil & Gas Properties

As at December 31, 2022, Athabasca held approximately 893,000 net acres of mineral resource leases, licenses and permits. This includes over 348,000 net acres of oil sands leases and permits and 331,000 net acres of petroleum and natural gas leases in the Athabasca region of northeastern Alberta and over 213,000 net acres of petroleum and natural gas leases in northwestern Alberta.

Oil sands leases in the Athabasca oil sands area carry a primary term of 15 years. At expiry, an application for continuation requires the agreement holder to outline the lands they intend to continue. Lessees may apply for continuation of all, or a portion, of their lease holdings. The designation of a continued lease can be producing, or non-producing. Operators that choose to keep non-producing continued leases may hold these leases indefinitely, subject to the payment of escalating rent. Petroleum and natural gas leases carry a primary term of five years, after which time the leases can be continued if certain evaluation activity and/or production levels are satisfied. Petroleum and natural gas licenses have a primary term of four years in Northern Alberta and depending on the level of activity and/or production, petroleum and natural gas licenses can be converted into leases at the end of their terms. A vast majority of Athabasca's oil sands reserves and resources are held under the oil sands leases and those lands can be continued indefinitely, subject to the payment of escalating rent.

See "*Description of Our Business – Our Development Strategy for Our Principal Properties – Thermal Oil Division*" and "*Description of Our Business – Our Development Strategy for Our Principal Properties – Light Oil Division*". Athabasca's oil sands leases and permits are large and generally contiguous, which management expects will allow for scale efficiency and simpler development planning.

As at December 31, 2022, Athabasca had an interest in approximately 252 gross wells (162 net wells), as set forth below, all of which are located in Alberta:

	Producing		Non-Producing ⁽³⁾		Total	
	Gross Wells ⁽¹⁾	Net Wells ⁽²⁾	Gross Wells ⁽¹⁾	Net Wells ⁽²⁾	Gross Wells ⁽¹⁾	Net Wells ⁽²⁾
Bitumen ⁽⁴⁾	85	85	7	7	92	92
Crude Oil Wells	32	9.6	9	3.3	41	12.9
Natural Gas Wells	112	53.3	7	3.6	119	57
Total	229	147.9	23	13.9	252	161.9

Notes:

- (1) "**Gross Wells**" means the total number of producing or non-producing bitumen, oil or gas wells in which Athabasca had an interest as of December 31, 2022.
- (2) "**Net Wells**" means the aggregate number of producing or non-producing bitumen, oil or gas wells obtained by multiplying each Gross Well by Athabasca's percentage working interest therein.
- (3) "**Non-Producing**" means wells that are capable of production but were not producing as at December 31, 2022 due to facility limitations, wells where drilling has finished but the well has not been completed, wells waiting to be tied-in, and wells requiring maintenance or workovers where the resumption of production is not known. Non-producing wells do not include wells in the Liege area that are suspended or permanently shut-in either due to a lack of existing functional proximate transportation infrastructure or a permanent shut-in order issued by the AER, its heater assembly facility, water source, steam injection, disposal wells or wells that have been abandoned.
- (4) SAGD well pairs are each counted as one well.

Athabasca has a working interest in a total of 79 gross stratigraphic test wells (69.7 net), 167 gross observation wells (165.9 net), and 5 gross disposal wells (3.3 net). Additionally, Athabasca has 208 gross (162.6 net) wells that are suspended or permanently shut-in. These wells did not produce in 2022.

Properties With No Attributed Reserves⁽¹⁾

The following table is a summary of properties located in Alberta in which Athabasca has an interest to which no reserves have been attributed, and also the number of net acres for which Athabasca's rights to explore, develop or exploit may, absent further action, expire within one year, as at December 31, 2022:

	Gross Acres ⁽¹⁾	Net Acres ⁽²⁾	Net Acres Expiring Within One Year ⁽²⁾
Alberta	628,688	568,415	45,041
Total	628,688	568,415	45,041

Notes:

- (1) "**Gross**" means the total area of properties in which Athabasca has a working interest.
- (2) "**Net**" means the total area in which Athabasca has an interest multiplied by the working interest owned by Athabasca.

Significant Factors and Uncertainties Relevant to Properties with No Attributed Reserves

We continually review the economic viability of our undeveloped properties using industry-standard economic evaluation techniques and pricing and economic assumptions. Each year as part of this process, some properties may be selected for further development activities while others may be held in abeyance, sold or relinquished back to the mineral rights owner. There is no guarantee that commercial reserves will be discovered or developed on these properties.

Athabasca has booked \$93.1 million of abandonment and reclamation costs inflated at 2% and discounted at 8.5% within its current and long-term provisions (\$409.7 million undiscounted). These costs reflect the Company's assets with attributed reserves along with assets with no attributed reserves.

Costs Incurred During the Year Ended December 31, 2022⁽¹⁾

Division	Proved Property Acquisition Costs MM(\$)	Unproved Property Acquisition Costs MM(\$)	Exploration Costs MM(\$)	Development Costs MM(\$)
Light Oil	-	-	-	11.7
Thermal Oil	-	-	3.6	110.1
Total	-	-	3.6	121.8

Note:

(1) Does not include costs incurred on corporate assets as set out in the Company's financial statements.

Exploration and Development Activities⁽¹⁾

The following table summarizes the gross and net exploratory and development wells that were completed by the Company during the year ended December 31, 2022:

	Exploratory		Development		Total	
	Gross	Net	Gross	Net	Gross	Net
Oil wells	-	-	-	-	-	-
Bitumen wells	-	-	7	7	7	7
Gas wells	-	-	-	-	-	-
Service wells	-	-	5	5	5	5
Stratigraphic test wells	-	-	-	-	-	-
Dry holes	-	-	-	-	-	-
Total	-	-	12	12	12	12

Note:

(1) Wells are considered to be completed as at the rig-release date for such well.

For a description of the Company's current and likely exploration and development activities see "*Description of Our Business*".

Production Estimates⁽¹⁾

The following table sets out the volumes of Athabasca's working interest production estimated by McDaniel for the year ending December 31, 2023, which is reflected in the estimates of future net revenue disclosed in the tables contained under the headings "*Summary of Net Present Values of Future Net Revenue – Forecast Prices and Costs as of December 31, 2022*", "*Future Net Revenue (Undiscounted) – Forecast Prices and Cost as of December 31, 2022*" and "*Future Net Revenue by Product Type – Forecast Prices and Costs as of December 31, 2022*".

Reserve Category	Bitumen Gross bbl/d	Tight Oil & Light/Medium Crude Oil bbl/d	Conventional Natural Gas mcf/d	Shale Gas mcf/d	Natural Gas Liquids bbl/d	Total Oil Equivalent Equivalents boe/d
GROSS PROVED RESERVES						
Leismer	22,162	-	-	-	-	22,162
Hangingstone	7,500	-	-	-	-	7,500
Greater Placid	-	-	-	11,405	1,483	3,384
Greater Kaybob	-	1,321	-	4,131	260	2,270
Total	29,662	1,321	-	15,536	1,743	35,316
GROSS PROBABLE RESERVES						
Leismer	702	-	-	-	-	702
Hangingstone	250	-	-	-	-	250
Greater Placid	-	-	-	479	86	166
Greater Kaybob	-	24	-	69	4	40
Total	952	24	-	548	91	1,158

Note:

(1) Totals may not add due to rounding.

The Leismer assets and Hangingstone assets are estimated to account for greater than 83% of Athabasca's 2023 production volumes on a gross proved reserves basis. As is shown above, estimated 2023 production volumes for the Leismer assets are 22,162 bbl/d of bitumen on a gross proved reserves basis and 22,864 bbl/d of bitumen on a gross proved plus probable reserves basis and estimated production volumes for the Hangingstone assets are 7,500 bbl/d

of bitumen on a gross proved reserves basis and 7,750 bbl/d of bitumen on a gross proved plus probable reserves basis.

Production History⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾

The following table sets forth on a quarterly basis for the year ended December 31, 2022, certain information in respect of production, product prices received, royalties paid, production costs and the resulting netbacks.

	Quarter Ended 2022				Year Ended
	Mar. 31	June 30	Sept. 30	Dec. 31	Dec. 31, 2022
Average Daily Production⁽¹⁾					
Bitumen (bbl/d)	27,909	26,768	31,023	30,210	28,989
Tight Oil, and light/medium crude oil (bbl/d)	1,971	2,019	1,849	1,707	1,886
Conventional Natural Gas (Mcf/d)	67	110	121	93	98
NGLs (bbl/d)	1,860	1,739	1,707	1,469	1,692
Shale Gas (Mcf/d)	17,564	16,215	15,845	14,692	16,071
Total (Boe/d)	34,679	33,247	37,240	35,850	35,262
Average Prices Received⁽²⁾					
Bitumen (\$/bbl)	85.78	109.67	76.09	50.49	79.87
Tight Oil, and light/medium crude oil (\$/bbl)	116.43	131.35	111.98	105.53	117.29
Conventional Natural Gas (\$/Mcf)	5.16	7.74	4.09	5.64	5.67
NGLs (\$/bbl)	96.80	113.23	93.16	88.89	98.35
Shale Gas (\$/Mcf)	5.20	7.93	4.29	5.48	5.73
Total (\$/boe)	83.53	105.99	75.10	53.84	79.28
Royalties Paid					
Bitumen (\$/bbl)	(12.65)	(23.76)	(10.48)	(5.27)	(12.75)
Tight Oil, and light/medium crude oil (\$/bbl)	(14.42)	(15.28)	(22.23)	(21.27)	(18.14)
Conventional Natural Gas (\$/Mcf)	(0.75)	(0.83)	(0.81)	(0.62)	(0.76)
NGLs (\$/bbl)	(17.96)	(25.35)	(23.06)	(23.58)	(22.38)
Shale Gas (\$/Mcf)	(0.19)	0.82	(0.01)	(0.13)	0.13
Total (\$/boe)	(12.07)	(20.90)	(10.88)	(6.58)	(12.47)
Production Costs⁽³⁾⁽⁴⁾					
Bitumen (\$/bbl)	(26.09)	(30.23)	(26.36)	(25.07)	(26.86)
Tight Oil, and light/medium crude oil (\$/bbl)	(14.82)	(15.86)	(18.21)	(19.13)	(16.89)
Conventional Natural Gas (\$/Mcf)	(2.44)	(2.81)	(2.86)	(2.97)	(2.75)
NGLs (\$/bbl)	(17.93)	(19.63)	(19.86)	(22.03)	(19.79)
Shale Gas (\$/Mcf)	(2.40)	(2.69)	(2.84)	(2.97)	(2.73)
Total (\$/boe)	(24.06)	(27.58)	(25.05)	(24.09)	(25.16)
Netback Received⁽¹⁾⁽⁴⁾					
Bitumen (\$/bbl)	47.04	55.68	39.25	20.15	40.26
Tight Oil, and light/medium crude oil (\$/bbl)	87.19	100.21	71.54	65.13	82.26
Conventional Natural Gas (\$/Mcf)	1.97	4.10	0.42	2.05	2.16
NGLs (\$/bbl)	60.91	68.25	50.24	43.28	56.18
Shale Gas (\$/Mcf)	2.61	6.06	1.44	2.38	3.13
Realized gain (loss) on commodity risk management contracts (\$/boe)	(14.99)	(22.33)	(8.41)	(2.70)	(11.91)
Total (\$/boe)	32.41	35.18	30.76	20.47	29.74

Notes:

- (1) Production and netback figures have been presented by accounting month. The netback figures on a per barrel basis have been calculated on sales volumes. Tight Oil accounts for greater than 99% of the reported volumes in the "tight oil, and light/medium crude oil" category as of December 31, 2022.
- (2) Average realized price received for bitumen has been presented net of the cost of the blended diluent sold.
- (3) For wells producing multiple products, production costs have been allocated based on barrels of oil equivalent.
- (4) Netbacks are calculated by subtracting royalties and operating and transportation costs from revenues.

The following table sets forth the average daily production from each of the Company's producing fields for the year ended December 31, 2022:

	Bitumen (bbl/d)	Tight Oil, and light/medium crude oil (bbl/d)	Conventional Natural Gas (Mcf/d)	NGLs (bbl/d)	Shale Gas (Mcf/d)	Total Oil Equivalent (boe/d)
Leismer area	20,135	-	-	-	-	20,135
Hangingstone area	8,854	-	-	-	-	8,854
Greater Kaybob area	-	1,886	98	319	4,922	3,041
Greater Placid area & Other	-	-	-	1,373	11,149	3,232
Total	28,989	1,886	98	1,692	16,071	35,262

Forward Contracts

From time to time, we enter into financial derivatives to manage our exposure to fluctuations in commodity prices, foreign exchange and interest rates. A description of such instruments is provided in Note 10 of the Company's Annual Consolidated Financial Statements and accompanying Management's Discussion and Analysis for the year ended December 31, 2022 and which can be found on SEDAR at www.sedar.com.

Tax Horizon

For the fiscal year ended December 31, 2022, the Company paid no income tax. The Company does not expect to pay Canadian income taxes during the next seven years under the commodity price forecasts in its annual reserves evaluation. This estimate could be affected by, among other factors, income tax reassessments, a significant change in commodity prices or capital activity or the Company's other business activities such as any joint venture arrangements, acquisitions or asset sales. Changes in these factors from estimates used by the Company could result in the Company paying income taxes earlier or later than expected. For additional information concerning the Company's tax horizon see "*Risk Factors – Income Tax*".

Environmental Considerations

The environmental issues and stakeholder concerns to be managed by Athabasca in developing its assets are similar to those currently being managed by other oil and gas companies, and by communities, and encompass the health of local and regional residents and employees, surface disturbance, effects on traditional land use and historical resources, local and regional air quality, GHG emissions and associated carbon taxes, water quality, monitoring seismic activity levels, health of the aquatic ecosystem in rivers and cumulative effects on wildlife populations and aquatic resources. Athabasca has committed to both site-specific and regional monitoring programs to track the effects of its projects and the cumulative effects of regional development on environmental components and ecosystems.

Athabasca is committed to operating its projects to achieve compliance with applicable statutes, regulations, codes, regulatory approvals and, to the extent practicable, government guidelines. Where the applicable laws are not clear or do not address all environmental concerns, management intends to apply appropriate internal standards and guidelines to address such concerns. In addition to complying with applicable statutes, regulations, codes and regulatory approvals and exercising due diligence, Athabasca strives to continuously improve its operations to address environmental concerns.

DIVIDENDS

Athabasca has not declared or paid any cash dividends on its Common Shares in any of the three most recently completed financial years. In 2022, the Company significantly advanced its deleveraging strategy by reducing the principal balance of the 2026 Notes by approximately 50% or US\$175 million. Athabasca's management and the Board intend to execute return of capital options for the Company's shareholders as circumstances warrant. Athabasca currently intends to retain future earnings, if any, for future operations, debt repayment or share repurchases. Any decision to declare and pay dividends in the future will be made at the discretion of the Board and will depend on, among other things, results of operations, current and anticipated cash requirements, financial condition, solvency

tests imposed by corporate law, contractual restrictions and financing agreement covenants, including those contained in the 2026 Note Indenture and Amended Credit Facility and other factors that the Board may deem relevant.

Under the terms of the Amended Credit Facility, Athabasca and certain of its subsidiaries are prohibited from making certain distributions, including the payment of dividends. Under the terms of the 2026 Note Indenture, Athabasca and certain of its subsidiaries are prohibited from making certain restricted payments, including the payment of dividends, until on or after April 22, 2023 and must meet, at the time of and immediately after giving effect to such a proposed restricted payment, certain financial tests, and no default or event of default under the 2026 Note Indenture can be occurring or continuing.

CAPITAL STRUCTURE

General

Athabasca's authorized share capital consists of an unlimited number of Common Shares without nominal or par value, an unlimited number of first preferred shares, issuable in series, and an unlimited number of second preferred shares, issuable in series, each of which are described below. The Company has also issued the 2026 Notes, the Amended Credit Facility, the Unsecured LC Facility and the Warrants that are described below.

As at December 31, 2022, 586,489,001 Common Shares were issued and outstanding and no first preferred shares or second preferred shares were issued and outstanding. In addition, 7,159,800 Stock Options, 14,181,514 RSUs, 6,483,300 PSUs, 5,522,391 Phantom Share Units, 5,911,434 DSUs, and 139,217 Warrants entitling the holders to purchase 31.6 million Common Shares were issued and outstanding on December 31, 2022.

Common Shares

Each Common Share entitles the holder thereof to: vote at any meeting of Shareholders of the Company; receive any dividend on the Common Shares declared by the Company; and receive the remaining property of the Company upon dissolution.

Preferred Shares

Subject to the filing of articles of amendment in accordance with the ABCA, the Board may at any time and from time to time issue first or second preferred shares in one or more series, each series to consist of such number of shares as may, before the issuance thereof, be determined by the Board. Subject to the filing of articles of amendment in accordance with the ABCA, the Board may from time to time fix, before issuance, the designation, rights, privileges, restrictions and conditions attaching to each series of first or second preferred shares including, without limiting the generality of the foregoing: the amount, if any, specified as being payable preferentially to such series on a Distribution (as defined below); the extent, if any, of further participation on a Distribution; voting rights, if any; and dividend rights (including whether such dividends are preferential, cumulative or non-cumulative), if any.

In the event of the voluntary or involuntary liquidation, dissolution or winding up of the Company, or any other distribution of its assets among its Shareholders for the purpose of winding up its affairs (such event referred to herein as a "**Distribution**"), holders of each series of first preferred shares shall be entitled, in priority to holders of Common Shares, second preferred shares and any other shares of the Company ranking junior to the first preferred shares from time to time with respect to payment on a Distribution, to be paid rateably with holders of each other series of first preferred shares the amount, if any, specified as being payable preferentially to the holders of such series on a Distribution.

The 2026 Note Indenture and Amended Credit Facility contain certain restrictions around restricted payments and the issuance of disqualified stock which may limit the Company's ability to issue first or second preferred shares.

Shareholder Rights Plan

Athabasca's Shareholder Rights Plan was originally approved by Shareholders at a special meeting held on April 21, 2012. It was subsequently amended and restated at the annual general and special meeting that was held on April 6, 2018, and further amended at the annual general and special meeting that was held on May 5, 2021 (the "**Amended**

Rights Plan"). On May 5, 2021, the Shareholders reconfirmed the Amended Rights Plan for a further three years until the 2024 annual general meeting.

The objectives of the Amended Rights Plan are to: (a) ensure, to the extent possible, that all holders of the Common Shares and the Board have adequate time to consider and evaluate any unsolicited take-over bids for the Common Shares; (b) provide the Board with adequate time to identify, solicit, develop and negotiate value-enhancing alternatives, as considered appropriate, to any unsolicited take-over bid; (c) encourage the fair treatment of Athabasca's shareholders in connection with any unsolicited take-over bid; and (d) generally assist the Board in enhancing shareholder value. The Amended Rights Plan is similar to plans adopted by other Canadian companies.

The Amended Rights Plan encourages a potential acquirer who makes a take-over bid to proceed either by way of a permitted bid, which generally requires a take-over bid to satisfy certain minimum standards designed to promote fairness, or with the concurrence of the Board. If a take-over bid fails to meet these minimum standards, the Amended Rights Plan provides that holders of Common Shares, other than the acquirer, will be able to purchase additional Common Shares at a significant discount to market, thus exposing the acquirer to substantial dilution of its holdings.

A copy of the Amended Rights Plan is available on the Company's SEDAR profile at <https://www.sedar.com/>.

2026 Notes

On October 22, 2021, Athabasca completed a balance sheet refinancing transaction pursuant to which Athabasca issued senior secured second lien notes due November 1, 2026 in the amount of US\$350 million. Net proceeds from the 2026 Notes along with cash on hand were used to redeem the Company's existing US\$450 million senior secured second lien notes on November 6, 2021.

The 2026 Notes bear interest at a rate of 9.75% per year, payable semi-annually, and are not subject to maintenance or financial covenants. The 2026 Notes are guaranteed on a senior secured basis by Athabasca's material subsidiaries. The 2026 Notes and the guarantees are secured by second-priority security interests (subject to certain liens that are permitted pursuant to the terms of the 2026 Note Indenture) on substantially all of the assets of the Company and the guarantors, with the exception of certain assets that are excluded pursuant to the terms of the 2026 Note Indenture. The 2026 Notes are also subject to the terms of an amended and restated collateral agent and intercreditor agreement among Athabasca, the guarantors, The Bank of New York Mellon and BNY Trust Company of Canada as indenture co-trustees and Computershare Trust Company of Canada dated October 22, 2021 (the "**Collateral Agent Agreement**").

Subject to certain exceptions and qualifications which are set forth in the 2026 Note Indenture, the 2026 Notes limit the ability of the Company and certain of its subsidiaries that are considered to be restricted subsidiaries pursuant to the 2026 Note Indenture to, among other things: make restricted payments; incur additional indebtedness; issue disqualified stock; create or permit liens to exist; create or permit to exist restrictions on the ability of the restricted subsidiaries to make payments and distributions; make certain dispositions and transfers of assets; engage in amalgamations, mergers or consolidations; and engage in certain transactions with affiliates.

The 2026 Notes have a semi-annual redemption feature pursuant to which the Company must direct at least 75% of free cash flow towards the redemption of the 2026 Notes at a price equal to 105% of the principal, plus accrued and unpaid interest. The redemption feature remains in place until an aggregate amount of US\$175 million has been redeemed. Additionally, Athabasca may redeem up to 35% of the aggregate principal amount of the 2026 Notes at any time prior to November 1, 2024 at 109.75% of the principal amount with cash received from equity offerings, provided that at least 50% of the aggregate principal amount of the 2026 Notes remains outstanding after such redemption. Athabasca may also redeem all or part of the 2026 Notes at any time prior to November 1, 2024 at 100% of the principal amount plus an applicable premium, as set out in the 2026 Note Indenture. On or after November 1, 2024, Athabasca may redeem all or part of the 2026 Notes at 104.875% from November 1, 2024 to November 1, 2025 or 100% from November 25, 2021 to November 1, 2026. As at December 31, 2022, Athabasca has redeemed a total of US\$174.8 million of the 2026 Notes and US\$175.2 million remain outstanding.

A copy of the 2026 Note Indenture is available on the Company's SEDAR profile at <https://www.sedar.com/>.

Revolving Senior Secured Credit Facility

Concurrent with the issuance of the 2026 Notes, Athabasca entered into an amended and restated reserve-based credit facility in the amount of \$110 million (the "**Amended Credit Facility**") with a syndicate of financial institutions to replace Athabasca's previous credit facility. The borrowing base is determined based on the lender's evaluation of the Company's petroleum and natural gas reserves and their commodity price outlook at the time of each renewal. In the third quarter of 2022, Athabasca renewed the Amended Credit Facility until October 21, 2023.

As at December 31, 2022, the Company had no amounts drawn and \$34.4 million of letters of credit issued and outstanding under the Amended Credit Facility.

The Amended Credit Facility does not have any financial covenants and is subject to customary borrowing base provisions. The Amended Credit Facility contains customary negative covenants including those that limit Athabasca's ability to, among other things: incur additional indebtedness, create or permit liens to exist and make certain restricted payments, dispositions and transfers of assets and also contains certain maximum hedging requirements. The Amended Credit Facility contains customary positive covenants including, but not limited to, delivery of financial and other information to the lenders, maintenance of existence, payment of taxes and other claims, maintenance of properties and insurance, access to books and records by the lenders, compliance with applicable laws and regulations, including environmental laws, compliance with hedging requirements and further assurances and provision of additional collateral and guarantees. The Amended Credit Facility is guaranteed on a senior secured first lien basis and is subject to the terms of the Collateral Agent Agreement.

LC Facility

Athabasca maintains an unsecured letter of credit facility (the "**Unsecured LC Facility**") with a Canadian bank in the amount of \$60.0 million. This unsecured letter of credit facility is supported by a performance guarantee from Export Development Canada. The facility is for issuing letters of credit to counterparties and is available on a demand basis. Letters of credit issued under this facility incur an issuance and performance guarantee fee of 3%. As at December 31, 2022, the Company had \$47.8 million of letters of credit issued and outstanding under the Unsecured LC Facility.

Warrants

Concurrent with the issuance of the 2026 Notes, Athabasca issued 350,000 warrants, each entitling the holder to purchase 227 Common Shares at an exercise price of \$0.9441 per warrant share (the "**Warrants**"), in accordance with the terms and conditions of the warrant indenture dated October 22, 2021 among the Company and Computershare Trust Company of Canada as the warrant agent (the "**Warrant Indenture**"). The Warrants may be exercised at any time prior to 4:00 p.m. (Calgary Time) on November 1, 2026. If the market price of the Common Shares exceeds the exercise price for such Warrants, then a warrant holder may exercise their Warrants on a cashless basis. As at December 31, 2022, 139,217 Warrants remained outstanding, exercisable for an aggregate of 31.6 million Common Shares.

CREDIT RATINGS

The following information relating to Athabasca's credit ratings is provided as it relates to Athabasca's financing costs, liquidity and cost of operations. Specifically, credit ratings impact Athabasca's ability to obtain short-term and long-term financing and the cost of such financings. Changes in Athabasca's current credit ratings by its agency, particularly downgrades below the current ratings or negative changes in the ratings outlooks, could adversely affect our cost of borrowing and/or access to sources of liquidity and capital. In addition, changes in credit ratings may affect Athabasca's ability to enter into hedging transactions or other ordinary course contracts on acceptable terms. The Company is currently rated by S&P.

The following table outlines our credit ratings as of December 31, 2022:

S&P Ratings Services	
Corporate Credit Rating	B
2026 Notes	BB-
Outlook/Trend	Stable

S&P provide credit ratings of debt securities for commercial entities. A credit rating generally provides an indication of the risk that the borrower will not fulfill its full obligations in a timely manner with respect to both interest and principal commitments. S&P's credit ratings are on a long-term debt rating scale that ranges from AAA to D, which represents the range from highest to lowest quality of such securities rated. The ratings from AA to CCC may be modified by the addition of a plus (+) or a minus (-) sign to show relative standing within the major rating categories. In addition, S&P may add a rating outlook of "positive", "negative" or "stable" which assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years).

A Corporate Credit Rating of B means the issuer currently has the capacity to meet its financial commitments, but adverse business, financial, or economic conditions will likely impair the issuer's capacity or willingness to meet its financial commitments. An issue credit rating of BB means an issue is less vulnerable to nonpayment than other speculative issues, but it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions that could lead to the issuer's inadequate capacity to meet its financial commitments on the obligation.

Credit ratings are intended to provide investors with an independent measure of credit quality of an issue of securities. Credit ratings are not recommendations to purchase, hold or sell securities and do not address the market price or suitability of a specific security for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant. A rating can be revised, suspended or withdrawn at any time by the rating agency.

Athabasca paid a fee for service to S&P to provide ratings in respect of the 2026 Notes. Otherwise, no service fees other than annual maintenance fees in respect of the existing credit ratings were paid by the Company to S&P during the preceding two years.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares have been listed and posted for trading on the TSX under the symbol "ATH" since April 8, 2010. The following table sets forth the price range and trading volume for the Common Shares on the TSX as reported by the TSX during 2022.

	Price Range		Volume
	High \$/share	Low \$/share	
December	\$2.81	\$2.01	148,817,204
November	\$3.04	\$2.45	152,933,427
October	\$2.86	\$2.19	173,545,453
September	\$2.55	\$1.87	179,831,847
August	\$2.74	\$1.99	283,347,907
July	\$2.63	\$1.85	350,669,916
June	\$3.44	\$2.22	564,849,975
May	\$2.80	\$2.26	385,096,743
April	\$2.86	\$1.93	347,449,454
March	\$2.56	\$1.85	384,075,720
February	\$1.98	\$1.20	299,053,624
January	\$1.42	\$1.14	263,049,986

Prior Sales

The following is a description of securities of the Company that were issued in the financial year ended December 31, 2022 that are not listed or quoted on a marketplace:

- the Company issued 11,442,108 Common Shares as a result of the exercise and settlement of 11,442,108 Stock Options, RSUs and PSUs, as applicable;
- the Company granted an aggregate of 2,659,800 Stock Options to acquire an aggregate of 2,659,800 Common Shares, each with an exercise price of \$1.93;
- the Company granted an aggregate of 4,561,200 RSUs to acquire an aggregate of 4,561,200 Common Shares, each with no exercise price;
- the Company granted an aggregate of 1,744,670 PSUs to acquire an aggregate of 1,744,670 Common Shares, each with no exercise price; and
- the Company granted an aggregate of 454,241 DSUs.

ESCROWED COMMON SHARES AND COMMON SHARES SUBJECT TO A CONTRACTUAL RESTRICTION ON TRANSFER

As at December 31, 2022, to the best of our knowledge, any Common Shares held in trust are immaterial, representing less than 0.01% of Athabasca's issued and outstanding Common Shares.

DIRECTORS AND OFFICERS

As at the date of filing of the Original Annual Information Form⁽⁵⁾, the names, municipality of residence, positions held with the Company, and principal occupation during the past five years of each of the directors and executive officers of the Company are set out below.

Name and Residence	Position	Principal Occupation During Previous Five Years
Ronald J. Eckhardt ⁽²⁾⁽³⁾ Alberta, Canada	Chair and Director Appointed in 2012 ⁽¹⁾	Mr. Eckhardt is an independent businessman with over forty years of diverse experience in the oil and gas industry including as Executive Vice President, North American Operations of Talisman Energy Inc. Mr. Eckhardt presently also serves on the board of directors and is the Chair of the reserves committee of NuVista Energy Ltd.
Angela Avery, KC Alberta, Canada	Director Appointed in 2022 ⁽¹⁾	Ms. Avery is WestJet Group Executive Vice President, Chief People, Corporate & Sustainability Officer where she has served as an executive officer since February 2020. Ms. Avery has more than 25 years' senior legal and business experience having negotiated transactions exceeding \$25B. From 2017 to 2020, Ms. Avery held the position of General Counsel and Vice President, Business Development at Athabasca. Prior to that, she was the Chief Compliance Officer for ConocoPhillips' global operations. Her international experience includes an appointment to litigate war reparations with the United Nations. She is called to the bar in Alberta and New York.
Bryan Begley ⁽²⁾⁽⁴⁾ Texas, U.S.A.	Director Appointed in 2016 ⁽¹⁾	Mr. Begley is currently a Managing Director and Partner at 1901 Partners, a private equity firm formed in 2014 to make private investments in the energy sector. Mr. Begley served as a Managing Director of ZBI Ventures, LLC from 2007 to 2014, another private equity firm focused on the energy sector. He began his career as an engineer with Phillips Petroleum Company and was a Partner at McKinsey & Co. in the Houston and Dallas offices where he advised clients across the global energy sector.
Thomas Ebbert ⁽²⁾⁽⁴⁾ Alberta, Canada	Director Appointed in 2019 ⁽¹⁾	Mr. Ebbert currently serves as a Strategic Advisor to North West Refining and prior to that was its Chief Financial Officer from 2012 to June 2019. Mr. Ebbert also serves as a director on the board of CSV Midstream Solutions. Mr. Ebbert previously served on the board of Talisman Energy Inc.
John Festival ⁽³⁾⁽⁴⁾ Alberta, Canada	Director Appointed in 2020 ⁽¹⁾	Mr. Festival brings 30 years of experience in the oil and gas industry with a strong background in Thermal Oil projects and a track record for creating shareholder value. Mr. Festival is currently President and CEO of Broadview Energy Ltd., a private corporation with heavy oil assets in Alberta and Saskatchewan and was previously President & CEO of BlackPearl Resources Inc. from 2009 to 2018, and President & CEO of BlackRock Ventures Inc. from 2001 to 2006, which sold to Shell Canada for \$2.4 billion in 2006. Mr. Festival is currently a director of Gibson Energy Inc. and i3 Energy plc.

Name and Residence	Position	Principal Occupation During Previous Five Years
Marty Proctor ⁽³⁾ Alberta, Canada	Director Appointed in 2022 ⁽¹⁾	Mr. Proctor is a seasoned energy executive with more than 35 years' experience in Canada and other international markets. Mr. Proctor held the position of President and Chief Executive Officer of Seven Generations Energy Ltd. from 2017 to 2021 and held the position of President and Chief Operating Officer prior to that from 2014. Mr. Proctor also held the positions of Chief Operating Officer of Baytex Energy Corp. from 2009 to 2014 and Senior Vice President of Upstream Operations with StatoilHydro Canada Ltd. and its predecessor company North American Oil Sands from 2006 to 2009. Mr. Proctor is currently a director of ARC Resources Ltd. and GreenFirst Forest Products Inc., and the Chair of the board of directors of Tenaz Energy Corp.
Robert Broen Alberta, Canada	Director (Appointed in 2015) ⁽¹⁾ President & Chief Executive Officer	Mr. Broen has been a director and President and Chief Executive Officer of the Company since April 2015. He previously held the roles of Chief Operating Officer of Athabasca and Senior Vice-President, North American Shale at Talisman Energy Inc. and the President and a director of Talisman Energy USA Inc.
Matthew Taylor Alberta, Canada	Chief Financial Officer	Mr. Taylor has been Chief Financial Officer of the Company since November 6, 2019. Prior thereto, he held the position of Vice President, Capital Markets and Communications of the Company from May 2014. Mr. Taylor was a Director of Energy Equity Research at National Bank and held positions in equity research and investment banking at GMP Securities and CIBC World Markets.
Karla Ingoldsby Alberta, Canada	Vice President, Thermal Oil	Ms. Ingoldsby has been Vice President, Thermal Oil of the Company since January 2018. Previously, Ms. Ingoldsby held progressively more senior roles at the Company including Director Thermal Production, Director New Ventures & Land and Director of Thermal Geosciences, Reservoir & Development. Prior to that, Ms. Ingoldsby held roles at Shell Canada and Royal Dutch Shell Plc.
Michael Wojcichowsky Alberta, Canada	Vice President, Light Oil	Mr. Wojcichowsky has been Vice President, Light Oil of the Company since January 2020. In the previous five years, Mr. Wojcichowsky held progressively more senior roles at the Company including Director, Light Oil and continues to have the additional responsibility for Drilling & Completions that spans both Thermal and Light Oil. Mr. Wojcichowsky previously held various senior roles at Talisman Energy Inc.
Cam Danyluk Alberta, Canada	General Counsel & Vice President Business Development	Mr. Danyluk joined the Company as General Counsel & Vice President Business Development in August 2022. Previously he held the position of Vice President, Legal, General Counsel at Total Energy Services Inc. Prior to that he was Vice President, Investment Banking at Mackie Research Capital Corporation and an Associate at Bennett Jones LLP in Calgary.

Notes:

- (1) The Company's directors hold office for a term expiring at the conclusion of the next annual meeting of Shareholders of the Company, or until their successors are elected or appointed pursuant to the ABCA and are eligible for re-election. The Company's officers are appointed by and serve at the discretion of the Board.
- (2) Member of the Audit Committee. Mr. Begley is the Chair of the Audit Committee.
- (3) Member of the Reserves Committee. Mr. Proctor is the Chair of the Reserves Committee.
- (4) Member of the Compensation and Governance Committee. Mr. Festival is the Chair of the Compensation and Governance Committee.
- (5) The information set forth above is current as at the date of the filing of the Original Annual Information Form (March 1, 2023).

As at December 31, 2022, the directors and executive officers of the Company, as a group, beneficially owned, controlled or directed, directly or indirectly, an aggregate of 7,000,346 Common Shares, representing approximately 1% of the issued and outstanding Common Shares (not including any Common Shares issuable pursuant to the exercise of the issued and outstanding Stock Options, RSUs or PSUs).

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, no current director or executive officer of Athabasca has, within the last ten years prior to the date of this document, been a director, chief executive officer or chief financial officer of any issuer (including the Company) that: (a) while the person was acting in the capacity as director, chief executive officer or chief financial officer, was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days; or (b) was subject to an order that resulted, after the director or executive officer ceased to be a director, chief executive officer or chief financial officer of an issuer, in the issuer being the subject of a cease trade or similar order or an order that denied the relevant issuer access to any exemption under securities legislation, for a period of more than thirty (30) consecutive days, which resulted from an event that occurred while that person was acting as a director, chief executive officer or chief financial officer of the issuer.

To the knowledge of the Company, except as discussed below, no current director or executive officer or security-holder holding a sufficient number of securities of the Company to affect materially the control of the Company has, within the last ten years prior to the date of this document, been a director or executive officer of any company (including the Company) that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement for compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Ebbert resigned as a director of Live Out There Inc. on November 6, 2017. Following Mr. Ebbert's resignation, Live Out There Inc. consented to the court appointment of a receiver and manager of its assets, undertakings and properties. The receivership order was granted on November 9, 2017.

No current director or executive officer or security-holder holding a sufficient number of securities of the Company to affect materially the control of the Company has, within the last ten years prior to the date of this document, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or security-holder.

To the knowledge of the Company, no current director or executive officer or security-holder holding a sufficient number of securities of the Company to affect materially the control of the Company has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain of Athabasca's directors and officers are engaged in, and may continue to be engaged in, other activities in the oil and natural gas industry from time to time. As a result of these and other activities, certain directors and officers of the Company may become subject to conflicts of interest from time to time. The ABCA provides that in the event that an officer or director is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or material transaction or proposed material contract or proposed material transaction, such officer or director shall disclose the nature and extent of his or her interest and shall refrain from voting to approve such contract or transaction, unless otherwise provided under the ABCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the ABCA.

As of the date hereof, we are not aware of any existing or potential material conflicts of interest between Athabasca or a subsidiary of Athabasca and any our directors or officers.

LEGAL PROCEEDINGS

There are no legal proceedings involving claims for damages for which the potential exposure is more than 10% of our current assets to which we are or was a party, or in respect of which any of our property is or was the subject of, during the most recently completed financial year, nor are there any such material legal proceedings that the Company knows to be contemplated.

During the year ended December 31, 2022, there were: (a) no penalties or sanctions imposed against us by a court relating to securities legislation or by a securities regulatory authority; (b) no other penalties or sanctions imposed by a court or regulatory body against us that we believe would likely be considered important to a reasonable investor in making an investment decision; and (c) no settlement agreements entered into by us with a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as may be disclosed elsewhere in this Revised Annual Information Form, none of our directors, officers or principal shareholders, and no associate or affiliate of any of them, has or has had any material interest in any transaction or any proposed transaction which has materially affected or is reasonably expected to materially affect us or any of our affiliates.

TRANSFER AGENTS AND REGISTRARS

Computershare Trust Company of Canada at its office in Calgary is the transfer agent and registrar for the Common Shares.

MATERIAL CONTRACTS

As at December 31, 2022, the following were the only material contracts, other than those contracts entered into in the ordinary course of business, which the Company or any of its subsidiaries has entered into within the most recently completed financial year, or before the most recently completed financial year and which were still in effect as of December 31, 2022:

- the Amended Rights Plan referred to under the heading "*Capital Structure – Shareholder Rights Plan*";
- the Placid JDA (entered into May 13, 2016). See definition of "*Placid JDA*";
- the Kaybob JDA (entered into May 13, 2016). See definition of "*Kaybob JDA*";
- the Acquisition Royalty (entered into February 24, 2017). See definition of "*Acquisition Royalty*";
- the Royalty (entered into December 22, 2016). See definition of "*Royalty*";
- the 2026 Note Indenture. See definition "*2026 Note Indenture*"; and
- the Warrant Indenture. See "*Capital Structure – Warrants*".

Copies of these material contracts are available for review on the Company's SEDAR profile at <https://www.sedar.com/>.

INTEREST OF EXPERTS

Names of Experts

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made under NI 51-102 by the Company during, or relating to the Company's most recently completed financial year other than McDaniel, our independent engineering evaluator, and Ernst & Young LLP, our independent auditor.

Interests of Experts

We used Ernst & Young LLP for external audit services for the fiscal year ended December 31, 2022. Ernst & Young LLP are our auditors and have confirmed that they are independent with respect to us within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

Reserve estimates by McDaniel are included in this Revised Annual Information Form. None of the designated professionals of McDaniel have any registered or beneficial interests, direct or indirect, in any of our securities or other property or of our associates or affiliates either at the time they prepared the statement, report or valuation prepared by it, at any time thereafter or to be received by them.

In addition, none of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of us or of any of our associates or affiliates.

AUDIT COMMITTEE

Audit Committee Mandate and Terms of Reference for Chair

The Board's written mandate for the Audit Committee, which sets out the Audit Committee's responsibilities, is attached to this Revised Annual Information Form as Appendix D.

Composition of the Audit Committee and Relevant Education and Experience

The members of our Audit Committee are Bryan Begley (chair), Thomas Ebborn and Ronald J. Eckhardt. Each of the members of the Audit Committee are "independent" and "financially literate" within the meaning of NI 52-110.

Mr. Begley is currently a Managing Director and Partner at 1901 Partners, a private equity firm formed in 2014 to make private investments in the energy sector. Mr. Begley served as a Managing Director of ZBI Ventures, LLC from 2007 to 2014, another private equity firm focused on the energy sector. He began his career as an engineer with Phillips Petroleum Company and was a Partner at McKinsey & Co. in the Houston and Dallas offices where he advised clients across the global energy sector. He received a Masters of Business Administration from Harvard University and an undergraduate degree from Oklahoma State University.

Mr. Ebborn has been with North West Refinancing since 2012, initially serving as Chief Financial Officer until June 2019 and now as Strategic Advisor. Mr. Ebborn currently serves as a director on the board of CSV Midstream Solutions and has previously served as a director on the boards of both Nexen Inc. and Talisman Energy Inc. He obtained a Bachelor of Science in Engineering from Queens University in 1982 and Masters of Business Administration from the Ivey Business School at Western University in 1989.

Mr. Eckhardt is an independent businessman with over forty years of diverse experience in the oil and gas industry including as Executive Vice President, North American Operations of Talisman Energy Inc. Mr. Eckhardt presently also serves on the board of directors and is the Chair of the reserves committee of NuVista Energy Ltd. Mr. Eckhardt holds a Bachelor of Science degree in Mechanical Engineering from the University of Manitoba.

Audit Committee Oversight

At no time since the commencement of Athabasca's most recently completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

Pre-Approval Policies and Procedures for the Engagement of Non-Audit Services

The Audit Committee must pre-approve and disclose, as required, the retention of the external auditor for non-audit services to be provided to the Company or any of its subsidiaries that is permitted under applicable law. In the discretion of the Audit Committee, it may annually delegate to one or more of its independent members or to management the authority to grant pre-approvals for the provision of non-audit services; subject to, in the case of any such delegation to management, the subsequent ratification by the Audit Committee.

Auditors' Fees ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾

The following table summarizes the fees paid by the Company to its auditors, Ernst & Young LLP, for external audit and other services in the last two fiscal years.

Nature of Services	Fees Paid to Auditor in Year Ended December 31, 2022 (\$)	Fees Paid to Auditor in Year Ended December 31, 2021 (\$)
Audit Fees ⁽¹⁾	364,000	366,200
Audit-Related Fees ⁽²⁾	62,500	61,500
Tax Fees ⁽³⁾	53,850	46,133
All Other Fees ⁽⁴⁾	2,004	-
Total	482,354	473,833

Notes:

- (1) "**Audit Fees**" means billings for professional services rendered by the issuer's external auditor for the audit and review of the issuer's financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements.
- (2) "**Audit-Related Fees**" means billings for assurance and related services that are reasonably related to the performance of the audit or review of the issuer's financial statements, but not reported as audit fees.
- (3) "**Tax Fees**" means billings for professional services for tax compliance, tax advice, and tax planning.
- (4) "**All Other Fees**" means billings for products or services rendered by the Company's auditor, other than the products and services reported under "Audit Fees", "Audit-Related Fees" and "Tax Fees". All Other Fees paid in the year ended December 31, 2022 relate to Ernst & Young LLP online services.

INDUSTRY CONDITIONS

Companies carrying on business in the crude oil and natural gas sector in Canada are subject to extensive controls and regulations imposed through legislation of the federal government and the provincial governments in the jurisdictions where the companies have assets or operations. While such regulations do not affect our operations in any manner that is materially different than the manner in which they affect other similarly-sized industry participants with similar assets and operations, investors should consider such regulations carefully. Although laws and regulations are a matter of public record, we are unable to predict what additional laws, regulations or amendments governments may enact in the future.

We hold interests in oil and gas properties along with related assets in Alberta. Our assets and operations are regulated by administrative agencies deriving authority from underlying legislation enacted by the applicable level of government. Regulated aspects of our upstream crude oil and natural gas business include all manner of activities associated with the exploration for and production of crude oil and natural gas, including, among other matters: (i) permits for the drilling of wells; (ii) technical drilling and well requirements; (iii) permitted locations and access of operation sites; (iv) operating standards regarding conservation of produced substances and avoidance of waste, such as restricting flaring and venting; (v) minimizing environmental impacts; (vi) storage, injection and disposal of substances associated with production operations; and (vii) the abandonment and reclamation of impacted sites. In order to conduct crude oil and natural gas operations and remain in good standing with the applicable federal or provincial regulatory scheme, producers must comply with applicable legislation, regulations, orders, directives and other directions (all of which are subject to governmental oversight, review and revision, from time to time). Compliance in this regard can be costly and a breach of the same may result in fines or other sanctions. The discussion below outlines certain pertinent conditions and regulations that impact the crude oil and natural gas industry in western Canada.

Pricing and Marketing

Crude Oil

Producers of crude oil and crude bitumen are entitled to negotiate sales contracts directly with purchasers. As a result, macroeconomic and microeconomic market forces determine the price of oil. Worldwide supply and demand factors are the primary determinant of oil prices; however, regional market and transportation issues also influence prices. The specific price depends, in part, on oil quality, prices of competing fuels, distance to market, availability of transportation, value of refined products, supply/demand balance and contractual terms of sale.

Natural Gas

Negotiations between buyers and sellers determines the price of natural gas sold in intra-provincial, interprovincial and international trade. The price received by a natural gas producer depends, in part, on the price of competing natural gas supplies and other fuels, natural gas quality, distance to market, availability of transportation, length of contract term, weather conditions, supply/demand balance and other contractual terms. Spot and future prices can also be influenced by supply and demand fundamentals on various trading platforms.

Natural Gas Liquids

The pricing of condensates and other NGLs such as ethane, butane and propane sold in intra-provincial, interprovincial and international trade is determined by negotiation between buyers and sellers. Such prices depend, in part, on the quality of the NGLs, price of competing chemical stock, distance to market, access to downstream transportation, length of contract term, supply/demand balance and other contractual terms.

Transportation Constraints and Market Access

Pipelines

Producers negotiate with pipeline operators (or other transport providers) to transport their products to market on a firm or interruptible basis. Transportation availability is highly variable across different jurisdictions and regions. This variability can determine the nature of transportation commitments available, the number of potential customers that can be reached in a cost-effective manner and the price received. Due to growing production and a lack of new and expanded pipeline and rail infrastructure capacity, producers in Western Canada have experienced low commodity pricing relative to other markets in the last several years. Enbridge's commissioning of Line 3 in the second half of 2021 improved Western Canadian pricing and the commissioning of Trans Mountain Expansion anticipated in the fourth quarter of 2023 is expected to result in excess industry egress capacity.

Under the *Canadian Constitution Act, 1867*, the regulation of interprovincial and international pipelines falls within the federal government's jurisdiction and proposed pipeline projects require a regulatory review by the Canada Energy Regulator ("**CER**") and approval by the Canadian federal government ("**Cabinet**") under the *Canadian Energy Regulator Act* (Canada) (the "**CERA**") to proceed. An impact assessment by the Impact Assessment Agency ("**IA Agency**") and a determination by Cabinet that a pipeline project is in the public interest may also be required under the *Impact Assessment Act* (the "**IAA**"). The *CERA* and *IAA* collectively aim to create efficiencies in the project approval process while upholding stringent environmental and regulatory standards.

However, the enactment of the *CERA* and *IAA* in 2019 triggered the replacement of the CER with the National Energy Board ("**NEB**") and its established regulatory framework. This created regulatory uncertainty at the federal level regarding the approval process for proposed major pipeline projects, impacting certain investment decisions. Even when projects are approved by the Canadian government, such projects often face further delays due to interference by provincial, municipal and, in the case of international pipelines, foreign governments. Additional delays causing further uncertainty result from legal opposition related to issues such as Indigenous rights and title and a government's duty to consult and accommodate Indigenous peoples.

In the face of such regulatory uncertainty, the Canadian crude oil and natural gas industry has experienced significant difficulty expanding the existing network of transportation infrastructure for crude oil, natural gas and NGLs, including pipelines, rail, trucks and marine transport. Improved access to global markets through the Midwest United States and export shipping terminals on the west coast of Canada could help to alleviate downward pressure on commodity prices. Several proposals have been announced to increase pipeline capacity from Western Canada to Eastern Canada, the United States, and other international markets via export terminals. While certain projects have and are proceeding, the regulatory approval process and other factors related to transportation and export infrastructure have led to the delay, suspension or cancellation of a number of pipeline projects.

With respect to the current state of the transportation and exportation of crude oil from Western Canada to domestic and international markets, the Enbridge Line 3 Replacement from Hardisty, Alberta, to Superior, Wisconsin, formerly expected to be in-service in late 2019, entered service on October 1, 2021. The Canadian portion of the replaced pipeline began commercial operation on December 1, 2019.

The Trans Mountain Pipeline expansion received Cabinet approval in November 2016 and a certificate of public convenience and necessity ("**Certificate**") was issued for the project. Following a period of sustained political opposition in British Columbia, the federal government purchased the Trans Mountain Pipeline from Kinder Morgan Cochin ULC in August 2018. However, the Trans Mountain Pipeline expansion experienced a setback when, in August 2018, the Federal Court of Appeal identified deficiencies in the NEB (the CER's predecessor)'s environmental assessment and the government's Indigenous consultations. The Court quashed the previously issued Certificate and directed Cabinet to correct these deficiencies. On June 18, 2019, following a reconsideration hearing by the NEB and further Indigenous consultation by the government, Cabinet re-approved the Trans Mountain Pipeline expansion and directed the NEB to issue a Certificate for the project. Following a public comment period initiated after the approval, the NEB ruled that NEB decisions and orders issued prior to the Federal Court of Appeal decision quashing the original Certificate will remain valid unless the CER (having replaced the NEB) decides that relevant circumstances have materially changed, such that there is a doubt as to the correctness of a particular decision or order. Construction commenced on the Trans Mountain Pipeline in late 2019 and is expected to enter service late in the fourth quarter of 2023.

In December 2019, the Federal Court of Appeal heard a judicial review application brought by six Indigenous applicants challenging the adequacy of the federal government's further consultation on the Trans Mountain Pipeline expansion. Two First Nations subsequently withdrew from the litigation after reaching a settlement with Trans Mountain. On February 4, 2020, the Federal Court of Appeal dismissed the remaining four appellants' application for judicial review, upholding Cabinet's second approval of the Trans Mountain Pipeline expansion from June 2019. Finally, on March 5, 2020 the Supreme Court of Canada declined to hear five challenges from First Nations and environmental groups regarding the reapproval of the project by the Government of Canada, and, on July 2, 2020, the Supreme Court of Canada declined to hear three challenges from First Nations regarding the adequacy of the consultation process.

In addition, on April 25, 2018, the British Columbia Government submitted a reference question to the British Columbia Court of Appeal, seeking to determine whether it has the constitutional jurisdiction to amend the *Environmental Management Act* to impose a permitting requirement on carriers of heavy crude within British Columbia. The British Columbia Court of Appeal answered the reference question unanimously in the negative, and on January 16, 2020, the Supreme Court of Canada heard the Attorney General of British Columbia's appeal. The Supreme Court of Canada unanimously dismissed the appeal and adopted the reasons of the British Columbia Court of Appeal.

While it was expected that construction on the American portion of the Keystone XL Pipeline, operated by the Canadian company TC Energy Corporation ("**TC Energy**"), would commence in the first half of 2019, pre-construction work was halted in late 2018 when a United States Federal Court judge determined the underlying environmental review was inadequate. The United States Department of State issued its final Supplemental Environmental Impact Statement in late 2019, and in January 2020, the United States Government announced its approval of a right-of-way that would allow the Keystone XL Pipeline to cross 74 kilometers of federal land. Nevertheless, on January 20, 2021, U.S. President Joe Biden revoked such approval, effectively halting the project.

Marine Tankers

Bill C-48 received royal assent on June 21, 2019, enacting the *Oil Tanker Moratorium Act*, which imposes a ban on tanker traffic transporting certain crude oil and NGLs products in excess of 12,500 metric tonnes to or from British Columbia's north coast. See "*Industry Conditions – Regulatory Authorities and Environmental Regulation – General*".

Natural Gas

Natural gas prices in Alberta and British Columbia have also been constrained in recent years due to increasing North American supply, limited access to markets and limited storage capacity. Companies that secure firm access to transport their natural gas production out of Western Canada may be able to access more markets and obtain better pricing. Companies without firm access may be forced to accept spot pricing in Western Canada for their natural gas,

which in the last several years has generally been depressed (at times producers have received negative pricing for their natural gas production).

Required repairs or upgrades to existing pipeline systems have also led to further reduced capacity and apportionment of firm access, which in Western Canada may be further exacerbated by natural gas storage limitations. However, in September 2019, the CER approved a policy change by TC Energy on its NOVA Gas Transmission Ltd. pipeline network (which carries much of Alberta's gas production) to give priority to deliveries into storage. The change has served to somewhat stabilize supply and pricing, particularly during periods of maintenance on the system. In addition, the 2021 NGTL Expansion Project, approved by the CER in October 2020, will provide an additional 1.45 Bcf/d of incremental system capacity, with all project components expected to be completed by the third quarter of 2023.

Additionally, while a number of liquefied natural gas export plants have been proposed for the west coast of Canada, with 24 export licences issued since 2011, government decision-making, regulatory uncertainty, opposition from environmental and Indigenous groups, and changing market conditions have resulted in the cancellation or delay of many of these projects. Nonetheless, in October 2018, the proponents of the LNG Canada liquefied natural gas export terminal announced a positive final investment decision to proceed with the first phase of the project. Pre-construction activities began in November 2018, with a planned completion target of 2025. In December 2019, the CER approved a 40-year export licence for the Kitimat LNG project, a proposed joint venture between Chevron Canada Limited and Woodside Energy International (Canada Limited), a subsidiary of Australian Energy Ltd. This licence remains subject to Cabinet approval, and Chevron Canada Limited has indicated that it is interested in selling its 50 percent interest in Kitimat LNG. The Woodfibre LNG Project is a small-scale LNG processing and export facility near Squamish, British Columbia. The BC Oil and Gas Commission approved a project permit for Woodfibre LNG, a subsidiary of Singapore-based Pacific Oil and Gas Ltd. in July 2019. Construction on the Woodfibre LNG Project is expected to commence in 2023 and be completed in 2027. A project by GNL Québec Inc. is working through the federal impact assessment process for the construction and operation of a LNG facility and export terminal located on Saguenay Fjord, an inlet which feeds into the St. Lawrence River. The Goldboro LNG project, located in Nova Scotia, proposed by Pieridae Energy Ltd., would see LNG exported from Canada to European markets. Pieridae has agreements with Shell, upstream, and with Uniper, a German utility, downstream. The federal government has issued Goldboro LNG a 20-year export licence. The Cedar LNG Project near Kitimat by Cedar LNG Export Development Ltd. is currently in the environmental assessment stage, with British Columbia's Environmental Assessment Office conducting the environmental assessment on behalf of the IA Agency.

Enbridge Open Season

In early August 2019, Enbridge initiated an open season for the Enbridge Mainline system, which has historically operated as a common carrier pipeline system, wherein producers could nominate volumes to ship through the pipeline. The changes that Enbridge intended to implement in the open season included the transition of the Mainline system from a common carrier to a primarily contract carrier pipeline, wherein producers would have to commit to reserved space in the pipeline for a fixed term, with only 10% of available capacity reserved for nominations. As a result, shippers seeking firm capacity on the Enbridge system would no longer be able to rely on the nomination process and would have to enter long-term contracts for service.

Several shippers challenged Enbridge's open season and, in particular, Enbridge's ability to engage in an open season without prior regulatory approval. Following an expedited hearing process, the CER decided to shut down the open season, citing concerns about fairness and uncertainty regarding the ultimate terms and conditions of service.

On December 19, 2019, Enbridge applied to the CER to convert Canadian Mainline available capacity from common carriage (100% uncommitted volumes) to 90% of the available capacity being allocated to committed service, and proposed terms and conditions for committed transportation service agreements to be included in an open season offering for committed capacity. The CER issued its decision in 2021 denying Mainline contracting as proposed by Enbridge, on the basis that it did not comply with the common carriage requirements under section 239(1) of the CERA.

As of the end of 2022, industry and Enbridge continue to work towards a negotiated toll solution on the Enbridge Mainline that does not involve contract carriage. The 10-year competitive toll settlement agreement expired June 30, 2021 and interim tolls are currently being charged on that system.

USMCA and Other Trade Agreements

Under the terms of The North American Free Trade Agreement ("**NAFTA**"), which has now been replaced by the United States Mexico Canada Agreement (the "**USMCA**"), Article 605 included a proportionality clause that prevented Canada from implementing policies that limit exports to the United States and Mexico, relative to the total supply produced in Canada. Canada remains free to determine whether exports of energy resources to the United States or Mexico will be allowed, provided that any export restrictions do not: (i) reduce the proportion of energy resources exported relative to the total supply of goods of Canada as compared to the proportion prevailing in the most recent 36 month period; (ii) impose an export price higher than the domestic price (subject to an exception with respect to certain measures which only restrict the volume of exports); and (iii) disrupt normal channels of supply.

The USMCA does not contain the proportionality rules of NAFTA's Article 605. The elimination of the proportionality clause removes a barrier in Canada's transition to a more diversified export portfolio. While diversification depends on the construction of infrastructure allowing more Canadian production to reach Eastern Canada, Asia, and Europe, the USMCA may allow for greater export diversification than existed under NAFTA.

Other Trade Agreements

Canada has also pursued a number of other international free trade agreements with other countries around the world. As a result, a number of free trade or similar agreements are in force between Canada and certain other countries while in other circumstances Canada has been unsuccessful in its efforts. Canada and the European Union recently agreed to the Comprehensive Economic and Trade Agreement ("**CETA**"), which provides for duty-free, quota-free market access for Canadian crude oil and natural gas products to the European Union. Although CETA remains subject to ratification by 10 of the 27 national legislatures in the European Union, provisional application of CETA commenced on September 21, 2017. In light of the United Kingdom's departure from the European Union on January 31, 2020, the Canada-United Kingdom Trade Continuity Agreement entered into force on April 1, 2021 to maintain the status quo in the Canada-United Kingdom trade relationship, preserving preferential market access for both Canadian and UK businesses.

Canada and ten other countries have agreed on the text of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership ("**CPTPP**"), which is intended to allow for preferential market access among the countries that are parties to the CPTPP. The CPTPP is in force among the first seven countries to ratify the agreement – Canada, Australia, Japan, Mexico, New Zealand, Vietnam, and Singapore.

While it is uncertain what effect CETA, CPTPP, or any other trade agreements will have on the crude oil and natural gas industry in Canada, the lack of available infrastructure for the offshore export of crude oil and natural gas may limit the ability of Canadian crude oil and natural gas producers to benefit from such trade agreements.

Land Tenure

The respective provincial governments (i.e., the Crown) predominantly own the mineral rights to crude oil and natural gas located in western Canada, with the exception of Manitoba (which only owns 20% of the mineral rights). Provincial governments grant rights to explore for and produce crude oil and natural gas pursuant to leases, licences and permits for varying terms, and on conditions set forth in provincial legislation, including requirements to perform specific work or make payments. The provincial governments in western Canada's provinces conduct regular land sales where crude oil and natural gas companies bid for leases to explore for and produce crude oil and natural gas pursuant to mineral rights owned by the respective provincial governments. Oil and natural gas leases generally have a fixed term; however, a lease may generally be continued after the initial term where certain minimum thresholds of production have been reached, all lease rental payments have been paid on time and other conditions are satisfied.

To develop crude oil and natural gas resources, it is necessary for the mineral estate owner to have access to the surface lands as well. Each province has developed its own process for obtaining surface access to conduct operations that operators must follow throughout the lifespan of a well, including notification requirements and providing compensation for affected persons for lost land use and surface damage.

Each of the provinces of western Canada have implemented legislation providing for the reversion to the Crown of mineral rights to deep, non-productive geological formations at the conclusion of the primary term of a lease or

licence. Additionally, the provinces of Alberta and British Columbia have shallow rights reversion for shallow, non-productive geological formations for new leases and licences.

In addition to Crown ownership of the rights to crude oil and natural gas, private ownership of crude oil and natural gas (i.e., freehold mineral lands) also exists in western Canada. In the provinces of Alberta, British Columbia, Saskatchewan and Manitoba approximately 19%, 6%, 20% and 80%, respectively, of the mineral rights are owned by private freehold owners. Rights to explore for and produce such crude oil and natural gas are granted by a lease or other contract on such terms and conditions as may be negotiated between the owner of such mineral rights and crude oil and natural gas explorers and producers.

An additional category of mineral rights ownership includes ownership by the Canadian federal government of some legacy mineral lands and within Indigenous reservations designated under the *Indian Act* (Canada). Indian Oil and Gas Canada ("**IOGC**"), which is a federal government agency, manages subsurface and surface leases, in consultation with the applicable Indigenous peoples, for exploration and production of crude oil and natural gas on Indigenous reservations.

Until recently, oil and natural gas activities conducted on Indian reserve lands were governed by the *Indian Oil and Gas Act* (the "**IOGA**") and the *Indian Oil and Gas Regulations, 1995*. In 2009, Parliament passed *An Act to Amend the Indian Oil and Gas Act*, amending and modernizing the IOGA (the "**Modernized IOGA**"), however the amendments were delayed until the federal government was able to complete stakeholder consultations and update the accompanying Regulations (the "**2019 Regulations**"). The Modernized IOGA and the 2019 Regulations came into force on August 1, 2019. At a high level, the Modernized IOGA and the 2019 Regulations govern both surface and subsurface IOGC Leases, establishing the terms and conditions with which an IOGC leaseholder must comply. The two enactments also establish a substitution system whereby provincial oil and natural gas/environmental regulatory authorities act on behalf of the federal government to ensure greater symmetry between federal and provincial regulatory standards. The Company does not have operations on Indian reserve lands.

Royalties and Incentives

General

Each province has legislation and regulations that govern royalties, production rates and other matters. The royalty regime in a given province is a significant factor in the profitability of oil sands projects and crude oil, natural gas and NGLs production. Royalties payable on production from lands where the Crown does not hold the mineral rights are determined by negotiation between the mineral freehold owner and the lessee, although production from such lands is subject to certain provincial taxes and royalties. Royalties from production on Crown lands are determined by provincial regulation and are generally calculated as a percentage of the value of gross production. The rate of royalties payable typically depends in part on prescribed reference prices, well productivity, geographic location, field discovery date, method of recovery and the type or quality of the petroleum substance produced.

Occasionally the governments of western Canada's provinces create incentive programs for exploration and development. Such programs often provide for royalty rate reductions, royalty holidays or royalty tax credits and may be introduced when commodity prices are low to encourage exploration and development activity. In addition, such programs may be introduced to encourage producers to undertake initiatives using new technologies that may enhance or improve recovery of crude oil, natural gas and NGLs.

In addition, the federal government may from time to time provide incentives to the oil and natural gas industry. In November of 2018, the federal government announced its plans to implement an accelerated investment incentive, aimed to provide oil and natural gas businesses with eligible Canadian development expenses ("**CDE**")¹ and Canadian oil and gas property expenses ("**COGPE**")² with a first year deduction of one and a half times the deduction that is

¹ Drilling and completion costs are generally included in CDE and deductible at a rate of 30% per year, on a declining balance basis.

² COGPE generally includes intangible costs associated with the acquisition of Canadian resource properties and is deductible at a rate of 10% per year on a declining balance basis.

otherwise available for CDE. The definitions of "accelerated CDE" and "accelerated COGPE", as amended in November 2018, allow oil and natural gas businesses to claim an additional 15% deduction for new CDE, and an additional 5% deduction for new COGPE for taxation years that end before 2024 if such CDE or COGPE was incurred after November 20, 2018. The acceleration is reduced to 7.5% for new CDE and 2.5% for new COGPE for taxation years that begin after 2023 and end before 2028. Successored expenses, and costs in respect of Canadian resource properties not acquired at arms' length, will not qualify for treatment as accelerated CDE or accelerated COGPE.

Producers and working interest owners of crude oil and natural gas rights may also carve out additional royalties or royalty-like interests through non-public transactions, which include the creation of instruments such as overriding royalties, net profits interests and net carried interests.

Alberta

In Alberta, the provincially set royalty rates apply to Crown-owned mineral rights. In 2016, the Government of Alberta adopted a modernized Alberta royalty framework (the "**Modernized Framework**") that applies to all wells drilled after December 31, 2016. The previous royalty framework (the "**Old Framework**") will continue to apply to wells drilled prior to January 1, 2017 for a period of ten years ending on December 31, 2026. After the expiry of this ten-year period, these older wells will become subject to the Modernized Framework. The *Royalty Guarantee Act* (Alberta) came into effect on July 18, 2019 and provides that no major changes will be made to the current oil and natural gas royalty structure for a period of at least 10 years.

The Modernized Framework applies to all hydrocarbons other than oil sands which remain subject to their existing royalty regime. Royalties on production from non-oil sands wells under the Modernized Framework are determined on a "revenue-minus-costs" basis with the cost component based on a Drilling and Completion Cost Allowance formula for each well, depending on its vertical depth and/or horizontal length. The formula is based on the industry's average drilling and completion costs as determined by the AER on an annual basis.

Producers pay a flat royalty rate of 5% of gross revenue from each well that is subject to the Modernized Framework until the well reaches payout. Payout for a well is the point at which cumulative gross revenues from the well equals the Drilling and Completion Cost Allowance for the well set by the AER. After payout, producers pay an increased post-payout royalty on revenues of between 5% and 40% for crude oil and pentanes and 5% and 36% for methane, ethane, propane and butane, all determined by reference to the then current commodity prices of the various hydrocarbons. Similar to the Old Framework, the post-payout royalty rate under the Modernized Framework varies with commodity prices. Once production in a mature well drops below a threshold level where the rate of production is too low to sustain the full royalty burden, its royalty rate is adjusted downward towards a minimum of 5% as the mature well's production declines. As the Modernized Framework uses deemed drilling and completion costs in calculating the royalty and not the actual drilling and completion costs incurred by a producer, low-cost producers benefit if their well costs are lower than the Drilling and Completion Cost Allowance and, accordingly, they continue to pay the lower 5% royalty rate for a period of time after their wells achieve actual payout.

Oil and natural gas producers are responsible for calculating their royalty rate on an ongoing basis. The Crown's royalty share of production is payable monthly, and producers must submit their records showing the royalty calculation. Under the *Mines and Minerals Act*, producers have three years to amend their royalty calculations before they become statute barred.

The Old Framework is applicable to all conventional crude oil and natural gas wells drilled prior to January 1, 2017 and bitumen production. Subject to certain available incentives, effective from the January 2011 production month, royalty rates for conventional crude oil production under the Old Framework range from a base rate of 0% to a cap of 40%. Subject to certain available incentives, effective from the January 2011 production month, royalty rates for natural gas production under the Old Framework range from a base rate of 5% to a cap of 36%. The Old Framework also includes a natural gas royalty formula which provides for a reduction based on the measured depth of the well below 2,000 metres deep, as well as the acid gas content of the produced gas. Under the Old Framework, the royalty rate applicable to NGLs is a flat rate of 40% for pentanes and 30% for butanes and propane. Currently, producers of crude oil and natural gas from Crown lands in Alberta are required to pay annual rental payments, at a rate of \$3.50 per hectare, and make monthly royalty payments in respect of crude oil and natural gas produced.

Oil sands production is also subject to Alberta's royalty regime. The Modernized Framework did not change the oil sands royalty framework. Prior to payout of an oil sands project, the royalty is payable on gross revenues of an oil

sands project. Gross revenue royalty rates range between 1% and 9% depending on the market price of crude oil, determined using the average monthly price, expressed in Canadian dollars, for Western Texas Intermediate crude oil at Cushing, Oklahoma. Rates are 1% when the market price of crude oil is less than or equal to \$55 per barrel and increase for every dollar of market price of crude oil increase to a maximum of 9% when crude oil is priced at \$120 or higher. After payout, the royalty payable is the greater of the gross revenue royalty based on the gross revenue royalty rate of between 1% and 9% and the net revenue royalty based on the net revenue royalty rate. Net revenue royalty rates start at 25% and increase for every dollar of market price of crude oil increase above \$55 up to 40% when crude oil is priced at \$120 or higher.

The Government of Alberta has from time to time implemented drilling credits, incentives or transitional royalty programs to encourage crude oil and natural gas development and new drilling. In addition, the Government of Alberta has implemented certain initiatives intended to accelerate technological development and facilitate the development of unconventional resources, including as applied to coalbed methane wells, shale gas wells and horizontal crude oil and natural gas wells.

Freehold mineral taxes are levied for production from freehold mineral lands on an annual basis on calendar year production. Freehold mineral taxes are calculated using a tax formula that takes into consideration, among other things, the amount of production, the hours of production, the value of each unit of production, the tax rate and the percentages that the owners hold in the title. On average, in Alberta the tax levied is 4% of revenues reported from freehold mineral title properties. The freehold mineral taxes would be in addition to any royalty or other payment paid to the owner of such freehold mineral rights, which are established through private negotiation.

Freehold and Other Types of Non-Crown Royalties

Royalties on production from privately-owned freehold lands are negotiated between the mineral freehold owner and the lessee under a negotiated lease or other contract. Producers and working interest participants may also pay additional royalties to parties other than the mineral freehold owner where such royalties are negotiated through private transactions.

In addition to the royalties payable to the mineral owners (or to other royalty holders if applicable), producers of crude oil and natural gas from freehold lands in each of the western Canadian provinces are required to pay freehold mineral taxes or production taxes. Freehold mineral taxes or production taxes are taxes levied by a provincial government on crude oil and natural gas production from lands where the Crown does not hold the mineral rights. A description of the freehold mineral taxes payable in each of the western Canadian provinces is included in the above descriptions of the royalty regimes in such provinces.

Where oil and natural gas leases fall under the jurisdiction of the IOGC, the IOGC is responsible for issuing crude oil and natural gas agreements between Indigenous groups and producers and collecting and distributing royalty revenues. The exact terms and conditions of each crude oil and natural gas lease dictate the calculation of royalties owed, which may vary depending on the involvement of the specific Indigenous group. Ultimately, the relevant Indigenous group must approve the royalty rate for each lease.

Regulatory Authorities and Environmental Regulation

General

The Canadian crude oil and natural gas industry is currently subject to environmental regulation under a variety of Canadian federal, provincial, territorial and municipal laws and regulations, all of which are subject to governmental review and revision from time to time. Such regulations provide for, among other things, restrictions and prohibitions on the spill, release or emission of various substances produced in association with certain crude oil and natural gas industry operations, such as sulphur dioxide and nitrous oxide. The regulatory regimes set out the requirements with respect to oilfield waste handling and storage, habitat protection and the satisfactory operation, maintenance, abandonment and reclamation of well, facility and pipeline sites. Compliance with such regulations can require significant expenditures and a breach of such requirements may result in suspension or revocation of necessary licences and authorizations, civil liability and the imposition of material fines and penalties. The federal government has also more recently introduced legislation and regulations mandating greenhouse gas ("GHG") emission reductions by the crude oil and natural gas industry, in line with its commitment for Canada to reach net zero emissions by 2050.

This is likely to impose further requirements and costs on operators and other companies in the crude oil and natural gas industry.

Federal

Canadian environmental regulation is the responsibility of both the federal and provincial governments. Where there is a direct conflict between federal and provincial environmental legislation in relation to the same matter, the federal law will prevail. The federal government has primary jurisdiction over federal works, undertakings and federally regulated industries such as railways, aviation and interprovincial transport including interprovincial pipelines.

On August 28, 2019, with the passing of Bill C-69, the *CERA* and the *IAA* came into force, which repealed and replaced the *National Energy Board Act* (the "**NEB Act**") and the *Canadian Environmental Assessment Act, 2012* ("**CEAA 2012**"), respectively. These changes resulted in the IA Agency replacing the Canadian Environmental Assessment Agency and the CER replacing the NEB.

Bill C-69 introduced a number of important changes to the regulatory regime for federally regulated major projects and associated environmental assessments, now referred to as impact assessments. Previously, the NEB administered its statutory functions as an integrated regulatory body. Now, the *CERA* separates the CER's administrative functions from the adjudicative functions performed by the Commission of the CER. A board of directors and a chief executive officer manage strategic, administrative and policy considerations while adjudicative functions fall into the purview of a group of independent commissioners. The CER has assumed the jurisdiction previously held by the NEB over matters such as the environmental and economic regulation of interprovincial and international pipelines and electricity transmission infrastructure and also assumed regulatory responsibility for offshore renewable energy projects, including offshore wind and tidal facilities. The *CERA* tasks the Commission of the CER with reviewing applications related to the regulation of a project over its lifecycle, including project development, construction, operation, abandonment and reclamation.

Under the *IAA* framework, designated projects require an impact assessment as part of their regulatory review. The impact assessment, conducted by a review panel, jointly appointed by the CER and the IA Agency, includes expanded criteria the review panel must consider when reviewing an application compared to the environmental assessment process under the previous *CEAA 2012* framework. The *IAA* requires consideration of the project's potential adverse effects, the overall societal impact and the expanded public interest that a project may have. The impact assessment must look at the direct result of the project's construction and operation, including environmental, biophysical and socio-economic factors, including consideration of a gender-based analysis, climate change, and impacts to Indigenous rights. Designated projects include pipelines that require more than 75km of new right of way and pipelines located in national parks. Large scale in situ oil sands projects not regulated by provincial greenhouse gas emissions and certain refining, processing and storage facilities also require an impact assessment.

The federal government has stated that an objective of the legislative changes was to improve decision certainty and turnaround times. Once a review or assessment is commenced under either the *CERA* or *IAA*, there are limits on the amount of time the relevant regulatory authority will have to issue its report and recommendation. Designated projects go through a planning phase to determine the scope of the impact assessment, which the federal government has stated should provide more certainty as to the length of the full review process. Applications for non-designated projects will follow a similar process as under the *NEB Act*. Notwithstanding its stated purpose, proposed major projects have still faced significant delay under the federal government's revised environmental assessment regime. However, the *CERA* has only been operative for a few years, during which the COVID-19 pandemic contributed to project delays. Therefore, the Minister of Natural Resources and the CER's ability to expedite the project approval process has yet to be substantially tested.

In September 2019, the Lieutenant Governor in Council of Alberta filed a reference with the Court of Appeal of Alberta with respect to the constitutional validity of the federally enacted *IAA*. A majority of the Court of Appeal found that the *IAA* was unconstitutional. However, the Alberta Court of Appeal's majority opinion was an advisory opinion and does not have any immediate effect on the applicability of the federal *IAA*. The federal government has appealed the decision to the Supreme Court of Canada for a binding decision regarding the constitutional validity of the *IAA*. The Supreme Court will hear the matter in March 2023.

On May 12, 2017, the federal government introduced Bill C-48 in Parliament. This legislation is aimed at providing coastal protection in northern British Columbia by prohibiting crude oil tankers carrying more than 12,500 metric

tonnes of crude oil or persistent crude oil products from stopping, loading, or unloading crude oil in that area. Parliament passed Bill C-48 as the *Oil Tanker Moratorium Act* which received royal assent on June 21, 2019. The enactment of this statute may prevent pipelines from being built, and export terminals from being located on, the portion of the British Columbia coast subject to the moratorium (north of 50°53'00" north latitude and west of 126°38'36" west longitude) and, as a result, may negatively impact the ability of producers to access global markets. Alberta

The AER is the single regulator responsible for all energy resource development in Alberta. It derives its authority from the *Responsible Energy Development Act* and a number of related pieces of legislation including the *Oil and Gas Conservation Act* (the "**OGCA**"), the *Oil Sands Conservation Act*, the *Pipeline Act*, and the *Environmental Protection and Enhancement Act*. The AER is responsible for ensuring the safe, efficient, orderly and environmentally responsible development of hydrocarbon resources including allocating and conserving water resources, managing public lands, and protecting the environment. The AER's responsibilities exclude the functions of the Alberta Utilities Commission and the Surface Rights Board, as well as the Alberta Ministry of Energy's responsibility for mineral tenure. The objective behind a single regulator is an enhanced regulatory regime that is intended to be efficient, attractive to business and investors and effective in supporting public safety, environmental management and resource conservation while respecting the rights of landowners.

The Government of Alberta relies on regional planning to accomplish its responsible resource development goals. Its approach to natural resource management provides for engagement and consultation with stakeholders and the public and examines the cumulative impacts of development on the environment and communities by incorporating the management of all resources, including energy, minerals, land, air, water and biodiversity. While the AER is the primary regulator for energy development, several other governmental departments and agencies may be involved in land use issues, including the Alberta Ministry of Environment and Parks, the Alberta Ministry of Energy, the Aboriginal Consultation Office and the Land Use Secretariat.

The Government of Alberta's land-use policy for surface land in Alberta sets out an approach to manage public and private land use and natural resource development in a manner that is consistent with the long-term economic, environmental and social goals of the province. It calls for the development of seven region-specific land-use plans in order to manage the combined impacts of existing and future land use within a specific region and the incorporation of a cumulative effects management approach into such plans. As a result, several regional plans have been implemented. These regional plans may affect further development and operations in such regions.

Liability Management Framework

The AER administers the licensee Liability Management Rating Program (the "**AB LMR Program**"). The AB LMR Program is a liability management program governing most conventional upstream crude oil and natural gas wells, facilities and pipelines. It consists of three distinct programs: the Licensee Liability Rating Program (the "**AB LLR Program**"), the Oilfield Waste Liability Program (the "**AB OWL Program**") and the Large Facility Liability Management Program (the "**AB LFP**"). If a licensee's deemed liabilities in the AB LLR Program, the AB OWL Program and/or the AB LFP exceed its deemed assets in those programs, the AB LMR Program requires the licensee to provide the AER with a security deposit and may restrict the licensee's ability to transfer licences. This ratio of a licensee's assets to liabilities across the three programs is referred to as the licensee's liability management rating ("**LMR**"). Where the AER determines that a security deposit is required, the failure to post any required amounts may result in the initiation of enforcement action by the AER. As discussed below, the AER is currently in the process of a phased implementation of a new Liability Management Framework ("**LMF**") that will replace the AB LMR Program once the new LMF is fully implemented.

Complementing the AB LMR Program, Alberta's *OGCA* establishes an orphan fund (the "**Orphan Fund**") to help pay the costs to suspend, abandon, remediate and reclaim a well, facility or pipeline included in the AB LLR Program and the AB OWL Program if a licensee or working interest participant becomes insolvent or is unable to meet its obligations. Licensees in the AB LLR Program and AB OWL Program, including the Company, fund the Orphan Fund through a levy administered by the AER. A separate orphan levy applies to persons holding licences subject to the AB LFP. Collectively, these programs are designed to minimize the risk to the Orphan Fund posed by the unfunded liabilities of licensees and to prevent the taxpayers of Alberta from incurring costs to suspend, abandon, remediate and reclaim wells, facilities or pipelines.

On January 31, 2019, the Supreme Court of Canada overturned the lower courts' decisions in *Redwater Energy Corporation* ("**Redwater**"), holding that there is no operational conflict between the abandonment and reclamation provisions contained in the provincial *OGCA*, the liability management regime administered by the AER and the federal bankruptcy and insolvency regime. As a result, receivers and trustees can no longer avoid the AER's legislated authority to impose abandonment orders against licensees or to require a licensee to pay a security deposit before approving a transfer when such a licensee is subject to formal insolvency proceedings. This means that insolvent estates can no longer disclaim assets of a bankrupt licensee that have reached the end of their productive lives and represent a liability and deal with the company's valuable assets for the benefit of the company's creditors, without first satisfying abandonment and reclamation obligations.

In response to the lower courts' decisions in *Redwater*, the AER issued several bulletins and interim rule changes to govern the AER's administration of its licensing and liability management programs. In response to *Redwater*'s trajectory through the Courts, the AER introduced amendments to its liability management framework. The AER amended its *Directive 067: Eligibility Requirements for Acquiring and Holding Energy Licences and Approvals*, which deals with licensee eligibility to operate wells and facilities, to require the provision of extensive corporate governance and shareholder information, including whether any director and officer was a director or officer of an energy company that has been subject to insolvency proceedings in the last five years. All transfers of well, facility and pipeline licences in the province are subject to AER approval. As a condition of transferring existing AER licences, approvals and permits, all transfers are now assessed on a non-routine basis and the AER now requires all transferees to demonstrate that they have an LMR of 2.0 or higher immediately following the transfer, or to otherwise prove to the satisfaction of the AER that they can meet their abandonment and reclamation obligations. The AER may make further rule changes at any time. The Supreme Court of Canada's *Redwater* decision alleviates some of the concerns that the AER's rule changes were intended to address, however the AER has indicated it is in the process of reviewing the current framework.

The AER has also implemented the Inactive Well Compliance Program (the "**IWCP**") to address the growing inventory of inactive wells in Alberta and to increase the AER's surveillance and compliance efforts under *Directive 013: Suspension Requirements for Wells* ("**Directive 013**"). The IWCP applies to all inactive wells that are noncompliant with Directive 013 as of April 1, 2015. The objective is to bring all inactive noncompliant wells under the IWCP into compliance with the requirements of Directive 013 within five years.

As part of its strategy to encourage the decommissioning, remediation and reclamation of inactive or marginal oil and natural gas infrastructure, the AER announced a voluntary area-based closure ("**ABC**") program in 2018. The ABC program is designed to reduce the cost of abandonment and reclamation operations through industry collaboration and economies of scale. Participants seeking the program incentives must commit to an inactive liability reduction target to be met through closure work of inactive assets.

In December 2020, the Alberta government introduced the new LMF and approved changes to the *Oil and Gas Conservation Rules* and *Pipeline Rules* to provide the AER with additional tools to hold current licensees accountable for addressing their abandonment and reclamation obligations. Previously, the AER primarily addressed these obligations when a licensee became insolvent or sought permission to transfer their licences to a third party.

The changes include allowing the AER to set closure spend targets (closure quotas) for industry to support timely inventory reduction, request closures plans from licensees and impose specific terms and conditions (including timing and priority), and collect company financial and reserves information (on a confidential basis). The changes also allow landowners to nominate inactive or abandoned wells for closure. To support and implement the new LMF and rule changes, on December 1, 2021, the AER issued *Directive 088: Licensee Life-Cycle Management* and *Manual 023: Licensee Life-Cycle Management*. These new tools are intended to allow the AER to address abandonment and reclamation obligations more proactively. The directive implements the Licensee Management Program, which determines how licensee management will occur across the energy development life cycle. The LMF, as implemented under Directive 088, includes a holistic assessment of a licensee's capabilities and performance across the energy development life cycle, which will be supported by the licensee capability assessment. It also introduces the Inventory Reduction Program, which sets mandatory closure spend targets for closure activities and spends by licensees. Other changes include updated application requirements related to the licence transfer process and implementation of the first phase of improvements to security collection as the AER transitions to a broader security framework to replace the previous liability management rating security collection framework. Under the new LMF, oil and gas licensees in Alberta may be required to make additional and ongoing investments in abandonment and reclamation.

The AER began to set annual mandatory closure spend targets for all licensees with inactive inventory in 2022. The mandatory target sets the minimum industry requirements for asset retirement in the form of spending. The AER bases its closure spend targets on a licensee's financial capability using a two-target rate approach. Licensees with a high level of financial distress, who hold approximately 10% of the industry's inactive liability, will receive a lower target rate than those not in financial distress, to encourage all licensees to conduct closure work.

The AER's Closure Nomination Program ("CNP") was introduced in February 2023 through updates to AER Directive 088: Licensee Life-Cycle Management and Manual 023: Licensee Life-Cycle Management. Under the CNP, eligible landowners or land rights holders can nominate oil and gas wells and facilities that have been inactive or abandoned for longer than five years, for closure, at the expense of the licensee.

Climate Change Regulation

Climate change regulation at both the federal and provincial level has the potential to significantly affect the future of the crude oil and natural gas industry in Canada. The impacts of federal or provincial climate change and environmental laws and regulations are uncertain. It is currently not possible to predict the extent of future requirements. Any new laws and regulations (or additional requirements to existing laws and regulations) could have a material impact on the Company's operations and cash flow.

Federal

Canada has been a signatory to the United Nations Framework Convention on Climate Change (the "**UNFCCC**") since 1992. Since its inception, the UNFCCC has instigated numerous policy experiments with respect to climate governance. On April 22, 2016, 197 countries, including Canada, signed the Paris Agreement, committing to prevent global temperatures from rising more than 2° Celsius above pre-industrial levels and to pursue efforts to limit this rise to no more than 1.5° Celsius. 194 of the 197 parties to the convention have ratified the Paris Agreement. In 2021, the United Nations annual climate conference took place in Glasgow, Scotland. At the conference, the attendees made the Glasgow Climate Pact, reaffirming the Paris Agreement temperature goal and causing developed countries to pledge US\$100 billion annually to support this goal.

Following the Paris Agreement and its ratification in Canada, the Government of Canada pledged to cut its emissions by 40-45% from 2005 levels by 2030. On June 21, 2018, the federal government enacted the *Greenhouse Gas Pollution Pricing Act* (the "**GGPPA**"), which came into force on January 1, 2019. This regime has two parts: an emissions trading system for large industry and a regulatory fuel charge. In December 2020, the Government of Canada proposed increasing the carbon tax under the GGPA to \$170/tonne by 2030. To reach that level, the price imposed on carbon will rise from the 2023 rate of \$65/tonne by \$15/tonne each year until 2030.

The *GGPPA* allows provinces to either develop their own carbon pollution pricing systems that meet the minimum federal benchmark, failing which the federal carbon pollution pricing system applies. Six provinces and territories introduced carbon-pricing systems that met federal requirements: British Columbia, Quebec, Prince Edward Island, Nova Scotia, Newfoundland and Labrador, and the Northwest Territories. The federal fuel charge regime took effect in Saskatchewan, Manitoba, Ontario, and New Brunswick on April 1, 2019 and in the Yukon and Nunavut on July 1, 2019. The federal carbon-pricing regime took effect in Alberta on January 1, 2020. Alberta, Saskatchewan, and Ontario challenged the constitutionality of the federal government's pricing regime. The Saskatchewan and Ontario appeal courts ruled in favour of the constitutionality of the federal carbon tax, while the Court of Appeal of Alberta held that Parts I and II of the *GGPPA* are unconstitutional in their entirety. The Attorneys General of Saskatchewan and Ontario appealed these decisions to the Supreme Court of Canada. On March 25, 2021, the Supreme Court of Canada released its decision, upholding the constitutionality of the *GGPA*. The majority of judges in the 6-3 split decision emphasized the importance of a national approach to addressing climate change. Three dissenting judges would have found the Act unconstitutional. As Canada's highest appeal court, the Supreme Court of Canada's majority's decision is the final say on the *GPPA*'s validity. On April 26, 2018, the federal government passed the *Regulations Respecting Reduction in the Release of Methane and Certain Volatile Organic Compounds (Upstream Oil and Gas Sector)* (the "**Federal Methane Regulations**"). The *Federal Methane Regulations* seek to reduce emissions of methane from the crude oil and natural gas sector and came into force on January 1, 2020. By introducing a number of new control measures, the *Federal Methane Regulations* aim to reduce unintentional leaks and intentional venting of methane, as well as ensuring that crude oil and natural gas operations use low-emission equipment and processes. Among other things, the *Federal Methane Regulations* limit how much methane upstream oil and natural gas facilities are permitted to

vent. These facilities would need to capture the gas and either re-use it, re-inject it, send it to a sales pipeline, or route it to a flare. In addition, in provinces other than Alberta and British Columbia (which already regulate such activities), well completions by hydraulic fracturing would be required to conserve or destroy gas instead of venting. The federal government anticipates that these actions will reduce annual GHG emissions by about 20 megatonnes by 2030.

In October 2018, the federal government announced a pricing scheme as an alternative for large electricity generators so as to incentivize a reduction in emissions intensity, rather than encouraging a reduction in generation capacity.

In June 2021 the federal government passed the *Canadian Net-Zero Emissions Accountability Act* ("CNZEAA"), which provides a legal foundation and framework for Canada to achieve net-zero greenhouse gas ("GHG") emissions by 2050. While CNZEAA codifies emission targets and planning mechanisms aimed at the federal government, changes to federal government policy and lawmaking regarding the crude oil and natural gas sector can be expected for the if Canada is to reach its CNZEAA targets. The federal government has also introduced new regulations under the *Canadian Environmental Protection Act, 1999* in recent years aimed at incentivising or mandating GHG emission reductions. For example, the federal government introduced the *Clean Fuel Regulations* in 2022, which impose emission reduction obligations on suppliers of liquid fossil fuels beginning in 2023, aiming to spur innovation and economic growth in the low-carbon fuels sector.

Alberta

On November 22, 2015, the Government of Alberta introduced a Climate Leadership Plan (the "CLP"). Under this strategy, the *Climate Leadership Act* (the "CLA") came into force on January 1, 2017 and established a fuel charge intended to first outstrip and subsequently keep pace with the federal price. On December 14, 2016, the *Oil Sands Emissions Limit Act* came into force, establishing an annual 100 megatonne limit for GHG emissions from all oil sands sites, excluding some attributable to upgraders, the electric energy portion of cogeneration and other prescribed emissions.

In June 2019, the Government of Alberta pivoted in its implementation of the CLP and repealed the CLA. The Carbon Competitiveness Incentives Regime ("CCIR") remained in place. As a result, the federally imposed fuel charge took effect in Alberta on January 1, 2020, at a rate of \$20/tonne. In accordance with the GGPPA, this increased to \$30/tonne on April 1, 2020. However, on December 4, 2019, the federal government approved Alberta's proposed *Technology Innovation and Emissions Reduction Regulation* ("TIER") intended to replace the CCIR, so the regulation of emissions from heavy industry remains subject to provincial regulation, while the federal fuel charge still applies. The TIER regulation came into effect on January 1, 2020.

TIER operates differently than the former facility-based CCIR, and instead applies industry-wide to "large emitters" (those that emit more than 100,000 tonnes of CO₂e per year) and opt-in facilities. Upon coming into force, the 2020 target for most TIER-regulated facilities was to reduce emissions intensity by 10% as measured against that facility's individual benchmark (generally, its average emissions intensity), with a further 1% reduction for each subsequent year. If facilities subject to TIER do not meet their emissions benchmark they must either: pay money into the TIER fund to purchase a "fund credit"; submit emission performance credits generated by emission reductions below the facility's benchmark; or submit emission offsets generated under an approved emission offset protocol.

The facility-specific benchmark does not apply to all facilities. Certain facilities, such as those in the electricity sector, are compared against the good-as-best-gas standard, which measures against the emissions produced by the cleanest natural gas-fired generation system. Similarly, for facilities that have already made substantial headway in reducing their emissions, a different "high-performance" benchmark is available to ensure that the cost of ongoing compliance takes this into account. As with the former CCIR, TIER targets emissions intensity rather than total emissions. Under TIER, facilities in high-emitting sectors can opt-in to the program despite the fact that they do not meet the 100,000 tonne threshold. A facility can opt-in to TIER if it competes directly against another TIER-regulated facility or if it has annual CO₂e emissions that exceed 10,000 tonnes per year and belongs to an emissions-intensive or trade exposed sector with international competition. In addition, the owner of two or more "conventional oil and gas facilities" may apply to have those facilities regulated under TIER. To encourage compliance with the emissions intensity reduction targets, TIER-regulated facilities must provide annual compliance reports and facilities that are unable to achieve their targets may either purchase credits from other facilities, purchase carbon offsets, or pay a levy to the Government of Alberta.

On December 14, 2022, the Government of Alberta introduced several amendments to *TIER* which became effective January 1, 2023. The scope of “large emitters” has been expanded to include a facility that imports more than 10,000 tonnes of hydrogen per year. The minimum emissions threshold for opt-in facilities in an emissions-intensive trade-exposed sector has been lowered from 10,000 CO₂e tonnes to 2,000 CO₂e tonnes, providing greater opportunity for smaller emitters to opt into *TIER* and offset their emissions while increasing demand for offsets.

Additional amendments include: an increase to the *TIER* fund price for 2023 through 2030 increasing from \$65 to \$170 in \$15 annual increments; the creation of sequestration credits and capture recognition tonnes; an increase to the annual tightening rate for facility-specific benchmarks from 1% to 2%, with an annual tightening rate of 4% for oil sands mining, in situ and upgrading in 2029 and 2030; a reduction of nine-year period for using emission offsets to five years; a reduction of the eight-year period for using emission performance credits to five years; an increase in the maximum allowable emission offsets, emission performance credits or sequestration credits that can be used by a facility in a year will increase from 60% in 2023 by 10% annually to 90% in 2026 and any subsequent year; the inclusion of flaring emissions in the total regulated emissions for aggregate oil and gas facilities. The amendments bring the *TIER* regime in line with the minimum federal standards under the *GGPPA*.

The Government of Alberta previously signaled its intention through the CLP to implement regulations that would lower annual methane emissions by 45% by 2025. Pursuant to this goal, the Government of Alberta enacted the *Methane Emission Reduction Regulation* (the "**Alberta Methane Regulations**") on January 1, 2020, and the AER simultaneously released an updated edition of *Directive 060: Upstream Petroleum Industry Flaring, Incinerating, and Venting* ("**Directive 060**"). The release of Directive 060 complemented a previously released update to *Directive 017: Measurement Requirements for Oil and Gas Operations* ("**Directive 017**") that took effect in December 2018. Together, Directive 060 and Directive 017 address common sources of methane emissions from the upstream oil and gas industry to support improved understanding and tracking of oil and gas methane emissions and to achieve Alberta's goal of reducing methane emissions by 45% by 2025. In September 2020, the Government of Alberta and the federal government reached an equivalency agreement with respect to the *Alberta Methane Regulations* and the *Federal Methane Regulations* allowing the Government of Alberta to regulate methane emissions in the oil and gas sector in a manner that best suits its particular circumstances, while ensuring equivalent environmental outcomes.

The current version of Directive 060, issued on April 6, 2022, sets an overall vent gas limit for methane per month and defines specific limits for vent gas produced from pneumatic devices, compressor seals and glycol dehydrators. In doing so, Directive 060 sets more stringent vent gas limits for equipment installed on or after January 1, 2022, with a less stringent, phased in approach for equipment installed prior to that date.

The current version of Directive 017, issued March 17, 2022, enables the collection of more-representative measurement data, ensuring the compliance with the limits set out in Directive 060.

Alberta was also the first jurisdiction in North America to direct dedicated funding to implement carbon capture and storage technology across industrial sectors. Alberta has committed \$1.24 billion through 2025 to fund two commercial-scale carbon capture and storage projects. Both projects will help reduce the CO₂ emissions from the oil sands and fertilizer sectors, and reduce GHG emissions by 2.76 million megatonnes per year. On December 2, 2010, the Government of Alberta passed the *Carbon Capture and Storage Statutes Amendment Act, 2010*. It deemed the pore space underlying all land in Alberta to be, and to have always been, the property of the Crown and provided for the assumption of long-term liability for carbon sequestration projects by the Crown, subject to the satisfaction of certain conditions.

RISK FACTORS

An investment in our securities is subject to various risks including risks inherent in our industry. If any of the following risks or other risks materialize, our business, prospects, financial condition, results of operations and cash flows could be materially and adversely impacted. The trading price of our securities could decline and investors could lose all or part of their investment in our securities. There is no assurance that risk management steps taken by Athabasca will avoid future loss due to the occurrence of the risk factors described below or other unforeseen risks. Investors should carefully consider the risks described below and the other information contained in this Revised Annual Information Form.

The information set forth below contains forward-looking statements. See "*Forward-Looking Statements*".

Risks Relating to Our Industry and Operations

Weakness in the Oil and Gas Industry

Market events and conditions, including global excess crude oil and natural gas supply, war between Russia and Ukraine, actions taken by OPEC+, sanctions against, and civil unrest in, Iran and Venezuela, slowing growth in China and emerging economies, market volatility and disruptions in Asia, weakening global relationships, isolationist and punitive trade policies, increased United States shale production, sovereign debt levels, world health emergencies (including the COVID-19 pandemic), climate change concerns and political upheavals in various countries, including growing anti-fossil fuel sentiment, have caused significant weakness and volatility in commodity prices in recent years. See "*Risk Factors – Political Uncertainty*". Following extreme supply/demand imbalance in 2020, the oil and gas industry rebounded strongly throughout 2021, with oil prices reaching their highest levels in six years. However, the ongoing war in the Ukraine and price caps and sanctions on oil from Russia have impacted demand and oil prices throughout the latter half of 2022. It is anticipated that the oil and gas industry will experience more pressure from investors to take meaningful strides towards combating climate change in the upcoming years. See "*Risk Factors – Climate Change and Carbon Pricing Risk*". These events and conditions have caused a significant decrease in the valuation of oil and gas companies and a decrease in confidence in the oil and gas industry. Such difficulties have been exacerbated in Canada by political and other actions resulting in uncertainty surrounding regulatory, tax, royalty changes and environmental regulation. In addition, difficulties encountered by midstream proponents to obtain the necessary approvals on a timely basis to build pipelines, liquefied natural gas plants and other facilities to provide better access to markets for the petroleum and natural gas industry in Western Canada and cross-border with the United States has led to additional downward price pressure on crude oil and natural gas produced in Western Canada. The resulting price differential between Western Canadian Select crude oil, Brent and West Texas Intermediate crude oil has created uncertainty and reduced confidence in the oil and gas industry in Western Canada. See "*Industry Conditions – Transportation Constraints and Market Access*".

Lower commodity prices may also affect the volume and value of our reserves and resources especially as certain reserves and resources become uneconomic. In addition, lower commodity prices have restricted, and may continue to restrict, our cash flow resulting in a reduced capital expenditure budget. As a result, Athabasca may not be able to replace its production with additional reserves and both its production and reserves could be reduced on a year over year basis. Any decrease in value of our reserves may reduce the amounts available under the Amended Credit Facility. Given the current market conditions and the lack of confidence in the Canadian oil and gas industry, we may have difficulty raising additional funds or if we are able to do so, it may be on unfavourable terms.

Exploration, Development and Production Risks

Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. Our long-term commercial success depends on our ability to find, acquire, develop and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, our existing reserves, and the production from them, will decline over time as we produce from such reserves. A future increase in our reserves will depend on both our ability to explore and develop our existing properties and our ability to select and acquire suitable producing properties or prospects. There is no assurance that we will be able to continue to find satisfactory properties to acquire or participate in. Moreover, Athabasca management may determine that current markets, terms of acquisition, participation or pricing conditions make potential acquisitions or participation uneconomic.

Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including, but not limited to, fire, explosion, blowouts, cratering, sour gas releases, spills and other environmental hazards. These typical risks and hazards could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment and cause personal injury or threaten wildlife.

Oil and natural gas production operations, including SAGD operations, are also subject to geological and seismic risks, including encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations. Losses resulting from the occurrence of any of these risks may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Future crude oil and gas exploration may involve unprofitable efforts, from dry wells or wells that are productive but do not produce sufficient petroleum substances to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completing (including hydraulic fracturing) and operating costs. In addition, drilling hazards, environmental damage and various field operating conditions could greatly increase the cost of operations and adversely affect the production from successful wells. Field operating conditions include, but are not limited to, delays in obtaining governmental approvals or consents and shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While diligent well supervision, effective maintenance operations and the development of enhanced oil recovery technologies can contribute to maximizing production rates over time, it is not possible to eliminate production delays and declines from normal field operating conditions, which can negatively affect revenue and cash flow levels to varying degrees.

Our assets are in relatively early stages exploration or development. There is a risk that the proposed commercial development of our assets will not achieve the expected production levels on the timing anticipated or at all and that the capital costs of such projects will not be within the applicable estimates.

Properties that we decide to drill that do not yield oil, natural gas or NGLs in commercial quantities will adversely affect our results of operations and financial condition. There is no way to conclusively predict in advance of drilling and testing whether any particular well will yield oil, natural gas or NGLs in sufficient quantities to recover drilling or completion costs or to be economically viable. We cannot assure you that the analogies we draw from available data from other wells, more fully explored prospects or producing fields will be applicable to our drilling prospects.

Recovering bitumen from oil sands and upgrading the recovered bitumen into a diluent-bitumen blend product or other products involves particular risks and uncertainties. Our projects will be susceptible to loss of production, slowdowns, or restrictions on our ability to produce higher value products due to the interdependence of the component systems.

Prices, Markets and Marketing

Numerous factors beyond our control do, and will continue to, affect the marketability and price of oil and natural gas. Our ability to market our oil and natural gas may depend upon our ability to acquire space on pipelines that deliver our production to commercial markets. Deliverability uncertainties related to the distance our reserves are from pipelines, railway lines, processing and storage facilities, operational problems affecting pipelines, railway lines and facilities, railway blockades as well as government regulation relating to prices, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business may also affect us.

Prices for oil and natural gas are subject to large fluctuations in response to relatively minor changes in the supply of and demand for oil and natural gas, market uncertainty and a variety of additional factors beyond our control. These factors include economic conditions in the United States, Canada, Europe, China and emerging markets, the actions of OPEC+, the war between Russia and Ukraine, governmental regulation, political instability in the Middle East, Northern Africa and elsewhere, the foreign supply and demand of oil and natural gas, risks of supply disruption, the price of foreign imports and the availability of alternative fuel sources. Prices for oil and natural gas are also subject to the availability of foreign markets and our ability to access such markets. Oil prices are expected to remain volatile and may decline in the near future as a result of global excess supply due to the increased growth of shale oil production in the United States, the decline in global demand for exported crude oil commodities, continued economic disruption that may result from the COVID-19 pandemic, and OPEC+'s decisions pertaining to the oil production of OPEC+ member countries, among other factors. A material decline in prices could result in a reduction of our net production revenue. The economics of producing from some wells may change because of lower prices, which could result in reduced production of oil or natural gas and a reduction in the volumes and the value of our reserves. We might also elect not to produce from certain wells at lower prices.

All these factors could result in a material decrease in our expected net production revenue and a reduction in our oil and natural gas acquisition, development and exploration activities. Any substantial and extended decline in the price of oil and natural gas would have an adverse effect on our carrying value of our reserves, borrowing capacity including available limits under our Amended Credit Facility, revenues, profitability and cash flows from operations and may have a material adverse effect on our business, financial condition, results of operations and prospects.

Oil and natural gas prices are expected to remain volatile for the near future because of market uncertainties. Volatile oil and natural gas prices make it difficult to estimate the value of producing properties for acquisitions and often cause disruption in the market for oil and natural gas producing properties, as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for and project the return on acquisitions and development projects.

Market Conditions

The trading price of securities of oil and natural gas issuers is subject to substantial volatility often based on factors related and unrelated to the financial performance or prospects of the issuers involved. Factors unrelated to our performance could include macroeconomic developments nationally, within North America or globally, domestic and global commodity prices, or current perceptions of the oil and natural gas market. In recent years, the volatility of commodities has increased due, in part, to the implementation of computerized trading and the decrease of discretionary commodity trading. In addition, a number of factors, including concerns about effects of the use of fossil fuels on climate change, have affected investor sentiment and some investors have determined to decrease their ownership in oil and natural gas entities which may impact the liquidity of certain securities and may put downward pressure on the trading price of those securities. Similarly, the market price of our Common Shares could be subject to significant fluctuations in response to variations in our reputation, operating results, financial condition, liquidity and other internal factors. Accordingly, the price at which Common Shares will trade cannot be accurately predicted.

Climate Change and Carbon Pricing Risk

Our exploration and production facilities and other operations and activities, and the products we market, result in the emission of GHGs which makes us subject to GHG emissions legislation and regulations at the provincial and federal level. Climate change policy is evolving at regional, national and international levels, and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place. As a signatory to the United Nations Framework Convention on Climate Change and a party to the Paris Agreement, the Government of Canada committed to a 40-45% reduction in GHG emissions below 2005 levels by 2030. The Government of Canada made a subsequent commitment in 2021 to achieve net zero emissions by 2050, a commitment that was enshrined in legislation with the passing of *CNZEAA* on June 29, 2021.

One of the pertinent legislative changes to date by the Government of Canada is its implementation of the *GGPPA*, which sets a nationwide benchmark for carbon emissions. The *GGPPA* allows provinces to either develop their own carbon pollution pricing systems that meet the minimum federal benchmark, failing which the federal carbon pollution pricing system applies. The Supreme Court of Canada confirmed the Government of Canada's authority to set a price on carbon pollution in provinces and territories that do not have systems that meet the federal benchmark in March 2021. The direct or indirect costs of compliance with GHG-related legislation and regulations may have a material adverse effect on our business, financial condition, results of operations and prospects. Some of our significant facilities may ultimately be subject to future regional, provincial and/or federal climate change regulations to manage GHG emissions. In addition, concerns about climate change and public discussion that climate change may be associated with extreme weather conditions have resulted in a number of environmental activists and members of the public opposing the continued exploitation and development of fossil fuels. Given the evolving nature of the debate related to climate change and the control of GHG and resulting requirements, it is expected that current and future climate change regulations will have the effect of increasing our operating expenses and in the long-term reducing the demand for oil and gas production resulting in a decrease in our profitability and a reduction in the value of our assets or asset write-offs. See "*Industry Conditions – Regulatory Authorities and Environmental Regulation – Climate Change Regulation*".

Statutes and Regulations Regarding the Environment

Our operations are, and will continue to be, affected in varying degrees by federal and provincial statutes and regulations regarding the protection of the environment. Should there be changes to existing statutes or regulations, our competitive position within the oil sands and petroleum and natural gas industries may be adversely affected, and many industry players have greater resources than us.

Future environmental approvals, laws or regulations may adversely impact our ability to develop and operate our oil sands or light oil projects or increase or maintain production, may increase unit costs of production, or may prevent

us from realizing other business opportunities from our exploration leases and permits. Equipment from suppliers which can meet future emission standards may not be available on an economic or timely basis and other methods of reducing emissions to required levels in the future may significantly increase operating costs or reduce output. There is a risk that the federal and/or provincial governments could pass legislation that would tax such emissions or require, directly or indirectly, reductions in such emissions produced by energy industry participants, which we may be unable to mitigate.

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on the spill, release or emission of various substances produced in association with certain oil and gas industry operations and requirements to report, investigate and remediate such spill, release or emission. In addition, such legislation sets out the requirements with respect to oilfield waste handling and storage, habitat protection, occupational health and safety and the satisfactory operation, maintenance, abandonment and reclamation of well and facility sites. Compliance with environmental legislation can require significant expenditures and a breach of applicable environmental legislation may result in the imposition of fines, penalties and other liabilities, some of which may be material, or the revocation or denial of permits necessary to our business. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require us to incur costs to remedy such discharge. Under certain circumstances, we can have liability for contamination at our facilities even if it arises from third parties or from conduct that was legal at the time it occurred. No assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise have a material adverse effect on our business, financial condition, results of operations and prospects.

Regulatory Environment and Changes in Applicable Law

The oil and gas industry in Canada, including the oil sands industry, operates under federal and provincial statutes and regulations governing such matters as land tenure, prices, royalties, production rates, environmental protection controls, the export of crude oil, natural gas and other products, as well as other matters. The industry is also subject to regulation by governments in such matters as the awarding or acquisition of exploration and production rights, oil sands, petroleum, natural gas or other interests, the imposition of specific drilling obligations, control over the development and abandonment of oil and natural gas properties (including restrictions on production) and possible expropriation or cancellation of lease and permit rights. The regulatory scheme as it relates to oil sands, and the recovery and marketing of bitumen or bitumen by-products from oil sands, is somewhat different and more burdensome from that related to conventional oil and gas in general.

Government regulations may be changed from time to time in response to economic or political conditions. The exercise of discretion by governmental authorities under existing statutes or regulations, the implementation of new statutes or regulations or the modification of existing statutes or regulations affecting the crude oil and natural gas industry could impact the markets for crude oil and natural gas, delay or stop the development of our projects, delay or increase our costs, either of which may have a material adverse effect on our business, financial condition, results of operations and prospects. For instance, on December 2, 2018, the Government of Alberta announced a temporary curtailment of crude oil and bitumen production, which came into force in Alberta on January 1, 2019 and expired on December 31, 2021.

In order to conduct oil and gas operations, we will require regulatory permits, licenses, registrations, approvals and authorizations from various governmental authorities. There can be no assurance that we will be able to obtain all of the permits, licenses, registrations, approvals and authorizations that may be required to conduct operations that we may wish to undertake. The requirements imposed by any such authority may be costly and time-consuming and may delay commencement or continuation of exploration or our production operations. In addition to regulatory requirements pertaining to the production, marketing and sale of oil and natural gas mentioned above, our business and financial condition could be influenced by federal legislation affecting, in particular, foreign investment, through legislation such as the *Competition Act* (Canada) and the *Investment Canada Act* (Canada) which could limit our ability to access external sources of capital and could cause a decrease in the valuation of Canadian companies.

Gathering and Processing Facilities, Pipeline Systems and Rail

We deliver our products through gathering and processing facilities, pipeline systems and, in certain circumstances, by rail, some of which we do not own. The amount of oil and natural gas that we can produce and sell is subject to the accessibility, availability, proximity and capacity of these gathering and processing facilities, pipeline systems and railway lines. The lack of firm pipeline capacity, production limits and limits on availability of capacity in gathering and processing facilities continues to affect the oil and natural gas industry and limits the ability to transport produced oil and natural gas to market. See "*Industry Conditions – Transportation Constraints and Market Access*". In addition, the pro-rationing of capacity on inter-provincial pipeline systems continues to affect the ability of oil and natural gas companies to export oil and natural gas and could result in our inability to realize the full economic potential of our products or in a reduction of the price offered for our production. Unexpected shutdowns or curtailment of capacity of pipelines for maintenance or integrity work or because of actions taken by regulators could also affect our production, operations and financial results. As a result, producers have considered rail lines as an alternative means of transportation. Announcements and actions taken by the federal government and the provincial governments of British Columbia, Alberta and Quebec relating to approval of infrastructure projects may continue to intensify, leading to increased challenges to interprovincial and international infrastructure projects moving forward. On August 28, 2019, with the passing of Bill C-69, the CERA and the IAA came into force and the NEB Act and the CEAA 2012 were repealed. In addition, the IA Agency replaced the Canadian Environmental Assessment Agency. See "*Industry Conditions – Regulatory Authorities and Environmental Regulation*". The revised federal regulatory scheme is still in its infancy and, thus, its impact on proponents, and the timing for receipt of approvals, of major projects has not been substantially tested.

A portion of the Company's production may, from time to time, be processed through facilities owned by third parties and over which the Company does not have control. From time to time, these facilities may discontinue or decrease operations either as a result of normal servicing requirements or as a result of unexpected events. A discontinuation or decrease of operations could have a material adverse effect on the Company's ability to process its production and deliver the same to market. Midstream and pipeline companies may take actions to maximize their return on investment, which may in turn adversely affect producers and shippers, especially when combined with a regulatory framework that may not always align with the interests of particular shippers.

Reputation and Public Perception of the Oil and Gas Sector

Development of fossil fuel-based energy, and in particular the Alberta oil sands, has received considerable attention on the subjects of environmental impact, climate change, GHG emissions and Indigenous reconciliation. Concerns about oil sands may, directly or indirectly, impair the profitability of our current oil sands projects, and the viability of future oil sands projects, by creating significant regulatory, economic and operating uncertainty. Increased public opposition to and stigmatization of the oil and gas sector, and in particular the oil sands industry, could lead to constrained access to insurance, liquidity and capital and changes in demand for our products, which may adversely impact our business, financial condition or results of operations.

Environment, Social and Governance Goals

We have set ambitious, achievable ESG goals, including reducing our GHG emissions intensity from 2015 levels by 30% by 2025. To achieve these goals and to respond to changing market demand, we may incur additional costs and invest in new technologies and innovation. It is possible that the return on these investments may be less than we expect, which may have an adverse effect on our business, financial condition and reputation.

Generally speaking, our ESG goals depend significantly on our ability to execute our current business strategy, which can be impacted by the numerous risks and uncertainties associated with our business and the industry in which we operate, as outlined in the Revised Annual Information Form. We recognize that our ability to adapt to and succeed in a lower-carbon economy will be compared against our peers. Investors and stakeholders increasingly compare companies based on ESG-related performance, including climate-related performance. Failure to achieve our ESG goals, or a perception among key stakeholders that our ESG goals are insufficient or unattainable, could adversely affect our reputation and our ability to attract capital and insurance coverage.

There is also a risk that some or all of the expected benefits and opportunities of achieving the various ESG goals may fail to materialize, may cost more to achieve or may not occur within the anticipated time periods. In addition, there

are risks that the actions we take in implementing targets and ambitions relating to our ESG focus areas may have a negative impact on our existing business and increase capital expenditures, which could have a negative impact on our future operating and financial results.

Political Uncertainty

Political events throughout the world that cause disruptions in the supply of oil continuously affect the marketability and price of oil and natural gas acquired or discovered by us. Conflicts, or conversely, peaceful developments, arising outside of Canada have a significant impact on the price of oil and natural gas. Any particular event could result in a material decline in prices and could have a material adverse effect on Athabasca's results of operations, financial condition and prospects. For instance, in the last several years, the United States, Europe and Latin America have experienced significant political events that have cast uncertainty on global financial and economic markets. See "*Industry Conditions*".

In addition to the risks outlined herein related to geopolitical developments, our oil and natural gas properties, wells and facilities could be subject to public opposition, terrorist attack, blockades or physical sabotage. If any of our properties, wells or facilities are the subject of opposition, terrorist attack, or sabotage it may have a material adverse effect on our business, financial condition, results of operations and prospects. Furthermore, any interruption in the services provided by infrastructure on which Athabasca relies as a result of a terrorist attack would have a material adverse effect. We may not carry insurance to protect against risks arising from terrorism. Future government policies causing broad sweeping lockdowns equivalent to those seen in 2020 as a result of the COVID-19 pandemic could also cause unforeseen interruptions to services or materially impact the delivery scope of services.

A change in federal, provincial or municipal governments in Canada, including in respect to the upcoming Alberta provincial election which is scheduled to take place on May 29, 2023, may have an impact on the directions taken by such governments on matters that may impact the oil and natural gas industry including the balance between economic development and environmental policy.

The federal Government was re-elected in 2021, but in a minority position. The ability of the minority federal government to pass legislation will be subject to whether it is able to come to agreement with, and garner the support of, the other elected parties, most of whom are opposed to the development of the oil and natural gas industry. The minority federal government will also be required to rely on the support of the other elected parties to remain in power, which provides less stability and may lead to an earlier subsequent federal election. Political instability, at both the federal and provincial level, continues to create regulatory uncertainty, the effects of which become apparent on an ongoing basis, particularly with respect to carbon pricing regimes, curtailment of crude oil production and transportation and export capacity, and may affect the business of participants in the oil and natural gas industry, including ours. See "*Industry Conditions*".

State of the Capital Markets

A number of factors, including the concerns of the effects of the use of fossil fuels on climate change, concerns of the impact of oil and gas operations on the environment, concerns of environmental damage relating to spills of petroleum products during transportation and concerns of Indigenous rights, have affected certain investors' sentiments towards investing in the oil and gas industry. As a result of these concerns and government delays concerning market access, some institutional, retail and public investors have announced that they no longer are willing to fund or invest in oil and gas properties or companies or are reducing the amount thereof over time. In addition, certain institutional investors are requesting that issuers develop and implement more robust social, environmental and governance policies and practices. Developing and implementing such policies and practices can involve significant costs and require a significant time commitment from our Board, management and employees. Failing to implement the policies and practices as requested by institutional investors may result in such investors reducing their investment in us or not investing in us at all. Any reduction in the investor base interested or willing to invest in the oil and gas industry and more specifically, in us, may result in limiting our access to capital, increasing the cost of capital, and decreasing the price and liquidity of our Common Shares.

Ability to Finance Capital Requirements

Substantial capital expenditures will be required to fund our exploration and development activities. Our 2022 capital and operating budgets were funded with cash flow from operations and existing cash and cash equivalents. In 2023 and beyond, depending on our level of capital spend and the commodity price environment, we may require additional funding which could include debt, equity, joint ventures, asset sales or other financing. The availability of any additional future funding will depend on, among other things, the current commodity price environment, operating performance, our credit rating at the time and the current state of the equity and debt capital markets. A reduction in the current rating on the Company's debt by one or more of its rating agencies or a negative change in the Company's ratings outlook could adversely affect the Company's cost of financing and its access to sources of liquidity and capital. There can be no assurance that the cash that may be generated from our operations and/or the other sources of financing, including the ability to raise additional capital through debt financing or refinancing, will be available or sufficient to meet our requirements, or if external sources of funding are available, that they will be available on terms that are acceptable to us. Additionally, asset divestments are subject to certain limitations in terms of how we are permitted to allocate the proceeds pursuant to the terms of the Amended Credit Facility and the 2026 Notes.

Access to Capital and Insurance

Capital markets are adjusting to the risks that climate change poses and as a result, our ability to access capital and secure adequate or prudent insurance coverage may also be adversely affected in the event that investors, credit rating agencies, lenders and/or insurers adopt more restrictive decarbonization policies or through the general stigmatization of the oil and gas industry. Certain insurance companies have taken actions or announced policies to limit available coverage for companies which derive some or all of their revenue from the oil sands sector. As a result of these policies, premiums and deductibles for some or all of our insurance policies could increase substantially. In some instances, coverage may be reduced or become unavailable. As a result, we may not be able to renew our existing policies, or procure other desirable insurance coverage, either on commercially reasonable terms, or at all. Additionally, certain financial institutions have taken actions or announced policies related to decarbonization of their loan portfolios. As a result, costs of financing could increase over time and we may not be able to refinance our debt, renew or extend credit facilities or procure additional financing at reasonable costs and interest rates, or at all. The future development of our business may be dependent upon our ability to obtain additional capital, including debt and equity financing. See "*Ability to Finance Capital Requirements*" above.

Abandonment and Reclamation Costs

We will need to comply with the terms and conditions of environmental and regulatory approvals and all laws and regulations regarding the abandonment of our projects and reclamation of project lands at the end of their economic lives, which will result in substantial abandonment and reclamation costs. Any failure to comply with the terms and conditions of our approvals and such legislation and/or regulations may result in the imposition of fines and penalties.

It is not possible at this time to estimate abandonment and reclamation costs reliably since they will, in part, depend on future regulatory requirements. In addition, in the future, we may determine it prudent or be required by applicable laws, regulations or regulatory approvals to establish and fund one or more reclamation funds to provide for payment of future abandonment and reclamation costs. If Athabasca establishes a reclamation fund, its liquidity and cash flow may be adversely affected.

Continued Impact of the COVID-19 Pandemic

Athabasca's business, financial condition and results of operations could be materially and adversely affected by the outbreak of epidemics, pandemics and other public health crises in geographic areas in which we have operations, suppliers, customers or employees, including the COVID-19 pandemic and the ongoing uncertainty as to the extent and duration of the pandemic. The ongoing COVID-19 pandemic, and actions that have been and may be taken by governmental authorities in response thereto, has resulted in, and may continue to result in, among other things: increased volatility in financial markets and foreign currency exchange rates; disruptions to global supply chains; labour shortages; reductions in trade volumes; temporary operational restrictions and restrictions on gatherings greater than a certain number of individuals, shelter-in-place declarations and quarantine orders, business closures and travel bans; an overall slowdown in the global economy; political and economic instability; and civil unrest. In

particular, the COVID-19 pandemic has previously resulted in, and may continue to result in, a reduction in the demand for, and prices of, commodities that are closely linked to Athabasca's financial performance, including crude oil, refined petroleum products (such as jet fuel and gasoline), natural gas and electricity, and also increases the risk that storage for crude oil and refined petroleum products could reach capacity in certain geographic locations in which we operate. Any resurgence in COVID-19 cases or the spread of COVID-19 variants could result in continued restrictions noted above or the re-imposition of certain restrictions noted above by local authorities. This further increases the risk and uncertainty as to the extent and duration of the COVID-19 pandemic and the resultant impact on commodity demand and prices. A prolonged period of decreased demand for, and prices of, these commodities, and any applicable storage constraints, could also result in us voluntarily curtailing or shutting in production, which could adversely impact our business, financial condition and results of operations. Athabasca is also subject to risks relating to the health and safety of our people, as well as the potential for a slowdown or temporary suspension of our operations in locations impacted by an outbreak, increased labour and fuel costs, and regulatory changes. Such a suspension in operations could also be mandated by governmental authorities in response to the COVID-19 pandemic. This could negatively impact Athabasca's production for a sustained period of time, which would adversely impact our business, financial condition and results of operations.

Changing Demand for Oil and Natural Gas Products

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas and technological advances in fuel economy and energy generation devices could reduce the demand for oil, natural gas and other liquid hydrocarbons. We cannot predict the impact of changing demand for oil and natural gas products, and any major changes may have a material adverse effect on our business, financial condition, results of operations and cash flows.

Anticipated Benefits of Acquisitions and Dispositions

We consider joint ventures and acquisitions and dispositions of businesses and assets in the ordinary course of business. Achieving the benefits of acquisitions depends on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner and our ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with our business and operations. The integration of acquired businesses may require substantial management effort, time and resources diverting management's focus from other strategic opportunities and operational matters. Management continually assesses the value and contribution of services provided and assets required to provide such services. In this regard, certain assets may be periodically disposed of so we can focus our efforts and resources more efficiently. Depending on the state of the market for such assets, certain of our assets, if disposed of, may realize less than their carrying value on our financial statements.

Royalty Regimes

There can be no assurance that the federal government and the provincial governments of the western provinces will not adopt new royalty regimes or modify the existing royalty regimes which may have an impact on the economics of our projects. An increase in royalties would reduce our earnings and could make future capital investments, or our operations, less economic. For a discussion of current applicable royalty regimes please see "*Industry Conditions – Royalties and Incentives*".

Foreign Exchange Rates and Interest Rates

World oil and gas prices are quoted in United States dollars. The Canadian/U.S. dollar exchange rate, which fluctuates over time, consequently affects the price received by the Canadian producers of oil and natural gas. Material increases in the value of the Canadian dollar will negatively affect our production revenues.

We have U.S. denominated debt and we may incur further additional U.S. dollar denominated debt in the future which creates exposure for us to fluctuations in currency exchange rates. In addition, we may in the future incur indebtedness at variable rates of interest that expose us to additional interest rate risk. If interest rates increase, our debt service obligations on such variable rate indebtedness would increase even though the amount borrowed remains the same, and our net income and cash flows would decrease. This could result in a reduced amount available to fund our exploration and development activities and could negatively impact the market price of the Common

Shares. To the extent that we engage in risk management activities related to foreign exchange rates or interest rates, there is a credit risk associated with counterparties with whom we may contract.

Reserves

There are numerous uncertainties inherent in estimating the quantities of reserves and resources attributable to our assets and the future cash flows attributed to such reserves and resources, including many factors beyond our control, and no assurance can be given that the indicated level of reserves and resources and future net revenues will be realized.

In general, estimates of recoverable reserves and resources are based upon a number of factors and assumptions made as of the date on which the reserves and resource estimates were determined, such as geological and engineering estimates, historical production, production rates, well spacing, ultimate reserve recovery, timing and amount of capital expenditures, marketability of oil and natural gas, royalty rates, and the assumed effects of regulation by governmental agencies, estimates of future commodity prices and operating costs, all of which may vary considerably from actual results. All such estimates are, to some degree, uncertain and classifications of reserves and resources are only attempts to define the degree of uncertainty involved. For these reasons, estimates of the economically recoverable bitumen, crude oil and natural gas and the classification of such reserves and resources based on risk of recovery prepared by different engineers or by the same engineers at different times may vary substantially.

In accordance with applicable securities laws, McDaniel used forecast prices and costs in estimating our reserves and future net cash flows as of December 31, 2022. Actual future net cash flows will also be affected by other factors, such as actual production levels, supply and demand for oil and natural gas, curtailments or increases in consumption by oil and natural gas purchasers, changes in governmental regulation or taxation and the impact of inflation on costs.

Our ability to replenish our reserves is important to our long-term viability. Depleted reserves must be replaced by further development of existing sites or by locating new sites in order to maintain production levels over the long term. Resource exploration and development are highly speculative in nature. Our exploration projects involve many risks, require substantial expenditures and may not result in the discovery of sufficient additional deposits that can be extracted profitably. Once a site with deposits is discovered, it may take several years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish recoverable proven and probable reserves and to construct extraction and processing facilities. As a result, there is no assurance that current or future exploration programs will be successful and there is a risk that depletion of reserves will not be offset by discoveries or acquisitions.

Hedging

The nature of our operations will result in exposure to fluctuations in commodity prices. We use financial instruments and may use physical delivery contracts to hedge our exposure to these risks. In addition, we have previously and may in the future enter into hedging arrangements to act as a risk control mechanism with respect to foreign denominated debt. If product prices increase above those levels specified in any future hedging agreements, we could lose the cost of floors or a fixed price could limit us from receiving the full benefit of commodity price increases. If we enter into hedging arrangements, we may suffer financial loss if we are unable to commence operations on schedule, production falls short of the hedged volumes or prices fall significantly lower than projected, there is a widening of price-basis differentials between delivery points for production and the delivery point assumed in the hedge arrangement, the counterparties to the hedging arrangements or other price risk management contracts fail to perform under those arrangements, a sudden unexpected event materially impacts oil and natural gas prices, or if we are unable to produce sufficient quantities of bitumen, crude oil or natural gas to fulfill our obligations. If currency exchange rates result in a stronger-performing Canadian dollar relative to previously incurred foreign denominated debt, this may result in us incurring financial loss as a result of the financial hedging arrangements we have in place.

Operational Dependence

Other companies operate some of the assets in which we have an interest. We have limited ability to exercise influence over the operation of those assets or their associated costs, which could adversely affect our financial performance. Our return on assets operated by others depends upon a number of factors that may be outside of our

control, including, but not limited to, the timing and amount of capital expenditures, the operator's expertise and financial resources, the approval of other participants, the selection of technology and risk management practices. For instance, we will be dependent upon Murphy as operator of the Greater Kaybob area.

In addition, due to the current low and volatile commodity prices, many companies, including companies that may operate some of the assets in which we have an interest, may be in financial difficulty, which could impact their ability to fund and pursue capital expenditures, carry out their operations in a safe and effective manner and satisfy regulatory requirements with respect to abandonment and reclamation obligations. If companies that operate some of the assets in which we have an interest fail to satisfy regulatory requirements with respect to abandonment and reclamation obligations, we may be required to satisfy such obligations and to seek recourse from such companies. To the extent that any of such companies go bankrupt, become insolvent or make a proposal or institute any proceedings relating to bankruptcy or insolvency, it could result in such assets being shut-in, Athabasca potentially becoming subject to additional liabilities relating to such assets and Athabasca having difficulty collecting revenue due from such operators. Any of these factors could materially adversely affect our financial and operational results.

Operating Costs

The operating costs of the projects undertaken by us will be significant components of the cost of production of the products produced by such projects. Those operating costs may vary considerably during the operating period. The principal factors which could affect operating costs include, without limitation: the amount and cost of labour to operate the projects; the cost of chemicals; the actual SOR required to operate our oil sands projects; the cost of natural gas, diluent and electricity; the cost of complying with regulatory approvals; the maintenance cost of the facilities; the cost to process product; the cost to transport sales products and the cost to dispose of certain by-products; and the cost of insurance and taxes. Throughout 2022, there has been a global increase in commodity pricing, some of which may affect the cost of production for our operations. Unexpected increases in operating costs may result in decreased earnings, which may in turn have a material adverse effect on our results of operations and financial condition.

Project Risks

We manage a variety of small and large projects in the conduct of our business. Project delays may delay expected revenues from operations. Significant project cost over-runs could make a project uneconomic. Additionally, there is a risk that our future projects may have delays, interruption of operations or increased costs. Our ability to execute projects, and the performance of such projects, depends upon numerous factors beyond our control, including:

- an inability to obtain adequate financing, or financing on terms satisfactory to us;
- shortages of, or delays in, obtaining qualified labour, equipment, materials or services;
- changes in the scope of the project or increases in the amount or cost of materials or labour;
- contractor or operator errors in design or construction and non-performance by, or financial failure of, third party contractors;
- breakdown or failure of equipment or processes including facility performance falling below expected levels of output or efficiency;
- reservoir performance;
- unforeseen site surface or subsurface conditions;
- the availability of, and the ability to acquire, water supplies needed for drilling, or our ability to dispose of water used or removed from strata at reasonable costs and within applicable environmental regulations;
- disruption in the supply of energy;
- the availability of processing, transportation and storage capacity;
- the effects of inclement weather;
- unexpected cost increases;
- accidental events;
- delays in obtaining required regulatory approvals;
- currency fluctuations;
- regulatory changes; and
- the regulation of the oil and natural gas industry by various levels of government and agencies.

Because of these factors, we could be unable to execute projects on time, on budget or at all or the projects may not perform to our expectations or as required by regulatory approvals. Any delays may increase the costs of those projects, which could result in the need for additional capital, and there can be no assurance that such capital will be available on acceptable terms or at all.

Supply Chain Disruption

We rely on our supply chain to deliver our products to market. COVID-19 created shortages in materials and workforce and disrupted global supply chain transport and logistics increasing lead times, the effects of which are expected to last for some time. In addition, supply chain impacts are manifesting with rising costs for certain commodities and labour shortages in some areas which can cause cost increases and slower progress than anticipated. Further, the cost or availability of oil and natural gas field equipment may adversely affect our ability to undertake exploration, development and construction projects. The oil and natural gas industry can be cyclical in nature and can be prone to shortages of supply of equipment and services including drilling rigs, geological and geophysical services, engineering and construction services, major equipment items for infrastructure projects, and construction materials generally. These materials and services may not be available when required at reasonable prices. A failure to secure the services and equipment necessary to our operations for the expected price, on the expected timeline, or at all, may have an adverse effect on Athabasca's financial performance and cash flows.

Financial Assurances

We have contracts for pipeline transportation in place with third parties which contain certain financial assurance covenants. Depending upon our capitalization, liquidity position and state of operational performance at certain times, we may not be in a position to comply with the financial assurance covenants contained within these agreements, which may require us to provide security to the third parties we have contracted with including, but not limited to, letters of credit.

Diluent Supply

Bitumen has a high specific gravity or weight and high viscosity or resistance to flow. Diluent is required to facilitate the processing and transportation of heavy oil and bitumen. A shortage of diluent may cause our costs to increase thereby increasing the cost to transport heavy oil and bitumen to market and increasing our overall operating costs resulting in decreased net revenues and negatively impacting our overall profitability.

Third Party Credit Risk

We may be exposed to third party credit risk through our contractual arrangements with our current or future joint venture partners, marketers of our petroleum and natural gas production and other parties. In addition, we may be exposed to third party credit risk from operators of properties in which we have a working or royalty interest. In the event such entities fail to meet their contractual obligations to us, such failures may have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, poor credit conditions in the industry and of partners may affect a partner's willingness to participate in our ongoing capital program, potentially delaying the program and the results of such program until we find a suitable alternative partner. To the extent that any of such third parties go bankrupt, become insolvent or make a proposal or institute any proceedings relating to bankruptcy or insolvency, it could result in us being unable to collect all or a portion of any money owing from such parties. Any of these factors could materially adversely affect our financial and operational results.

Indigenous Claims

Indigenous peoples have claimed aboriginal title and rights to portions of western Canada. We are not aware that any claims have been in respect of our properties or assets. Claims by Indigenous peoples or groups could, among other things, delay or prevent the exploration or development of our properties, which in turn could have a material adverse effect on our business, financial condition, results of operations and prospects.

Reliance on Key Personnel and Operators

Our success depends in large measure on certain key personnel. The loss of or changes in the services provided by such key personnel may have a material adverse effect on its business, financial condition, results of operations and prospects. We do not have any key person insurance in effect. The contributions of the existing management team to our immediate and near-term operations are likely to be of central importance. In addition, the competition for qualified personnel in the oil and natural gas industry is intense and there can be no assurance that we will be able to continue to attract and retain all personnel necessary for the development and operation of our business. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of our management.

Income Tax

Income tax provisions, including current and future income tax assets and liabilities in our financial statements, and income tax filing positions require estimates and interpretations of federal and provincial income tax rules and regulations, and judgments as to their interpretation and application to our specific situation. In addition, there can be no assurance that the Canada Revenue Agency or a provincial or other tax agency will agree with our tax filing positions or will not change its administrative practices to our detriment. Our business and operations are complex and we have executed a number of significant financings, acquisitions, dispositions, reorganizations, joint ventures and business combinations. The computation of income taxes payable as a result of these transactions involves many complex factors as well as our interpretation of and compliance with relevant tax legislation and regulations. While we believe that our tax filing positions are supportable under applicable law, a number of our tax filing positions are or may be the subject of review by taxation authorities. Income tax laws relating to the oil and gas industry may in the future be changed or interpreted in a manner that adversely affects us. Therefore, it is possible that additional taxes could be payable by us and the ultimate value of our income tax assets and liabilities could change in the future and that such additional taxes and changes to such amounts could be materially adverse to us.

Cybersecurity

Athabasca's operations may be negatively impacted by a cybersecurity incident. We use forms of information technology in our operations and such use creates cybersecurity threats including the possibility of potential breakdown, invasion, virus, cyber-attack, cyber-fraud, security breach, and destruction or interruption of our information technology systems by third parties or insiders. Unauthorized access to these systems by employees or third parties could lead to corruption or exposure of confidential, fiduciary or proprietary information, interruption to communications or operations or disruption to our business activities or our competitive position. Further, disruption of critical information technology services, or breaches of information security, could have a negative effect on our performance and earnings, as well as on our reputation. Although we have taken various steps to protect ourselves against such risks, the efforts may not always be successful. In the event of a cybersecurity incident, our operations could be disrupted resulting in a material adverse effect on our business, financial condition and results of operations.

Advanced Technologies

The petroleum industry is characterized by rapid and significant technological advancements and introductions of new products and services utilizing new technologies. Other companies may have greater financial, technical and personnel resources that allow them to enjoy technological advantages and may in the future allow them to implement new technologies before us. There can be no assurance that we will be able to respond to such competitive pressures and implement such technologies on a timely basis or at an acceptable cost. One or more of the technologies currently utilized by us or implemented in the future may become obsolete. In such case, our business, financial condition and results of operations could be affected adversely and materially. If we are unable to utilize the most advanced commercially available technology, our business, financial condition and results of operations could also be adversely affected in a material way.

Hydraulic Fracturing

Hydraulic fracturing involves the injection of water, sand and small amounts of additives under pressure into rock formations to stimulate the production of oil and natural gas. Specifically, hydraulic fracturing enables the production of commercial quantities of oil and natural gas from reservoirs that were previously unproductive. Any new laws,

regulations or permitting requirements or amendments to or stricter interpretation or enforcement of existing laws, regulations or permitting requirements regarding hydraulic fracturing could lead to operational delays, increased operating costs, third party or governmental claims, and could increase our costs of compliance and doing business as well as delay the development of oil and natural gas resources from shale formations, which are not commercial without the use of hydraulic fracturing. Restrictions on hydraulic fracturing could also reduce the amount of oil and natural gas that we are ultimately able to produce from our reserves.

Due to seismic activity reported in the Fox Creek area of Alberta, the AER announced in February 2015 seismic monitoring and reporting requirements for hydraulic fracturing operators in the Duvernay zone in the Fox Creek area. These requirements include, among others, an assessment of the potential for seismicity prior to conducting operations, the implementation of a response plan to address potential seismic events, and the suspension of operations if a seismic event above a particular threshold occurs. These requirements will remain in effect as long as the AER deems them necessary. Further, the AER continues to monitor seismic activity around the province and may extend these requirements to other areas of the province if necessary.

Liability Management

Alberta has developed a liability management program designed to prevent taxpayers from incurring costs associated with suspension, abandonment, remediation and reclamation of wells, facilities and pipelines in the event that a licensee or permit holder is unable to satisfy its obligation. See "*Industry Conditions – Regulatory Authorities and Environmental Regulation – Liability Management Framework*".

Whether under the AB LMR Program or the new LMF, the liability management system may prevent or interfere with our ability to acquire or dispose of assets as both the vendor and the purchaser of oil and gas assets must be in compliance with the liability management programs (both before and after the transfer of the assets) for the applicable regulatory agency to allow for the transfer of such assets. The impact and consequences of the Supreme Court of Canada in the *Redwater* case on the AER's rules and policies, lending practices in the crude oil and natural gas sector and on the nature and determination of secured lenders to take enforcement proceedings will continue to evolve as the decision is evaluated and as the AER continues its phased implementation of the new LMF.

Seasonality and Weather Conditions

The level of activity in the Canadian oil and natural gas industry is influenced by seasonal weather patterns. Wet weather and spring thaw may make the ground unstable. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of rigs and other heavy equipment, thereby reducing activity levels. Road bans and other restrictions generally result in a reduction of drilling and exploratory activities and may also result in the shut-in of some of our production if not otherwise tied-in. Certain oil and natural gas producing areas are located in areas that are inaccessible other than during the winter months because the ground surrounding the sites in these areas consists of swampy terrain. In addition, extreme cold weather, heavy snowfall and heavy rainfall may restrict our ability to access our properties, cause operational difficulties including damage to machinery or contribute to personnel injury because of dangerous working conditions. Global climate change could impact the timing and length of the winter and corresponding spring thaws, which could adversely affect our business and operating results. Furthermore, extreme climate conditions that could result in natural disasters such as flooding or fires, may result in increased expenditures or delays or cancellation of some of our operations.

Additionally, climate change has been linked to long-term shifts in climate patterns, including sustained higher temperatures. Long-term shifts in climate patterns pose the risk of exacerbating operational delays and other risks posed by seasonal weather patterns discussed above. In addition, long-term shifts in weather patterns such as water scarcity, increased frequency of storm and fire and prolonged heat waves may, among other things, require us to incur greater expenditures to address such changes to our operations, which may have a material adverse effect on our results of operations and increased costs to obtain insurance.

Unexpected Events

Operating levels within the oil and gas extraction industry are subject to unexpected conditions and events that are beyond the industry's control. Those events could cause industry members or their suppliers to curtail production or

shut down a portion or all of their operations, which could reduce the demand for our products, and could affect adversely our sales, margins and profitability.

Interruptions in production capabilities inevitably will increase our production costs and potentially reduce our profitability. We do not have meaningful excess capacity for current production needs, and we are not able to quickly increase production at one site to offset an interruption in production at another site.

A portion of our production costs are fixed regardless of current operating levels. As noted, our operating levels are subject to conditions beyond our control that can delay deliveries or increase the cost of operation at particular sites for varying lengths of time. These include weather conditions (for example, extreme winter weather, tornadoes, floods, and the lack of availability of process water due to drought) and natural and man-made disasters, wildfires like the Fort McMurray wildfire in 2016, unanticipated geological conditions, including variations in the amount and type of rock and soil overlying the oil or natural gas deposits, variations in rock and other natural materials and variations in geologic conditions.

The processes that take place in our facilities and those facilities owned by third parties through which our production is transported and processed, depend on critical pieces of equipment. This equipment may, on occasion, be out of service because of unanticipated failures. Remediation of any interruption in production capability may require us to make large capital expenditures that could have a negative effect on our profitability and cash flows. Our business interruption insurance would not cover all or any of the lost revenues associated with equipment failures. Longer-term business disruptions could result in a loss of customers, which adversely could affect our future sales levels and, therefore, our profitability.

Internal Controls

Effective internal controls are necessary for us to provide reliable financial reports and to help prevent fraud. Although we undertake a number of procedures in order to help ensure the reliability of our financial reports, including those imposed on us under Canadian securities laws, we cannot be certain that such measures will ensure that we will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our results of operations or cause us to fail to meet our reporting obligations. If we or our independent auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in our consolidated financial statements and harm the trading price of the Common Shares.

Limitations of Insurance

Our involvement in the exploration for and development of oil, natural gas and bitumen properties may result in us becoming subject to liability for pollution, blowouts, leaks of sour gas, property damage, personal injury or other hazards. Although we maintain insurance in accordance with industry standards to address certain of these risks, such insurance has limitations on liability and may not be sufficient to cover the full extent of such liabilities. Our property, business interruption and liability insurance is subject to deductibles, limits and exclusions, and may not provide sufficient coverage for these and other insurable risks. In addition, certain risks are not, in all circumstances, insurable or, in certain circumstances, we may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of any uninsured liabilities would reduce the funds available to us. The occurrence of a significant event that we are not fully insured against, or the insolvency of the insurer of such event, may have a material adverse effect on our business, financial condition, results of operations and prospects.

Litigation

In the normal course of our operations, we are or we may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions. Potential litigation may develop in relation to personal injuries, including resulting from exposure to hazardous substances, property damage, property taxes, land rights, environmental issues, including claims relating to contamination or natural resource damages, and contract disputes. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to us and as a result, could have a material adverse effect on our assets, liabilities, business, financial condition and results of operations. Even if we prevail in

any such legal proceeding, the proceedings could be costly and time-consuming and would divert the attention of management and key personnel from our business operations, which could adversely affect our financial condition.

In recent years there has been an increase in climate change related demands, disputes, and litigation in various jurisdictions including Canada, asserting various claims, including that oil producers contribute to climate change, that such entities are not reasonably managing business risks associated with climate change, and that such entities have not adequately disclosed business risks of climate change. While many of the climate change related actions are in preliminary stages of litigation, and in some cases assert novel or untested causes of action, there can be no assurance that legal, societal, scientific and political developments will not increase the likelihood of successful climate change related litigation against oil producers, including Athabasca. The outcome of any such litigation is uncertain and may materially impact our business, financial condition or results of operations. We may also be subject to adverse publicity associated with such matters, which may negatively affect public perception and our reputation, regardless of whether we are ultimately found responsible. We may be required to incur significant expenses or devote significant resources in defense against any such litigation.

Natural Gas Overlying Bitumen Resources

Some of our oil sands leases contain producing and shut-in natural gas wells owned by third parties that may penetrate, or otherwise result in the applicable petroleum and natural gas zones coming into communication with, our bitumen resources. In October 2009, the ERCB (now the AER) ordered the interim shut-in of 297 intervals associated with 158 gas wells largely in the Dover West area to mitigate potential future risk to bitumen recovery in the area. On December 15, 2011, pursuant to Order 11-002, the ERCB shut-in these, as well as other wells. There are also natural gas zones in several of our asset areas that do not currently contain producing or shut-in natural gas wells. There is a risk that if the production of natural gas from these zones penetrates or otherwise comes into communication with our bitumen resources, there may be a loss of steam or steam chamber pressure during the SAGD bitumen extraction process, which could adversely affect our ability to recover bitumen using SAGD technology. No assurance can be provided that the production or potential production of natural gas overlying bitumen resources on our oil sands leases will not pose a risk to our ability to recover the bitumen resources on these properties using SAGD technology, and such risk could have a material adverse effect on our business, financial condition, liquidity and results of operations.

Competition

The petroleum industry is competitive in all of its phases. We compete with numerous other entities in the exploration, development, production and marketing of oil and natural gas. Our competitors include oil and natural gas companies that have substantially greater financial resources, staff and facilities than us. Some of these companies not only explore for, develop and produce oil and natural gas, but also carry on refining operations and market oil and natural gas on an international basis. As a result of these complementary activities, some of these competitors may have greater and more diverse competitive resources to draw on than us. Our ability to increase our reserves in the future will depend not only on our ability to explore and develop our present properties, but also on our ability to select and acquire other suitable producing properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of oil and natural gas include price, process, and reliability of delivery and storage.

Chain of Title and Expiration of Licenses and Leases

Although title reviews may be conducted prior to the purchase of oil and natural gas producing properties or the commencement of drilling wells, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise. Our actual interest in properties may, accordingly, vary from our records. If a title defect does exist, it is possible that we may lose all or a portion of the properties to which the title defect relates, which may have a material adverse effect on our business, financial condition, results of operations and prospects. There may be valid challenges to title or legislative changes which affect our title to the oil and natural gas properties we control that could impair our activities on them and result in a reduction of the revenue received by us. Moreover, our licenses and leases may terminate or expire and there can be no assurance that any of the obligations required to maintain each license or lease will be met.

Breaches of Confidentiality

While discussing potential business relationships or other transactions with third parties, we may disclose confidential information relating to our business, operations or affairs. Although confidentiality agreements are generally signed by third parties prior to the disclosure of confidential information, a breach could put us at competitive risk and may cause significant damage to our business. The harm to our business from a breach of confidentiality cannot presently be quantified but may be material and may not be compensable in damages. There is no assurance that, in the event of a breach of confidentiality, we will be able to obtain equitable remedies, such as injunctive relief, from a court of competent jurisdiction in a timely manner, if at all, in order to prevent or mitigate any damage to our business that such a breach of confidentiality may cause.

New Industry Related Activities or New Geographical Areas

The operations and expertise of our management are currently focused primarily on oil and gas production, exploration and development in the Western Canada Sedimentary Basin. In the future we may acquire or move into new industry related activities or new geographical areas, may acquire different energy related assets, and as a result may face unexpected risks or alternatively, significantly increase our exposure to one or more existing risk factors, which may in turn result in our future operational and financial conditions being adversely affected.

Risks Related to Our Debt and Securities

Level of Indebtedness

Our indebtedness could have important consequences to us, including:

- limiting our ability to borrow additional amounts for working capital, capital expenditures, debt service requirements, execution of our development plans or other purposes;
- limiting our ability to use operating cash flow in other areas of our business because we must dedicate a substantial portion of these funds to service the indebtedness;
- increasing our vulnerability to general adverse economic and industry conditions, including increases in interest rates;
- limiting our ability to capitalize on business opportunities and to react to competitive pressures and adverse changes in government regulation; and
- limiting our ability, or increasing the costs, to refinance indebtedness.

Restrictions in Our Debt Instruments

Our debt agreements including the 2026 Notes and the Amended Credit Facility include covenants that, among other things, restrict the ability of Athabasca and its subsidiaries to:

- incur indebtedness;
- make restricted payments, including paying dividends and prepaying junior debt;
- make investments;
- create liens;
- sell assets; or
- engage in mergers or acquisitions.

Our failure to comply with these covenants would likely result in an event of default under our debt agreements. Such a default could allow the creditors to accelerate the related indebtedness and result in acceleration of our other indebtedness to which a cross-acceleration or cross-default provision applies. In the event that noteholders accelerate the repayment of our indebtedness, we may not have sufficient assets or be able to borrow sufficient funds to repay or refinance that indebtedness.

The available lending limits of the Amended Credit Facility are reviewed semi-annually and are based on the lenders' assessment of the Company's reserves and future commodity prices as well as the application of applicable discount rates and other factors by the lenders, including their respective normal petroleum and natural gas lending criteria and practices in effect at the time of such review for loans to borrowers in the Canadian petroleum and natural gas industry. A material decline in commodity prices or the value of our reserves could reduce the available lending limits

under the Amended Credit Facility, therefore reducing the funds available to the Company which could result in a portion, or all, of the Company's indebtedness under the Amended Credit Facility being required to be repaid. The acceleration of our indebtedness under the Amended Credit Facility may permit acceleration of indebtedness under other agreements relating to our secured debt that contain cross default or cross-acceleration provisions.

If Athabasca experiences certain changes in control, Athabasca may be required to make an offer to repurchase all of the outstanding 2026 Notes prior to their maturity at not less than 101% of their principal amount. Additionally, under the Amended Credit Facility, certain changes in control may permit the lenders to accelerate the maturity of borrowings under such facilities, terminate their commitments to lend and require repayment of amounts drawn under the Amended Credit Facility. Athabasca may not have sufficient funds or be able to arrange for additional financing at the time of the change of control to make the required repurchase of the 2026 Notes and repay any of Athabasca's other indebtedness that may also become due.

Additional Indebtedness

Despite our current level of indebtedness, we may still be able to incur substantially more debt, which could further exacerbate the risks associated with our leverage.

Issuance of Additional Securities

The Board may issue an unlimited number of Common Shares, without any vote or action by Athabasca's Shareholders, subject to the rules of the TSX or such other stock exchange on which Athabasca's securities may be listed from time to time. Athabasca may make future acquisitions or enter into financings or other transactions involving the issuance of securities. In addition, Athabasca may issue Stock Options, RSUs, PSUs and other security-based awards exercisable to acquire up to 10% of the number of Common Shares outstanding at any given time. If Athabasca issues any additional Common Shares, the percentage ownership of existing Shareholders will be reduced and diluted.

As a result of the foregoing factors, purchasers of Common Shares may not receive any return on an investment in Common Shares unless they sell such Common Shares for a price greater than that which they paid for it.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at <https://www.sedar.com/>. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of securities and securities authorized for issuance under the Company's equity compensation plans, is contained in the Information Circular for the Company's most recent annual meeting of securityholders that involved the election of directors. Additional financial information about Athabasca is provided in the Company's financial statements and management's discussion and analysis for the year ended December 31, 2022, which may be found on SEDAR at <https://www.sedar.com/>.

GLOSSARY OF DEFINED TERMS

Capitalized terms in this Revised Annual Information Form have the meanings set forth below. Unless other indicated, references herein to "\$" or "dollars" are to Canadian dollars.

"**2026 Note Indenture**" means the indenture dated October 22, 2021, among the Company, the Company's subsidiary guarantors, the Bank of New York Mellon and the BNY Trust Company of Canada relating to the 2026 Notes.

"**2026 Notes**" has the meaning given to such term under the heading "*Development of our Business – Developments in 2022*".

"**ABCA**" means the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder.

"**Acquisition Royalty**" means the royalty granted by Athabasca to Burgess on February 24, 2017, and upsized on April 28, 2017 and on April 28, 2020, on the Leismer and Corner properties. The Acquisition Royalty is based on a linear scale (0 – 15%) with a WCS benchmark. The minimum 2.5% trigger is US\$60/bbl WCS and the Acquisition Royalty is not expected to materially impact the economics of future expansion phases or development projects and there are no associated commitments for development.

"**AER**" means the Alberta Energy Regulator.

"**Amended Credit Facility**" has the meaning given to that term under "*Capital Structure – Revolving Senior Secured Credit Facility*".

"**Amended Rights Plan**" has the meaning given to such term under "*Capital Structure – Shareholder Rights Plan*".

"**API**" refers to an indication of the specific gravity of crude oil measured on the American Petroleum Institute gravity scale.

"**Athabasca**" means "we", "our", "us", or the "Company" or Athabasca Oil Corporation and/or its wholly-owned subsidiaries, as the context requires.

"**Audit Committee**" means the audit committee of the Board.

"**Best Estimate**" has the meaning given to that term under "*Appendix A – Supplemental Disclosure – Contingent Resource Estimates*".

"**bitumen**" means a naturally occurring solid or semi-solid hydrocarbon, consisting mainly of heavier hydrocarbons with a viscosity greater than 10,000 milliPascal seconds (or centipoise) measured at the hydrocarbon's original temperature in the reservoir and atmospheric pressure, on a gas-free basis and is not primarily recoverable at economic rates through a well without the implementation of enhanced recovery methods. Crude bitumen may contain sulphur and other non-hydrocarbon compounds.

"**Board**" means the Board of Directors of the Company.

"**Burgess**" means Burgess Energy Holdings L.L.C.

"**carbonate**" means a class of sedimentary rock whose chief mineral constituents (95% or more) are calcite, aragonite and dolomite. Limestone, dolostone (or dolomite) and chalk are carbonate rocks. Although carbonate rocks can be clastic in origin, they are more commonly formed through processes of precipitation or the activity of organisms such as coral and algae. Carbonates form in shallow and deep marine settings, evaporitic basins, lakes and windy deserts. Carbonate rocks are common hydrocarbon reservoir rocks.

"**clastic**" means sediment consisting of weathered fragments derived from pre-existing rocks and transported elsewhere and redeposited before forming another rock. Examples of common clastic sedimentary rocks include siliciclastic rocks such as conglomerate, sandstone, siltstone and shale.

"**COGE Handbook**" means the Canadian Oil and Gas Evaluation Handbook maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter) as amended from time to time.

"**Collateral Agent Agreement**" has the meaning given to that term under "*Capital Structure – 2026 Notes*".

"**Common Shares**" means the common shares in the capital of the Company, as constituted on the date hereof.

"**Company Interest**" means Athabasca's total working interest share before deduction of royalties and without excluding any royalty interests.

"**Compensation and Governance Committee**" means the compensation and governance committee of the Board.

"**Contingent Resources**" has the meaning given to that term under "*Appendix A – Supplemental Disclosure – Contingent Resource Estimates*".

"**conventional natural gas**" means natural gas that has been generated elsewhere and has migrated as a result of hydrodynamic forces and is trapped in discrete accumulations by seals that may be formed by localized structural, depositional or erosional geological features.

"**Corner assets**" means the interests of Athabasca in approximately 44,000 net acres of oil sands leases (not including overlying petroleum and natural gas leases) located in the Athabasca oil sands fairway in northeastern Alberta (see map at "*Description of Our Business – Our Development Strategy for Our Principal Properties*") as at December 31, 2022, that are more particularly described under "*Description of Our Business – Our Development Strategy for Our Principal Properties – Thermal Oil Division – Leismer Corner Assets*" and "*Appendix A – Supplemental Disclosure – Contingent Resource Estimates*".

"**Corner Project**" means Corner Project 1 and Corner Project 2.

"**Corner Project 1**" means a SAGD project to be located in the Corner asset area with a production capacity of up to 40,000 bbl/d.

"**Corner Project 2**" means a SAGD expansion phase of the Corner Project to be located in the Corner asset area with a production capacity of up to 50,000 bbl/d.

"**CPF**" means central processing facility.

"**crude oil**" or "**oil**" means a mixture consisting mainly of pentanes and heavier hydrocarbons that exist in the liquid phase in reservoirs and remains liquid at atmospheric pressure and temperature. Crude oil may contain small amounts of sulphur and other non-hydrocarbons but does not include liquids obtained from the processing of natural gas. Classes of crude are reported on basis of density, acceptable ranges are as follows: Light: less than 870kg/m³ (greater than 31.1 degrees (symbol) API), Medium: 870-920 kg/m³ (31.1-22.3 degrees API), Heavy 920-1000 kg/m³ (22.3-10 degrees API).

"**dilbit**" means a blend of condensate and bitumen.

"**diluent**" means lighter viscosity petroleum products that are used to dilute bitumen for purposes such as transportation in pipelines.

"**Dover West assets**" means the interests of Athabasca in approximately 149,000 net acres of land as at December 31, 2022 located within the Athabasca oil sands fairway in northeastern Alberta (see map at "*Description of Our*").

Business – Our Development Strategy for Our Principal Properties”) that are more particularly described under *"Description of Our Business – Our Development Strategy for Our Principal Properties – Thermal Oil Exploration – Dover West Assets"* and *"Appendix A – Supplemental Disclosure – Contingent Resource Estimates"*.

"Dover West Sands" means the clastic bitumen reservoirs contained within the McMurray Formation and the Wabiskaw member of the Clearwater formation in the Dover West assets.

"Dover West Sands Project 1" means a SAGD project in the Dover West area with a planned production capacity of up to 50,000 bbl/d.

"DSU" means a deferred share unit granted under the Company’s deferred share unit plan which was originally made effective for directors of the Company on March 11, 2015 and as amended from time to time.

"Enbridge" means Enbridge Inc. or any of its subsidiaries.

"ERCB" means the Energy Resources Conservation Board of Alberta (predecessor to the AER).

"established technology" means methods that have been proven to be successful in commercial applications, as such term is defined in the COGE Handbook.

"forecast prices and costs" means future prices and costs that are: (a) generally accepted as being a reasonable outlook of the future; or (b) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which Athabasca is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in subparagraph (a).

"future net revenue" means a forecast of revenue, estimated using forecast prices and costs or constant prices and costs, arising from the anticipated development and production of resources, net of the associated royalties, operating costs, development costs, and abandonment and reclamation costs.

"GHG" means greenhouse gas.

"gross" means in relation to reserves: the Company’s working interest volumes (operating or non-operating) before deduction of royalties and without including any royalty interests of the Company; in relation to properties: the total area in which the Company has an interest; in relation to wells: the total number of wells the Company has an interest in.

"Hangingstone assets" means the interests of Athabasca in approximately 76,000 net acres of land located in the Athabasca oil sands fairway in northeastern Alberta (see map at *"Description of Our Business – Our Development Strategy for Our Principal Properties"*) as at December 31, 2022 with up to 80,000 bbl/d producing capacity, that are more particularly described under *"Description of Our Business – Our Development Strategy for Our Principal Properties – Thermal Oil Division –Hangingstone Assets"* and *"Appendix A – Supplemental Disclosure – Contingent Resource Estimates"*.

"Hangingstone Project" means a producing SAGD project in the Hangingstone area of northwestern Alberta with plant capacity of up to 12,000 bbl/d.

"hydrocarbon" means a compound consisting of hydrogen and carbon, which, when naturally occurring, may also contain other elements such as sulphur.

"in-situ" means "in place" and, when referring to oil sands, means a process for recovering bitumen from oil sands by means other than surface mining, such as SAGD.

"Independent Report" means the report prepared by McDaniel dated effective as of December 31, 2022, assessing and evaluating the proved reserves and probable reserves of the Company located in the Leismer, Corner, Hangingstone and Light Oil assets and the Contingent Resources located in the Leismer, Corner and Dover West Sands assets.

"Kaybob assets" means the interests of Athabasca in approximately 63,000 net acres of land that are located primarily in northwestern Alberta (see map at "*Description of Our Business – Our Development Strategy for Our Principal Properties*") as at December 31, 2022, as more particularly described under "*Description of Our Business – Light Oil Division*".

"Kaybob Carry Commitment" means Murphy's obligation to fund 75% of Athabasca's share of Duvernay development capital up to \$1 billion of gross investment (\$75 million net capital exposure to Athabasca) which was completed in 2021.

"Kaybob JDA" means the joint development agreement between the Company and Murphy dated May 13, 2016.

"Leismer assets" means the interests of Athabasca in approximately 79,000 net acres of oil sands leases (not including overlying petroleum and natural gas leases) located in the Athabasca oil sands fairway in northeastern Alberta (see map at "*Description of Our Business – Our Development Strategy for Our Principal Properties*") as at December 31, 2022 with up to 80,000 bbl/d producing capacity, that are more particularly described under "*Description of Our Business – Thermal Oil Division – Leismer Corner Assets*" and "*Appendix A – Supplemental Disclosure – Contingent Resource Estimates*".

"Leismer Project" means a producing SAGD project in Northwestern Alberta with plant capacity up to 25,000 bbl/d which was acquired from Statoil on January 31, 2017.

"Leismer Project 2" means a SAGD expansion phase of the Leismer assets with a production capacity of up to 15,000 bbl/d.

"Leismer Project 3" a SAGD expansion phase of the Leismer assets with a production capacity of up to 40,000 bbl/d.

"Light Crude Oil" or **"light crude oil"** means crude oil with a relative density greater than 31.1 degrees API gravity.

"Light Oil assets" means the interests of Athabasca in approximately 194,000 net acres of land as at December 31, 2022, primarily located in northwestern Alberta, which includes the Kaybob assets, Placid assets and Light Oil Exploration Areas.

"Light Oil Division" means Athabasca's business unit which is primarily focused on the exploration for, and sustainable development and production of, light oil and liquids-rich natural gas.

"Light Oil Exploration Areas" means the interests of Athabasca in approximately 88,000 net acres of land in northwestern Alberta as at December 31, 2022.

"Liquids" includes tight oil, light and medium crude oil and natural gas liquids.

"McDaniel" means McDaniel & Associates Consultants Ltd., an independent qualified reserve and resource evaluator.

"Medium Crude Oil" or **"medium crude oil"** means crude oil with a relative density greater than 22.3 degrees API gravity and less than or equal to 31.1 degrees API gravity.

"Murphy" means Murphy Oil Canada Ltd., a wholly owned subsidiary of Murphy Oil Corporation.

"M\$" means thousands of Canadian dollars.

"**MM\$**" means millions of Canadian dollars.

"**natural gas**" means a naturally occurring mixture of hydrocarbon gases and other gases, which may contain sulphur or other non-hydrocarbon compounds.

"**net acres**" means the percentage of total acres an owner owns out of a specific number of acres or specified area.

"**Net Reserves**" means Athabasca's working interest (operating or non-operating) share after deduction of royalty obligations, plus Athabasca's royalty interests in reserves.

"**NGL**" or "**natural gas liquids**" means the hydrocarbon components that can be recovered from natural gas as liquids, including, but not limited to ethane, propane, butanes, pentanes plus and condensates.

"**NI 51-101**" means National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*.

"**NI 51-102**" means National Instrument 51-102 *Continuous Disclosure Obligations*.

"**oil sands**" means deposits of sand, sandstone, carbonate or other mineral material containing bitumen.

"**Omnibus Incentive Plan**" means the omnibus incentive plan of the Company which was originally made effective on March 29, 2021, as amended from time to time.

"**permeability**" is a measure of the ability of a rock to conduct a fluid through its interconnected pores when that fluid is at 100% saturation. A rock may be highly porous and yet impermeable if it has no interconnecting pore network (communication). Permeability is measured in darcies or millidarcies.

"**Phantom Share Unit**" means a phantom share unit granted under the Company's phantom unit plan which was originally made effective on March 4, 2020 and as amended from time to time.

"**Placid assets**" means the interests of Athabasca in approximately 63,000 net acres of land located primarily in northwestern Alberta (see map at "*Description of Our Business – Our Development Strategy for Our Principal Properties*") as at December 31, 2022, as more particularly described under "*Description of Our Business – Light Oil Division*".

"**Placid JDA**" means the joint development agreement between the Company and Murphy dated May 13, 2016.

"**porosity**" means the volume of a rock available to contain fluids; the ratio of void space to the bulk volume of rock containing that void space. Porosity can be expressed as a fraction or percentage of pore volume in a volume of rock.

"**PSU**" means a performance share unit granted under the Omnibus Incentive Plan or performance awards granted under the performance award plan of the Company which was originally effective March 18, 2014 and as amended from time to time.

"**Reserves Committee**" means the reserves committee of the Board.

"**reservoir**" means a porous and permeable formation that contains a separate accumulation of petroleum that is confined by impermeable rock or water barriers and is characterized by a single pressure system.

"**risked**" has the meaning given to that term under "*Appendix A – Supplemental Disclosure – Contingent Resource Estimates*".

"**Royalty**" means a contingent bitumen royalty granted to Burgess Energy Holdings L.L.C. on the Company's oilsands assets located at Hangingstone and Dover West on June 20, 2016, and upsized on April 28, 2020. Payment of the applicable royalty rate is tied to US\$ WCS benchmark prices and calculated on a linear scale ranging from 0-15% of

the Company's realized bitumen price (\$C), with the royalty rate beginning at 2.5% when US\$ WCS reaches \$60/bbl in the case of Hangingstone and \$70/bbl in the case of Dover West. The realized price is determined net of diluent, transportation and storage costs and have been structured so that the assets will not be encumbered at lower pricing levels.

"**RSU**" means a restricted share unit granted under the Omnibus Incentive Plan or the restricted share unit plan of the Company originally effective March 11, 2015, as amended from time to time.

"**S&P**" means Standard and Poor's Global Rating Services, a division of S&P Global Inc.

"**SAGD**" means steam assisted gravity drainage, an in-situ process used to recover bitumen from oil sands.

"**saturation**" is the fraction or percentage of the pore volume occupied by a specific fluid (i.e., oil, gas, water, etc.).

"**shale gas**" means natural gas contained in dense organic-rich rocks, including low permeability shales, siltstones and carbonates, in which the natural gas is primarily adsorbed on the kerogen or clay materials and that usually requires the use of hydraulic fracturing to achieve economic production rates.

"**Shareholders**" means the holders, from time to time, of the Common Shares, collectively or individually, as the context requires.

"**SOR**" means steam to oil ratio.

"**Statoil**" means Statoil ASA or Statoil Canada Limited, now Equinor Canada Ltd.

"**Stock Option**" means a stock option granted under the Omnibus Incentive Plan or the stock option plan of the Company originally dated effective as of September 1, 2009, as amended from time to time.

"**synthetic crude oil**" means a mixture of liquid hydrocarbons derived by upgrading bitumen, kerogen or other substances such as coal, or derived from gas to liquid conversion and may contain sulphur or other compounds.

"**technology under development**" means a recovery process or process improvement project that has been determined to be technically viable via a field test and is being field tested further to determine its economic viability in the subject reservoir as such term is defined in the COGE Handbook.

"**Thermal Oil assets**" means the interests of Athabasca in approximately 348,000 net acres of oil sands leases in the Athabasca region of northeastern Alberta, as at December 31, 2022.

"**Thermal Oil Division**" means Athabasca's business unit which is primarily focused on the exploration for, and sustainable development and production of, bitumen from oil sands.

"**tight oil**" means crude oil contained in dense organic-rich rocks, including low permeability shales, siltstones and carbonates, in which the natural gas is primarily contained in microscopic pore spaces that are poorly connected to one another and that usually requires the use of hydraulic fracturing to achieve economic production rates.

"**TSX**" means the Toronto Stock Exchange.

"**unrisked**" has the meaning given to that term under "*Appendix A – Supplemental Disclosure – Contingent Resource Estimates*".

"**Unsecured LC Facility**" has the meaning given to that term under "*Capital Structure – LC Facility*".

"**Warrants**" has the meaning given to that term under "*Capital Structure – Warrants*".

"WCS" means Western Canadian Select.

"WTI" means West Texas Intermediate grade crude oil at a reference sales point in Cushing, Oklahoma, a common benchmark for crude oils.

Certain other terms used herein but not defined herein are defined in NI 51-101 or the COGE Handbook and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101 or the COGE Handbook.

APPENDIX A**SUPPLEMENTAL DISCLOSURE – CONTINGENT RESOURCE ESTIMATES
AS AT DECEMBER 31, 2022**

Athabasca engaged McDaniel to prepare Contingent Resource evaluations of its Leismer, Corner, Hangingstone and Dover West Sands assets. All of Athabasca's Contingent Resources have been evaluated in accordance with NI 51-101. McDaniel's Report on Contingent Resources Data by Independent Qualified Reserves Evaluator or Auditor is set forth in Appendix C to this Revised Annual Information Form.

Quantities of Contingent Resources may be estimated using low estimate (high certainty), Best Estimate (most likely) and high estimate (low certainty) cases. In this Revised Annual Information Form, Athabasca has reported its Contingent Resources using the Best Estimate case, which is considered to be the best estimate of the quantity of Contingent Resources that may actually be recovered. All of the Company's Contingent Resources disclosed herein are classified under the product type of bitumen resources. It should not be assumed that the estimates of recovery, production and net revenue that are reflected in the table that is provided below represent the fair market value of Athabasca's bitumen resources. There is no assurance that the forecast prices and cost assumptions will be realized and variances could be material and there is no guarantee that the estimated resources will be recovered or produced. Actual resources may be greater than or less than the estimates provided herein. There is no certainty that it will be commercially viable for Athabasca to produce any portion of the Contingent Resources on any of its properties.

The Contingent Resources estimates presented in the Independent Report are based upon the definitions and guidelines contained in the COGE Handbook. A summary of the applicable definitions is set forth below:

"Best Estimate" is a classification of estimated resources described in the COGE Handbook as being considered to be the best estimate of the quantity that will actually be recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the Best Estimate. If probabilistic methods are used, there should be a 50% probability (P50) that the quantities actually recovered will equal or exceed the Best Estimate.

"chance of development" means the estimated probability that, once discovered, a known accumulation will be commercially developed.

"Contingent Resources" are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include such factors as economic, legal, environmental, political and regulatory matters or a lack of markets. It is also appropriate to classify as "Contingent Resources" the estimated discovered recoverable quantities associated with a project in the early evaluation stage.

"Economic" means those Contingent Resources that are currently economically recoverable based on the same fiscal conditions used in the assessment of reserves.

"risked" means the applicable reported volumes or revenues have been risked (or adjusted) based on the chance of commerciality of such resources in accordance with the COGE Handbook. In accordance with the COGE Handbook for contingent resources, the chance of commerciality is solely based on the chance of development based on all contingencies required for the re-classification of the contingent resources as reserves being resolved. Therefore, risked reported volumes and values of contingent resources reflect the risking (or adjustment) of such volumes or values based on the chance of development of such resources.

"unrisked" means applicable reported volumes or values of resources have not been risked (or adjusted) based on the chance of commerciality of such resources. In accordance with the COGE Handbook for contingent resources, the chance of commerciality is solely based on the chance of development based on all contingencies required for the re-classification of the contingent resources as reserves being resolved. Therefore, unrisked reported volumes

and values of contingent resources do not reflect the risking (or adjustment) of such volumes or values based on the chance of development of such resources.

Contingent Resources may be divided into the following project maturity sub-classes:

"Development Pending" is assigned to Contingent Resources for a particular project where resolution of the final conditions for development is being actively pursued (high chance of development).

"Development on Hold" is assigned to Contingent Resources for a particular project where there is a reasonable chance of development, but there are major non-technical contingencies to be resolved that are usually beyond the control of the operator.

"Development Unclassified" is assigned to Contingent Resources for a particular project where evaluation is incomplete and there is ongoing activity to resolve any risks or uncertainties or which require significant further appraisal to clarify potential for development and where contingencies have yet to be defined.

"Development Not Viable" is assigned to Contingent Resources for a particular project where no further data acquisition or evaluation is currently planned and there is a low chance of development.

Other terms not defined in this Appendix A have the meaning ascribed to such terms under "*Glossary of Defined Terms*" in the main body of this Revised Annual Information Form.

The following tables set forth: (a) the unrisked Best Estimate Contingent Resources; (b) the risked Best Estimate Contingent Resources; and (c) the associated risked future net revenue (before income taxes) estimates for the Contingent Resources calculated by McDaniel in the Independent Report. The evaluation procedure employed by McDaniel is in accordance with the standards set forth in the COGE Handbook. The price forecasts that formed the basis for the net present value estimates that are contained herein were based on McDaniel's January 1, 2023 pricing models set forth below under "*Forecast Prices & Costs Used in Contingent Resource Estimates*". There is no assurance that the forecast price and cost assumptions used will be realized and variances could be material. See "*Forward Looking Statements*" in this Revised Annual Information Form.

An estimate of risked net present value of future net revenue of Contingent Resources is preliminary in nature and is provided to assist the reader in reaching an opinion on the merit and likelihood of Athabasca proceeding with the required investment. It includes Contingent Resources that are considered too uncertain with respect to the chance of development to be classified as reserves. There is uncertainty that the risked net present value of future net revenue will be realized.

Summary of Unrisked and Risked Contingent Resources and Risked Net Present Value of Future Net Revenue (Best Estimate Contingent Resources)^(1,2,3,4,5,6,7,8,9,10,11, 12)

	Risked Net Present Value of Future Net Revenue Before Income Tax Discounted at (%/year)										
	Gross Unrisked Best Estimate			Project Maturity Classification	Gross Risked Best Estimate		Net Risked Best Estimate				
	Working Interest (%)	Contingent Resources (MMbbl)	Chance of Development (%)		Contingent Resources (MMbbl)	Contingent Resources (MMbbl)	0% (MM\$)	5% (MM\$)	10% (MM\$)	15% (MM\$)	20% (MM\$)
Leismer	100	395	90	Pending	355	259	3,534	1,157	339	20	(112)
Corner	100	520	80	Pending	416	282	5,863	1,593	426	70	(41)
Hangingsstone	100	36	70	On Hold	25	17	533	41	4	0	0
Total:		951	84		797	558	9,930	2,792	769	90	(153)

Sub-Economic Resource	Working Interest (%)	Gross Unrisked Best Estimate Contingent Resources		Project Maturity Classification	Gross Risked Best Estimate Contingent Resources (MMbbl)
		Resources (MMbbl)	Chance of Development (%)		
Dover West Sands	100	2,223	20	Not Viable	445
Hangingsstone	100	528	20	Not Viable	106
Total:	100	2,751	20		550

Notes:

- (1) See definitions for "Contingent Resources", "Best Estimate", "risked", "unrisked" "Development Pending", "Development on Hold" and "Development Not Viable".
- (2) The volumes of Contingent Resources in this table were calculated at the outlet of the proposed extraction plant.
- (3) There is no certainty that it will be commercially viable to produce any portion of the Contingent Resources.
- (4) The Contingent Resource estimates set out in the table reflect, as at December 31, 2022, Athabasca's working interest in the Leismer, Corner, Hangingsstone and Dover West Sands assets.
- (5) Based on the estimates contained in the Independent Report dated effective as of December 31, 2022, calculated by McDaniel using McDaniel's pricing forecasts for consistency and in accordance with the COGE Handbook.
- (6) Totals may not add due to rounding.
- (7) Gross unrisked Contingent Resource volumes have been included to provide a comparison with the Company's Contingent Resources disclosure from previous years in which risking was not included (prior to 2016).
- (8) All of the Company's Contingent Resources are of the bitumen product type.
- (9) All evaluations of future revenue are after the deduction of royalties, development costs, production costs and well abandonment and reclamation costs but before consideration of indirect costs such as administrative, overhead and other miscellaneous expenses. For a further discussion of what is and isn't included in abandonment and reclamation costs, please see "Abandonment and Reclamation Costs" below.
- (10) The estimates of Contingent Resources (Best Estimate) and future net revenue for individual properties may not reflect the same confidence levels as estimates of Contingent Resources (Best Estimate) and future net revenues for all properties, due to the effects of aggregation.
- (11) The method of quantifying the chance of development is set out in the COGE Handbook Volume 2, Section 2.
- (12) The Dover West Sands and portions of the Hangingsstone volumes are not economic at this time and are classified accordingly as Not Viable. Further changes in economic conditions or technical development as of the effective date may result in a change to a different sub-classification in the future. The volumes reported in the table are the gross sub-economic technical volumes for the asset.

Forecast Prices & Costs Used in Contingent Resource Estimates

Year	Inflation %	Exchange Rate US\$/C\$	WTI	Edmonton	Western	US Henry	AECO	Pentanes Plus	Butane	Propane
			Crude Oil US\$/bbl	Light Crude Oil C\$/bbl	Canadian Select Crude Oil C\$/bbl	Hub Gas US\$/MMBtu	Spot Gas C\$/MMBtu	Edmonton C\$/bbl	Edmonton C\$/bbl	Edmonton C\$/bbl
2023	0	0.745	\$80.33	\$103.76	\$76.54	\$4.74	\$4.23	\$106.22	\$53.88	\$39.80
2024	2.33	0.765	\$78.50	\$97.74	\$77.75	\$4.50	\$4.40	\$101.35	\$52.67	\$39.14
2025	2	0.768	\$76.95	\$95.27	\$77.55	\$4.31	\$4.21	\$98.94	\$51.42	\$39.74
2026	2	0.772	\$77.61	\$95.58	\$80.07	\$4.40	\$4.27	\$100.19	\$51.61	\$39.86
2027	2	0.775	\$79.16	\$97.07	\$81.89	\$4.49	\$4.34	\$101.74	\$52.39	\$40.47
2028	2	0.775	\$80.74	\$99.01	\$84.02	\$4.58	\$4.43	\$103.78	\$53.44	\$41.28
2029	2	0.775	\$82.36	\$100.99	\$85.73	\$4.67	\$4.51	\$105.85	\$54.51	\$42.11
2030	2	0.775	\$84.00	\$103.01	\$87.44	\$4.76	\$4.60	\$107.97	\$55.60	\$42.95
2031	2	0.775	\$85.69	\$105.07	\$89.20	\$4.86	\$4.69	\$110.13	\$56.71	\$43.81
2032	2	0.775	\$87.40	\$106.69	\$91.11	\$4.95	\$4.79	\$112.33	\$57.56	\$44.47
2033	2	0.775	\$89.15	\$108.83	\$92.93	\$5.05	\$4.88	\$114.58	\$58.71	\$45.35
2034	2	0.775	\$90.93	\$111.00	\$94.79	\$5.15	\$4.98	\$116.87	\$59.88	\$46.26
2035	2	0.775	\$92.75	\$113.22	\$96.69	\$5.26	\$5.08	\$119.21	\$61.08	\$47.19
2036	2	0.775	\$94.61	\$115.49	\$98.62	\$5.36	\$5.18	\$121.59	\$62.30	\$48.13
2037	2	0.775	\$96.50	\$117.80	\$100.59	\$5.47	\$5.29	\$124.02	\$63.55	\$49.09
Thereafter	2	0.775	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr

Description of Leismer Contingent Resources

The Contingent Resources assigned to Athabasca's Leismer assets assume that such resources will be produced using SAGD technology which has been successfully implemented at the Leismer Project since 2010. The production of Contingent Resources assigned to the Leismer assets is contingent upon the completion of Leismer Project 3 which, if commissioned, is planned to be on stream in 2028 with a capacity of 40,000 bbl/d which would take the total Leismer plant capacity to 80,000 bbl/d.

A field development plan (a pre-development study) has been developed for the Leismer assets but the existing environmental impact assessment is for capacity of 40,000 bbl/d and an amendment for 80,000 bbl/d has not been submitted to date.

The infrastructure already in place to support Leismer Project 3 includes the access road to the CPF, the diluent import pipeline, capacity on the dilbit sales pipeline to Cheecham, tank capacity at Cheecham and the gas import pipeline. However, the existing pipelines and tankage will require debottlenecking to be able to accept the volumes from Leismer Project 3.

Based on Athabasca's development plan, the total Best Estimate capital cost of first commercial production in 2028 for the Leismer Project 3 is estimated at approximately \$1,557 million (uninflated, unrisks, undiscounted) which includes delineation, SAGD well pairs and central processing facilities.

The contingencies identified for the development of the Leismer Contingent Resources are:

- Regulatory Approval – filing an amendment to the existing Leismer application.
- Market Conditions – the Leismer Project 3 is not expected to be sanctioned by the Board until market conditions improve and project funding is secured.
- Delineation – further delineation is required before a final investment decision can be made.
- Firm development plans and detailed cost estimates - have not yet been developed.
- Project Timing – Leismer Project 3 is not anticipated to start up until 2028 and significant spending is not anticipated before 2025.

In accordance with the COGE Handbook, Leismer risked Best Estimate Contingent Resources have been classified as Development Pending by McDaniel. These Contingent Resources are considered to be Development Pending as they are within 10 miles of the existing CPF and there is sufficient delineation to prepare the development strategy consistent with a project evaluation scenario status of development. Athabasca is actively working on this property and there is corporate intent to develop the Contingent Resources in the near term. First steam is planned for 2028

subject to project sanctioning. The Hangingstone Project took 4.5 years from commencing preparation of the regulatory application to first steam. Athabasca will execute the Leismer Project 3 with the same proven execution strategy and facility design and consequently does not need to do further work on the Leismer Project 3 until 2025 to maintain a reasonable expectation of reaching first steam in 2028. The level of economic analysis is sufficient to assess the development options and overall project viability but is insufficient for a final investment decision. The chance of development of these Contingent Resources is estimated to be 90%.

The positive factors relevant to the Contingent Resource estimates for the Leismer Project 3 include:

- They are within a 10 mile radius of the existing CPF and significant infrastructure is already in place.
- Using established technology which is being successfully implemented at the Leismer Project.
- A development plan is in place.
- The reservoir has been defined across the asset using delineation drilling as well as 2D and 3D seismic. The level of delineation supports the risks assigned to the project maturity sub-class of Development Pending.

The negative factors relevant to the Contingent Resource estimates for the Leismer Project include:

- Economic sensitivity to future oil pricing.
- Existing infrastructure requires debottlenecking.
- Uncertainty regarding regulatory regimes in Alberta.
- Ability to access project funding.
- Potential lack of pipeline capacity to access bitumen markets.
- The Leismer regulatory application has not yet been amended for Leismer Project 3.

See also "*Risk Factors*" in this Revised Annual Information Form.

Description of Corner Contingent Resources

The Contingent Resources assigned to Athabasca's Corner assets assumes the resources will be produced using SAGD technology which has been successfully implemented in the nearby Leismer Project since 2010. The production of the Contingent Resources assigned to the Corner assets is contingent upon the completion of the second phase which, if commissioned, is planned to be on stream in 2033 with a capacity of 50,000 bbl/d which would take the total Corner plant capacity to 90,000 bbl/d.

A field development plan (a pre-development study) has been developed for the Corner assets but the existing environmental impact assessment is for capacity of 40,000 bbl/d and an amendment for 90,000 bbl/d capacity has not been submitted.

There is no infrastructure already in place to support the Corner Project although some of the nearby Leismer plant infrastructure could be used, which includes the access road to the CPF, the diluent import pipeline, capacity in the dilbit sales pipeline to Cheecham, and tank capacity at Cheecham.

Based on Athabasca's development plan, the total Best Estimate capital cost of first commercial production in 2033 for the Corner Project 2 is estimated at approximately \$1,794 million (uninflated, unrisks, undiscounted) which includes delineation, SAGD well pairs and central processing facilities.

The contingencies identified for the development of the Corner Contingent Resources are:

- Regulatory Approval – filing an amendment to the existing Corner application.
- Market Conditions – Corner Project 2 is not expected to be sanctioned by the Board until market conditions improve and project funding is secured.
- Delineation – further delineation is required before a final investment decision can be made.
- Firm development plans and detailed cost estimates - have not yet been developed.

- Project Timing – Corner Project 2 is not anticipated to start up until 2033 and significant spending is not anticipated before 2030.

In accordance with the COGE Handbook, Corner risked Best Estimate Contingent Resources have been classified as Development Pending by McDaniel. These Contingent Resources are considered to be Development Pending as they are within a 10 mile radius of the CPF that will be constructed for the Corner Reserves and as there is sufficient delineation to prepare the development strategy consistent with a project evaluation scenario status of development. Athabasca is actively working on this property and intends to develop it in the near term, subject to project sanctioning. The Hangingstone Project took 4.5 years from commencement of preparation of the regulatory application to first steam. Athabasca will execute Corner Project 2 with the same proven execution strategy and facility design and consequently does not need to do further work on Corner Project 2 until 2028 to maintain a reasonable expectation of reaching first steam in 2033. The level of economic analysis is sufficient to assess the development options and overall project viability but is insufficient for a final investment decision. The chance of development of these Contingent Resources is estimated to be 80%.

The positive factors relevant to the Contingent Resource estimates for the Corner Project include:

- The Contingent Resources are located within a 10 mile radius of a CPF that will be constructed for Corner Project 1.
- Using established technology which is being successfully implemented in the nearby Leismer Project.
- A pre-development plan is in place.
- The reservoir has been defined across the asset using delineation drilling as well as 2D and 3D seismic. The level of delineation supports the risks assigned to the project maturity sub-class of Development Pending.

The negative factors relevant to the Contingent Resource estimates for the Corner Project include:

- Economic sensitivity to future oil pricing.
- Existing infrastructure requires debottlenecking.
- Uncertainty regarding regulatory regimes in Alberta.
- Ability to access project funding.
- Potential lack of pipeline capacity to access bitumen markets.
- The Corner regulatory application has not yet been amended for Corner Project 2.

See also "*Risk Factors*" in this Revised Annual Information Form.

Description of Hangingstone Contingent Resources

The Contingent Resources assigned to Athabasca's Hangingstone assets assume that such resources will be produced using SAGD technology which has been successfully implemented at the Hangingstone Project since 2015. The infrastructure already in place includes the access road to the CPF, the diluent import pipeline, capacity on the dilbit sales pipeline to Cheecham, tank capacity at Cheecham and the gas import pipeline.

Based on Athabasca's development plan, the total Best Estimate capital cost of first commercial production in 2064 is estimated at approximately \$114 million (uninflated, unrisks, undiscounted) which includes delineation and SAGD well pairs the central processing facilities does not need to be expanded beyond the current capacity.

The contingencies identified for the development of the Hangingstone Contingent Resources are:

- Market Conditions – the development is not expected to be sanctioned by the Board until market conditions improve and project funding is secured.
- Delineation – further delineation is required before a final investment decision can be made.
- Firm development plans and detailed cost estimates - have not yet been developed.
- Project Timing – first steam is not expected until 2064 and significant spending is not anticipated before 2062.

In accordance with the COGE Handbook, Hangingstone risked Best Estimate Contingent Resources have been classified as Development. The level of economic analysis is sufficient to assess the development options and overall project viability but is insufficient for a final investment decision. The chance of development of these Contingent Resources is estimated to be 70%.

The positive factors relevant to the Contingent Resource estimates for the Hangingstone include:

- They are within a 10 mile radius of the existing CPF and significant infrastructure is already in place.
- Using established technology which is being successfully implemented at the Hangingstone Project.

The negative factors relevant to the Contingent Resource estimates for the Leismer Project include:

- Economic sensitivity to future oil pricing.
- Ability to access project funding.

See also "*Risk Factors*" in this Revised Annual Information Form.

Abandonment and Reclamation Costs

The Independent Report included an estimate of the costs to abandon and reclaim all existing and future wells (not including pipelines and major dedicated facilities) associated with assessed Contingent Resources. No estimate of salvage value is netted against the estimated abandonment and reclamation costs. The estimate for abandonment and reclamation costs are based in part on the Company's estimation of costs to remediate, reclaim and abandon wells in which it has a working interest.

The future net revenues disclosed in this Revised Annual Information Form are based on the Independent Report and contain an allowance for abandonment and reclamation costs for future development wells for Contingent Resources associated with the Leismer, Corner and Hangingstone assets, however such amounts do not include an allowance for facilities or pipelines associated with such assets. The Independent Report includes an aggregate Best Estimate for abandonment and reclamation costs (escalated, unrisks, undiscounted) of \$228 million at Leismer and \$367 million at Corner, and \$91 million at Hangingstone.

APPENDIX B**FORM 51-101F3****REPORT OF MANAGEMENT AND DIRECTORS ON OIL AND GAS DISCLOSURE****Report of Management and Directors on Reserves Data and Other Information**

Management of Athabasca Oil Corporation (the "**Company**") are responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data and includes, if disclosed in the statement required by item 1 of section 2.1 of NI 51-101, other information such as contingent resources data. An independent qualified reserves evaluator has evaluated the Company's reserves data and contingent resources data. The reports of the independent qualified reserves evaluator will be filed with securities regulatory authorities concurrently with this report.

The Reserves Committee of the Board of Directors of the Company has:

- (a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluator;
- (b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and
- (c) reviewed the reserves data and contingent resources data with management and the independent qualified reserves evaluator.

The Reserves Committee of the Board of Directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The Board of Directors has, on the recommendation of the Reserves Committee, approved:

- (a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data, contingent resources data and other oil and gas information;
- (b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data, contingent resources data, or prospective resources data; and
- (c) the content and filing of this report.

Because the reserves data and contingent resources data is based on judgments regarding future events, actual results will vary and the variations may be material.

***(signed)* "Robert Broen"**

Robert Broen
President & Chief Executive Officer

***(signed)* "Karla Ingoldsby"**

Karla Ingoldsby
Vice President, Thermal Oil

***(signed)* "Ronald J. Eckhardt"**

Ronald J. Eckhardt
Director

***(signed)* "Marty Proctor"**

Marty Proctor
Director

Dated May 11, 2023

APPENDIX C

FORM 51-101F2

**REPORT ON RESERVES AND CONTINGENT RESOURCES DATA
BY INDEPENDENT QUALIFIED RESERVES EVALUATOR OR AUDITOR**

Athabasca Oil Corporation

1200, 215 – 9th Avenue SW
Calgary, Alberta T2P 1K3

Attention: The Board of Directors of Athabasca Oil Corporation

Re: **Form 51-101F2
Report on Reserves and Contingent Resources Data
by Independent Qualified Reserves Evaluator or Auditor
of Athabasca Oil Corporation (the "Company")**

To the Board of Directors of Athabasca Oil Corporation (the "Company"):

1. We have evaluated the Company's reserves and contingent resources data as at December 31, 2022. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2022 estimated using forecast prices and costs. The contingent resources data are risked estimates of volume of economic and sub-economic contingent resources and related risked net present value of future net revenue as at December 31, 2022, estimated using forecast prices and costs. For contingent resources with a classification of Development Not Viable, un-risked estimates of volume of contingent resources are presented.
2. The reserves and contingent resources data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves and contingent resources data based on our evaluation.
3. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the "**COGE Handbook**") maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter).
4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves and contingent resources data are free of material misstatement. An evaluation also includes assessing whether the reserves and contingent resources data are in accordance with principles and definitions presented in the COGE Handbook.
5. The following table shows the net present value of future net revenue (before deduction of income taxes) attributed to proved + probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated for the year ended December 31, 2022, and identifies the respective portions thereof that we have evaluated and reported on to the Company's Board of Directors:

Independent Qualified Reserves Evaluator	Effective Date of Evaluation Report	Location of Reserves	Net Present Value of Future Net Revenue \$M (before income taxes, 10% discount rate)			
			Audited	Evaluated	Reviewed	Total
McDaniel	December 31, 2022	Canada	-	4,627,108.4	-	4,627,108.4

6. The following tables set forth the risked volume and risked net present value of future net revenue of economic and sub-economic contingent resources (before deduction of income taxes) estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the Company's statement prepared in accordance with Form 51-101F1 and identifies the respective portions of the contingent resources data that we have evaluated and reported on to the Company's Board of Directors.

Economic Contingent

Classification	Independent Qualified Reserves Evaluator	Effective Date of Evaluation Report	Location of Resources Other than Reserves	Risked Volume (Mbbbl)	Risked Net Present Value of Future Net Revenue \$M (before income taxes, 10% discount rate)		
					Audited	Evaluated	Total
Development Pending Contingent Resources (2C)	McDaniel	December 31, 2022	Canada	771,238 Leismer and Corner	-	765,188	765,188
Development On Hold Contingent Resources (2C)	McDaniel	December 31, 2022	Canada	25,418 Hangingstone	-	3,519	3,519

Sub-Economic Contingent

Classification	Independent Qualified Reserves Evaluator	Effective Date of Evaluation Report	Location of Resources Other than Reserves	Risked Volume (Mbbbl)
Development Not Viable Contingent Resources (2C)	McDaniel	December 31, 2022	Canada	550,215 Dover West and Hangingstone

7. In our opinion, the reserves and contingent resources data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves and contingent resources data that we reviewed but did not audit or evaluate.
8. We have no responsibility to update our report referred to in paragraphs 5 and 6 for events and circumstances occurring after the effective date of our report.
9. Because the reserves and contingent resources data are based on judgments regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

MCDANIEL & ASSOCIATES CONSULTANTS LTD.

(signed) "Jared W. B. Wynveen"

**Jared W. B. Wynveen, P. Eng.
Executive Vice President**

Calgary, Alberta, Canada
May 11, 2023

APPENDIX D

AUDIT COMMITTEE MANDATE

The Audit Committee (**Committee**) of the board of directors (**Board**) of Athabasca Oil Corporation (**Company**) has the oversight responsibility and specific duties described below and shall comply with the requirements of applicable laws.

COMPOSITION

The Committee will be comprised of at least three directors or such greater number as the Board may determine from time to time. Except to the extent that the Board determines that an exemption contained in National Instrument 52-110 issued by the Canadian Securities Administrators or its successor instrument (**NI 52-110**) is available and determines to rely thereon, all Committee members will be independent within the meaning of NI 52-110.

All Committee members will be "financially literate" (as defined in NI 52-110) unless the Board determines that an exemption under NI 52-110 from such requirement in respect of any particular member is available and determines to rely thereon.

Committee members will be appointed and removed by the Board. The Committee Chair will be appointed by the Board.

RESPONSIBILITIES

The Committee's primary purpose is to assist the Board in fulfilling its oversight responsibilities with respect to: (i) the integrity of annual and quarterly financial statements to be provided to the Company's shareholders and regulatory bodies; (ii) compliance with accounting and finance based legal and regulatory requirements; (iii) the external auditor's qualifications, independence and compensation, and communicating with the external auditor; (iv) the system of internal accounting and financial reporting controls that management has established; (v) performance of the external audit process and of the external auditor; (vi) financial policies; (vii) financial risk management practices; and (viii) transactions or circumstances which could materially affect the financial profile of the Company.

Management of the Company is responsible for preparing the quarterly and annual financial statements of the Company and for maintaining a system of risk assessment and internal controls to provide reasonable assurance that assets are safeguarded and that transactions are authorized, recorded and reported properly. The Committee is responsible for reviewing management's actions and has the authority to investigate any activity of the Company.

SPECIFIC DUTIES

The Committee will:

Audit Leadership

1. Have a clear understanding with the external auditor that it must maintain an open and transparent relationship with the Committee, and that the ultimate accountability of the external auditor is to the Committee, as representatives of the shareholders of the Company.
2. Provide an avenue for communication between each of the external auditor, financial and senior management and the Board. The Committee has the authority to communicate directly with the external auditors and financial and senior management.

Auditor Qualifications and Selection

3. Subject to required shareholder approval of the appointment of auditors of the Company, be solely responsible for recommending to the Board: (i) the external auditor for the purpose of preparing or issuing an auditor's report or performing other audit review or attest services for the Company; and (ii) the compensation of the external auditor. The Committee is directly responsible for overseeing the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting and reviewing, considering and making a recommendation to the Board

regarding a proposed discharge of the external auditor when circumstances warrant. In all circumstances the external auditor reports directly to the Committee. The Committee is entitled to adequate funding to compensate the external auditor for completing an audit and audit report or performing other audit, review or attest services.

4. Evaluate the external auditor's qualifications, performance and independence. Take all reasonable steps to ensure that the external auditor does not provide non-audit services that would disqualify it as independent under applicable law.
5. Review the experience and qualifications of the senior members of the external audit team and the quality control procedures of the external auditor. Ensure that the lead audit partner of the external auditor is replaced periodically, according to applicable law. Take all reasonable steps to ensure continuing independence of the external audit firm. Present the Committee's conclusions on auditor independence to the Board.
6. Review and approve policies for the Company's hiring of senior employees and former employees of the external auditor who were engaged on the Company's account and make recommendations to the Board for consideration.

Process

7. Pre-approve all audit services (which may include consent and comfort letters in connection with securities offerings). Pre-approve and disclose, as required, the retention of the external auditor for non-audit services to be provided to the Company or any of its subsidiaries permitted under applicable law. In the discretion of the Committee, annually delegate to one or more of its independent members the authority to grant pre-approvals. Approve all audit fees and terms and all non-audit fees.
8. Meet with the external auditor prior to the audit to review the scope and general extent of the external auditor's annual audit including: (i) the planning and staffing of the audit; and (ii) an explanation from the external auditor of the factors considered in determining the audit scope, including the major risk factors.
9. Require the external auditor to provide a timely report setting out: (i) all critical accounting policies, significant accounting judgments and practices to be used; (ii) all alternative treatments of financial information within International Financial Reporting Standards (**IFRS**) that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditor; and (iii) other material written communications between the external auditor and management.
10. Take all reasonable steps to ensure that officers and directors or persons acting under their direction are aware that they are prohibited from coercing, manipulating, misleading or fraudulently influencing the external auditor when the person knew or should have known that the action could result in rendering the financial statements materially misleading.
11. Upon completion of the annual audit, review the following with management and the external auditor:
 - (a) The annual financial statements, including related notes and the Management's Discussion and Analysis of Financial Condition and Results of Operations (**MD&A**) of the Company for filing with applicable securities regulators and provision to shareholders, as required.
 - (b) The significant estimates and judgements and reporting principles, practices and procedures applied by the Company in preparing its financial statements, including any newly adopted accounting policies and the reasons for their adoption.
 - (c) The results of the audit of the financial statements and whether any limitations were placed on the scope or nature of the audit procedures.

- (d) Significant changes to the audit plan, if any, and any serious disputes or difficulties with management encountered during the audit, including any problems or disagreements with management which, if not satisfactorily resolved, would have caused the external auditor to issue a non-standard report on the financial statements of the Company.
- (e) The cooperation received by the external auditor during its audit, including access to all requested records, data and information.
- (f) Any other matters not described above that are required to be communicated by the independent auditor to the Committee.

Financial Statements and Disclosure

- 12. At least quarterly, as part of the review of the annual and quarterly financial statements, receive an oral report from the Company's counsel concerning legal and regulatory matters that may have a material impact on the financial statements.
- 13. Based on discussions with management and the external auditor, in the Committee's discretion, recommend to the Board whether the annual financial statements and MD&A of the Company should be approved for filing with applicable securities regulators and provision to the Company's shareholders, as required, prior to their disclosure.
- 14. Review the general types and presentation format of information that it is appropriate for the Company to disclose in earnings news releases or other earnings guidance provided to analysts and rating agencies.
- 15. Review with management and the external auditor the quarterly financial statements and MD&A prior to their release and recommend to the Board for consideration the quarterly results, financial statements, and MD&A prior to filing them with or furnishing them to the applicable securities regulators and prior to any public announcement of financial results for the periods covered, including a written report of the results of the external auditor's reviews of the quarterly financial statements, significant adjustments, new accounting policies, any disagreements between the external auditor and management and the impact on the financial statements of significant events, transactions or changes in accounting principles or estimates that potentially affect the quality of financial reporting.

Internal Control Supervision

- 16. As required by applicable law, review with management and the external auditor the Company's internal controls over financial reporting, any significant deficiencies or material weaknesses in their design or operation, any proposed major changes to them and any fraud involving management or other employees who have a significant role in the Company's internal controls over financial reporting.
- 17. Review with management, the Chief Financial Officer and the external auditor the methods used to establish and monitor the Company's policies with respect to unethical or illegal activities by employees that may have a material impact on the financial statements.
- 18. Meet with management and the external auditor to discuss any relevant significant recommendations that the external auditor may have, particularly those characterized as "material" or "serious". Review responses of management to any significant recommendations from the external auditor and receive follow-up reports on action taken concerning the recommendations.
- 19. Review with management and the external auditor any correspondence with regulators or government agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies of the Company (as required).

20. Review with management and the external auditor any off-balance sheet financing mechanisms, transactions or obligations of the Company.
21. Review with management and the external auditor any material related party transactions.
22. Review with the external auditor the quality of the Company's accounting personnel. This review may occur without the presence of management. Review with management the responsiveness of the external auditor to the needs of the Company.

Disclosure Controls and Procedures

23. Periodically assess and be satisfied with the adequacy of procedures in place for the review of public disclosure of financial information extracted or derived from the applicable financial statements (other than the annual and quarterly required filings) for the Company.

Financial Management

24. Regularly review current and expected future compliance with covenants under all financing agreements.
25. Annually review the instruments the Company and its subsidiaries are permitted to use for short-term investments of excess cash and, in the Committee's discretion, make recommendations to the Board for consideration.
26. Review the Company's compliance with required tax remittances and other deductions required by applicable law.

Financial Risk Management

27. Receive reports from management with respect to risk assessment, risk management and major financial risk exposures.
28. Discuss with management guidelines and policies with respect to financial risk assessment and financial risk management, including the processes management uses to assess and manage the Company's financial risk.
29. Annually review the insurance program including coverage for property damage, business interruption, liabilities, and directors and officers.
30. Review any other significant financial exposures of the Company to the risk of a material financial loss including tax audits or other activities.
31. Report to the Board on the financial risks of the Company and make recommendations to the Board for consideration.
32. Establish procedures (through approval of the relevant sections of the Code of Business Conduct) for: (i) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting and financial reporting controls, or auditing matters; and (ii) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
33. Once or more annually, as the Committee decides, review and assess the Company's Code of Business Conduct and, in the Committee's discretion, recommend any changes to the Board for consideration.

Committee Reporting

34. Following each meeting of the Committee, report to the Board on the activities, findings and any recommendations of the Committee.

35. Report regularly to the Board and review with the Board any issues that arise with respect to the quality or integrity of the financial statements of the Company, compliance with applicable law and the performance and independence of the external auditor of the Company.
36. Annually review and approve the information regarding the Committee required to be disclosed in the Company's Annual Information Form and Committee's report for inclusion in the annual Proxy Circular.
37. Prepare any reports required to be prepared by the Committee under applicable law.

Committee Meetings

38. Meet at least four times annually and as many additional times as needed to carry out its duties effectively. The Committee may, on occasion and in appropriate circumstances, hold meetings by telephone conference call.
39. Meet in separate, non-management, closed sessions with the external auditor at each regularly scheduled meeting.
40. Meet in separate, non-management, in camera sessions at each regularly scheduled meeting.
41. Meet in separate, non-management, closed sessions with any other internal personnel or outside advisors, as needed or appropriate.
42. A quorum for meetings of the Committee will be a majority of its members and the rules for calling, holding, conducting and adjourning meetings of the Committee will be the same as those governing the Board.

Committee Governance

43. Once or more annually, as the Compensation and Governance Committee (**CG Committee**) decides, receive for consideration that Committee's evaluation of this Mandate and any recommended changes. Review and assess the CG Committee's recommended changes and make recommendations to the Board for consideration.

Advisors/Resources

44. Have the sole authority to retain, oversee, compensate and terminate independent advisors to assist the Committee in its activities.
45. Receive adequate funding from the Company for independent advisors and ordinary administrative expenses that are needed or appropriate for the Committee to carry out its duties.

Other

46. With the CG Committee, the Board and the Board Chair, respond to potential conflict of interest situations, as required.
47. Carry out any other appropriate duties and responsibilities assigned by the Board.
48. To honour the spirit and intent of applicable law as it evolves, authority to make minor technical amendments to this Mandate is delegated to the Secretary, who will report any amendments to the CG Committee at its next meeting.

STANDARDS OF LIABILITY

Nothing contained in this Mandate is intended to expand applicable standards of liability under statutory, regulatory or other legal requirements for the Board or members of the Committee. The purposes and responsibilities outlined in this Mandate are meant to serve as guidelines rather than inflexible rules and, subject to applicable law and the

articles and bylaws of the Company, the Committee may adopt such additional procedures and standards, as it deems necessary from time to time to fulfill its responsibilities.

Approved: December 11, 2009

Revised: March 14, 2012
May 11, 2015
July 26, 2017
March 2, 2022