

Advantage Announces Second Quarter 2020 Financial and Operating Results

(TSX: AAV)

CALGARY, AB, Aug. 6, 2020 /CNW/ - Advantage Oil & Gas Ltd. ("Advantage" or the "Corporation") is pleased to announce its second quarter 2020 financial and operating results. The Corporation's key priorities during the COVID-19 pandemic continue to be the health and safety of all our personnel. We also wish to thank all front-line workers who deliver our essential services, including energy.

Highlights for the quarter include:

- Cash provided by operating activities was \$24.4 million
- Adjusted funds flow^(a) of \$17.3 million, or \$0.09 per share, exceeded net capital expenditures^(a) of \$10.7 million and generated \$6.6 million of excess cash
- Total production of 45,271 boe/d (up 5% from second quarter 2019)
- Liquids production achieved a record of 4,646 bbls/d, up 80% from the second quarter 2019 and up 25% from the first quarter of 2020
- Gas production of 244 mmcf/d (up 1% from second quarter 2019), demonstrating the low decline rates of our natural gas assets, with only one Glacier well brought on-production this year



Advantage quickly responded to unprecedented market volatility during the second quarter of 2020 by deferring spending on planned liquids projects, restricting initial production from new oil wells and reducing our 2020 capital budget with focus on short cycle payout gas weighted projects. In addition, Advantage closed the previously announced sale of 12.5% of its Glacier Gas Plant for \$100 million on July 2, 2020, reducing net debt^(a) to approximately \$257 million from \$365 million as at March 31, 2020. Advantage anticipates generating cash in excess of capital spending for the remainder of 2020 and through 2021, reducing net debt to adjusted funds flow^(a) to less than 2 times.

During the second quarter, Advantage achieved several key milestones which contributed to record liquids production. This included commissioning of our 5,000 bbl/d Pipestone/Wembley oil battery and bringing on additional production at both Progress and Wembley. These successes have derisked the assets further and reinforced our ability to quickly shift back to oil development once prices recover.

- a. Non-GAAP Measure which may not be comparable to similar non-GAAP measures used by other entities. Please see Advisory for reconciliations to the nearest measure calculated in accordance with GAAP.

With a focus on delivering cash that exceeds capital spending and modest growth, Advantage is well positioned to capitalize on high-return, short payout projects throughout our natural gas, condensate and light oil assets and continue reducing net debt.

Operational Update

Advantage invested \$10.7 million during the three months ended June 30, 2020. Development spending was primarily on the final steps of equipping and tying-in wells that were completed during the prior quarter with no wells drilled in the first half of 2020.

Pipestone/Wembley

Construction and commissioning of the 36 mmcf/d / 5,000 bbl/d Wembley battery was completed in the second quarter of 2020, resulting in increased well production and reliability at a third-party gas plant. Advantage now has 8 (8.0 net) Montney wells and one water disposal well operating, with results continuing to meet expectations. Production at Pipestone/Wembley averaged 2,498 boe/d (1,284 bbls/d oil, 660 bbls/d NGLs and 3.3 mmcf/d natural gas) during the second quarter of 2020, despite proactively restricting production during times of low oil prices.

Progress

During the first six months of 2020, Advantage completed two wells and tied-in five wells, successfully proving up three layers of development on the Progress land block. Consisting of 50 net sections (100% working interest), the asset is now connected to our Glacier Gas Plant and Valhalla liquid hub. Progress has advanced to full commerciality adding another, high-quality, cash-generating asset with attractive economics on Advantage's land blocks.

During the second quarter of 2020, two additional oil wells were brought on-stream, at restricted rates, further delineating the asset and establishing commercial production from three zones to-date. Preparations continued for the Progress 25 mmcf/d / 5,000 bbl/d oil battery; however, in response to the recent decline in oil prices, construction of the facility has been delayed until oil prices support growth beyond the current capacity of

approximately 2,000 bbls/d. Production at Progress averaged 2,209 boe/d (711 bbls/d oil, 158 bbls/d NGLs and 8.0 mmcf/d natural gas) with the wells performing at or above internal expectations, although restricted by up to 900 boe/d as third-party facility infrastructure is at capacity.

Valhalla

The 40 mmcf/d Valhalla facility is now handling production from both Valhalla and initial production from the Progress property. The facility remains fully utilized as a result of the continued outperformance of the assets and is anticipated to be full for the balance of 2020.

Glacier

One previously drilled Upper Montney well has been completed and placed on-production in 2020. With increasing gas prices, Glacier is expected to be the focus of our activity for the remainder of the year. Advantage recently spud a three-well pad, targeted to come on-stream in early fourth quarter; a total of six wells are planned for the second half of 2020 when North American natural gas prices are showing signs of improvement.

Hedging Update

Advantage has hedged approximately 51% of its natural gas production for the second half of 2020. The Corporation continues to increase its hedging position in 2021 and currently has 31% of forecast natural gas production hedged between Henry Hub, Chicago and Dawn at an average price of US\$2.51/mmbtu. Advantage has hedged 33% of its crude oil and condensate production for the second half of 2020 with WTI swaps at an average price of US\$55.44/bbl.

Second Quarter 2020 Financial and Operating Summary

- First half 2020 production was 45,864 boe/d (4% higher than 2019). Second quarter 2020 production was 45,271 boe/d (5% higher than 2019).
- Cash provided by operating activities was \$45.2 million for the first half of 2020 and \$24.4 million for the second quarter of 2020.
- Adjusted funds flow^(a) was \$49.4 million or \$0.26 per share for the first half of 2020 and \$17.3 million or \$0.09 per share for the second quarter of 2020.
- Net loss was \$20.1 million during the second quarter of 2020 due to lower adjusted funds flow^(a) and \$14.1 million unrealized losses on derivatives.
- Bank indebtedness was \$354.2 million and net debt^(a) was \$357.5 million. Subsequent to closing the sale of 12.5% of our Glacier Gas Plant on July 2, 2020, the Corporation used the proceeds of \$100 million to reduce bank indebtedness, resulting in a net debt to adjusted funds flow^(a) ratio of 2.1x.
- Maintained low costs including royalty costs of \$0.58/boe, operating costs of \$2.35/boe, transportation costs of \$3.42/boe and general & administrative costs of \$0.57/boe over the first half of 2020.

Appointment of New Director

Advantage is also pleased to announce the appointment of Mr. Don Clague to the Board of Directors, which is now comprised of six independent directors. Mr. Clague has had an extensive 35 year working career in oil and gas, including diverse experience in North American domestic and frontier areas, as well as internationally in North Africa, Norway and the United Kingdom. He is a Life Member (P. Geoph) of the Association of Professional Engineers and Geoscientists of Alberta and has served on executive policy groups with the Canadian Association of Petroleum Producers (CAPP) and the Colorado Oil and Gas Association (COGA).

| Financial Highlights | Three months ended June 30 | | Six months ended June 30 | |
|-----------------------------------------------------|---------------------------------------|-------------|-------------------------------------|-------------|
| (\$000, except as otherwise indicated) | 2020 | 2019 | 2020 | 2019 |
| Financial Statement Highlights | | | | |
| Sales including realized derivatives ⁽³⁾ | \$ 48,593 | \$ 60,017 | \$ 114,365 | \$ 141,389 |
| Net income (loss) and comprehensive income (loss) | \$ (20,088) | \$ 3,372 | \$ (286,607) | \$ 4,053 |
| per basic share ⁽²⁾ | \$ (0.11) | \$ 0.02 | \$ (1.53) | \$ 0.02 |
| Basic weighted average shares (000) | 187,901 | 186,858 | 187,406 | 186,402 |
| Cash provided by operating activities | \$ 24,357 | \$ 44,292 | \$ 45,183 | \$ 88,775 |
| Cash provided by (used in) financing activities | \$ 23,492 | \$ (20,309) | \$ 58,452 | \$ (808) |
| Cash used in investing activities | \$ 44,855 | \$ 27,303 | \$ 110,076 | \$ 87,017 |
| Other Financial Highlights | | | | |
| Adjusted funds flow ⁽¹⁾ | \$ 17,259 | \$ 32,777 | \$ 49,352 | \$ 82,800 |
| per boe ⁽¹⁾ | \$ 4.19 | \$ 8.38 | \$ 5.91 | \$ 10.41 |
| per basic share ⁽¹⁾⁽²⁾ | \$ 0.09 | \$ 0.18 | \$ 0.26 | \$ 0.44 |
| Net capital expenditures ⁽¹⁾ | \$ 10,663 | \$ 19,578 | \$ 104,293 | \$ 77,000 |

| | | | | |
|--------------------------------------------------|------------|------------|------------|------------|
| Working capital deficit (surplus) ⁽¹⁾ | \$ 354,195 | \$ (7,891) | \$ 354,195 | \$ (7,891) |
| Net debt ⁽¹⁾⁽⁴⁾ | \$ 357,494 | \$ 268,604 | \$ 357,494 | \$ 268,604 |

- (1) Non-GAAP measure which may not be comparable to similar non-GAAP measures used by other entities. Please see "Non-GAAP Measures".
- (2) Based on basic weighted average shares outstanding.
- (3) Excludes net sales of natural gas purchased from third parties.
- (4) On July 2, 2020, Advantage closed the sale of a 12.5% interest in the Corporation's 100% owned 400 mmcf/d Glacier Gas Plant for \$100 million. Advantage utilized the cash proceeds from the sale to reduce net debt to \$257 million.

| Operating Highlights | Three months ended June 30 | | Six months ended June 30 | |
|----------------------------------------------------------------------|-------------------------------|----------|-----------------------------|----------|
| | 2020 | 2019 | 2020 | 2019 |
| Operating | | | | |
| Daily Production | | | | |
| Crude oil and condensate (bbls/d) | 2,645 | 1,184 | 2,398 | 968 |
| NGLs (bbls/d) | 2,001 | 1,396 | 1,782 | 1,338 |
| Total liquids production (bbls/d) | 4,646 | 2,580 | 4,180 | 2,306 |
| Natural gas (mcf/d) | 243,749 | 242,409 | 250,106 | 249,773 |
| Total production (boe/d) | 45,271 | 42,982 | 45,864 | 43,935 |
| Average realized prices (including realized derivatives) | | | | |
| Natural gas (\$/mcf) ⁽²⁾ | \$ 1.72 | \$ 2.17 | \$ 1.92 | \$ 2.65 |
| Crude oil and condensate (\$/bbl) | \$ 32.44 | \$ 70.33 | \$ 45.09 | \$ 66.98 |
| NGLs (\$/bbl) | \$ 14.44 | \$ 35.99 | \$ 22.57 | \$ 40.90 |
| Operating Netback (\$/boe) | | | | |
| Petroleum and natural gas sales from production | \$ 11.56 | \$ 13.14 | \$ 13.40 | \$ 16.07 |
| Net sales of natural gas purchased from third parties ⁽¹⁾ | - | - | - | (0.18) |
| Realized gains on derivatives | 0.23 | 2.20 | 0.30 | 1.71 |
| Royalty (expense) recovery | (0.26) | 0.02 | (0.58) | (0.28) |
| Operating expense | (2.43) | (1.89) | (2.35) | (1.95) |
| Transportation expense | (3.34) | (3.56) | (3.42) | (3.48) |
| Operating netback ⁽¹⁾ | \$ 5.76 | \$ 9.91 | \$ 7.35 | \$ 11.89 |

- (1) Non-GAAP measure which may not be comparable to similar non-GAAP measures used by other entities. Please see "Non-GAAP Measures".
- (2) Excludes net sales of natural gas purchased from third parties.

The Corporation's unaudited consolidated financial statements for the three and six months ended June 30, 2020 together with the notes thereto, and Management's Discussion and Analysis for the three and six months ended June 30, 2020 have been filed on SEDAR and are available on the Corporation's website at <http://www.advantageog.com/wp-content/uploads/2020/05/Q1-2020-Quarterly-Report.pdf>. Upon request, Advantage will provide a hard copy of any financial reports free of charge.

Advisory

The information in this press release contains certain forward-looking statements, including within the meaning of applicable securities laws. These statements relate to future events or our future intentions or performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "continue", "demonstrate", "expect", "may", "can", "will", "believe", "would" and similar expressions and include statements relating to, among other things, Advantage's focus, strategy and development plans; timing for wells to come on-stream at Glacier; number of wells planned for the second half of 2020; ability to quickly shift back to oil development once prices recover; anticipation that for the remainder of 2020 and into 2021, capital expenditures will be below cash flow and benefits to be derived therefrom; Advantage's ability to reduce net debt to adjusted funds flow ratio in 2021 and benefits to be derived therefrom; timing for construction of facility at Progress; the anticipation that the compressor and liquids hub will be full for the balance of 2021 and the Corporation's hedging activities and the benefits to be derived therefrom. Advantage's actual decisions, activities, results, performance or achievement could differ materially from those expressed in, or implied by, such forward-looking statements and accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do, what benefits that Advantage will derive from them.

These statements involve substantial known and unknown risks and uncertainties, certain of which are beyond

Advantage's control, including, but not limited to: changes in general economic, market and business conditions; industry conditions, including as a result of demand and supply effects resulting from the COVID-19 pandemic; actions by governmental or regulatory authorities including increasing taxes and changes in investment or other regulations; changes in tax laws, royalty regimes and incentive programs relating to the oil and gas industry; Advantage's success at acquisition, exploitation and development of reserves; unexpected drilling results; changes in commodity prices, currency exchange rates, capital expenditures, reserves or reserves estimates and debt service requirements; the occurrence of unexpected events involved in the exploration for, and the operation and development of, oil and gas properties, including hazards such as fire, explosion, blowouts, cratering, and spills, each of which could result in substantial damage to wells, production facilities, other property and the environment or in personal injury; changes or fluctuations in production levels; delays in anticipated timing of drilling and completion of wells; individual well productivity; competition from other producers; the lack of availability of qualified personnel or management; credit risk; changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced; our ability to comply with current and future environmental or other laws; stock market volatility and market valuations; liabilities inherent in oil and natural gas operations; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions; geological, technical, drilling and processing problems and other difficulties in producing petroleum reserves; ability to obtain required approvals of regulatory authorities; and ability to access sufficient capital from internal and external sources. Many of these risks and uncertainties and additional risk factors are described in the Corporation's Annual Information Form which is available at www.sedar.com ("SEDAR") and www.advantageog.com. Readers are also referred to risk factors described in other documents Advantage files with Canadian securities authorities.

With respect to forward-looking statements contained in this press release, Advantage has made assumptions regarding, but not limited to: conditions in general economic and financial markets; the impact and duration thereof that the COVID-19 pandemic will have on (i) the demand for crude oil, NGLs and natural gas, (ii) the supply chain including the Corporation's ability to obtain the equipment and services it requires, and (iii) the Corporation's ability to produce, transport and/or sell its crude oil, NGLs and natural gas; effects of regulation by governmental agencies; current and future commodity prices and royalty regimes; future exchange rates; royalty rates; future operating costs; availability of skilled labor; availability of drilling and related equipment; timing and amount of net capital expenditures; the impact of increasing competition; the price of crude oil and natural gas; that the Corporation will have sufficient cash flow, debt or equity sources or other financial resources required to fund its capital and operating expenditures and requirements as needed; that the Corporation's conduct and results of operations will be consistent with its expectations; that the Corporation will have the ability to develop the Corporation's properties in the manner currently contemplated; current or, where applicable, proposed assumed industry conditions, laws and regulations will continue in effect or as anticipated; and the estimates of the Corporation's production and reserves volumes and the assumptions related thereto (including commodity prices and development costs) are accurate in all material respects. Readers are cautioned that the foregoing lists of factors are not exhaustive. These forward-looking statements are made as of the date of this press release and Advantage disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

Barrels of oil equivalent (boe) and thousand cubic feet of natural gas equivalent (mcf) may be misleading, particularly if used in isolation. Boe and mcf conversion ratios have been calculated using a conversion rate of six thousand cubic feet of natural gas equivalent to one barrel of oil. A boe and mcf 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. Given that the value ratio based on the current price of crude oil as compared to natural gas 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. References to natural gas or liquids production in this press release refer to conventional natural gas and natural gas liquids, respectively, product types as defined in National Instrument 51-101.

This press release contains a number of oil and gas metrics, including operating netback, which do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies and should not be used to make comparisons. Such metrics have been included herein to provide readers with additional measures to evaluate the Corporation's performance; however, such measures are not reliable indicators of the future performance of the Corporation and future performance may not compare to the performance in previous periods and therefore such metrics should not be unduly relied upon. Management uses these oil and gas metrics for its own performance measurements and to provide securityholders with measures to compare Advantage's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this press release, should not be relied upon for investment or other purposes.

Non-GAAP Measures

The Corporation discloses several financial and performance measures in this press release that do not have any standardized meaning prescribed under GAAP. These financial and performance measures include "net capital

expenditures", "adjusted funds flow", "operating netback", "net debt", "net debt to adjusted funds flow", "working capital" and "net sales of natural gas purchased from third parties", which should not be considered as alternatives to, or more meaningful than "net income", "comprehensive income", "cash provided by operating activities", "cash used in investing activities", or "bank indebtedness" presented within the consolidated financial statements as determined in accordance with GAAP. Management believes that these measures provide an indication of the results generated by the Corporation's principal business activities and provide useful supplemental information for analysis of the Corporation's operating performance and liquidity. Advantage's method of calculating these measures may differ from other companies, and accordingly, they may not be comparable to similar measures used by other companies.

Net Capital Expenditures

Net capital expenditures include total capital expenditures related to property, plant and equipment and exploration and evaluation assets incurred during the period. Management considers this measure reflective of actual capital activity for the period as it excludes changes in working capital related to other periods. A reconciliation between net capital expenditures and the nearest measure calculated in accordance with GAAP, cash used in investing activities, is provided below:

| | Three months ended June 30 | | Six months ended June 30 | |
|-------------------------------------|-------------------------------|-----------|-----------------------------|-----------|
| (\$000) | 2020 | 2019 | 2020 | 2019 |
| Cash used in investing activities | \$ 44,855 | \$ 27,303 | \$ 110,076 | \$ 87,017 |
| Changes in non-cash working capital | 34,192 | 7,725 | 5,783 | 10,017 |
| Net capital expenditures | \$ 10,663 | \$ 19,578 | \$ 104,293 | \$ 77,000 |

Working Capital

Working capital includes cash and cash equivalents, trade and other receivables, prepaid expenses and deposits and trade and other accrued payables at the reporting date. Working capital provides Management and users with a measure of the Corporation's operating liquidity.

Net Debt

Net debt is comprised of bank indebtedness and working capital. Net debt provides Management and users with a measure of the Corporation's bank indebtedness and expected settlement of net liabilities in the next year. Net debt subsequent to receiving proceeds from the sale of 12.5% of the Glacier Gas Plant for \$100 million on July 2, 2020 was calculated by reducing net debt as at June 30, 2020 by \$100 million. A detailed calculation of net debt is provided below:

| | June 30 2020 | December 31 2019 |
|---------------------------------|-----------------|---------------------|
| (\$000) | | |
| Bank indebtedness (non-current) | \$ 354,199 | \$ 295,624 |
| Working capital deficit | 3,295 | 7,996 |
| Net debt | \$ 357,494 | \$ 303,620 |

Adjusted Funds Flow

The Corporation considers adjusted funds flow to be a useful measure of Advantage's ability to generate cash from the production of natural gas and liquids, which may be used to settle outstanding debt and obligations, and to support future capital expenditures plans. Changes in non-cash working capital are excluded from adjusted funds flow as they may vary significantly between periods and are not considered to be indicative of the Corporation's operating performance as they are a function of the timeliness of collecting receivables and paying payables. Expenditures on decommissioning liabilities are excluded from the calculation as the amount and timing of these expenditures are unrelated to current production and are partially discretionary due to the nature of our low liability. Adjusted funds flow has also been presented per boe, by dividing adjusted funds flow by total production in boe for the reporting period, and per basic share, by dividing by the basic weighted average shares outstanding of the Corporation.

A reconciliation between adjusted funds flow and the nearest measure calculated in accordance with GAAP, cash provided by operating activities, is provided below:

| | Three months ended June 30 | | Six months ended June 30 | |
|-------------------------------------------|-------------------------------|-----------|-----------------------------|-----------|
| (\$000, except as otherwise indicated) | 2020 | 2019 | 2020 | 2019 |
| Cash provided by operating activities | \$ 24,357 | \$ 44,292 | \$ 45,183 | \$ 88,775 |
| Expenditures on decommissioning liability | 24 | 690 | 203 | 1,555 |

| | | | | |
|-------------------------------------|------------|-------------|-----------|------------|
| Changes in non-cash working capital | \$ (7,122) | \$ (12,205) | \$ 3,966 | \$ (7,530) |
| Adjusted funds flow | \$ 17,259 | \$ 52,777 | \$ 49,352 | \$ 82,800 |

Net Debt to Adjusted Funds Flow

Net debt to adjusted funds flow is calculated by dividing net debt by adjusted fund flow for the previous four quarters. Net debt to adjusted funds flow is a coverage ratio that provides Management and users the ability to determine how long it would take the Corporation to repay its bank debt if it devoted all its adjusted funds flow to bank debt repayment.

Operating Netback

Advantage calculates operating netback on a per boe basis. Operating netback is comprised of sales revenue, realized gains (losses) on derivatives and net sales of natural gas purchased from third parties, net of expenses resulting from field operations, including royalty expense, operating expense and transportation expense. Operating netback provides Management and users with a measure to compare the profitability of field operations between companies, development areas and specific wells.

| | Three months ended June 30 | | | |
|-------------------------------------------------|-------------------------------|----------|-----------|----------|
| | 2020 | | 2019 | |
| | \$000 | per boe | \$000 | per boe |
| Petroleum and natural gas sales from production | \$ 47,634 | \$ 11.56 | \$ 51,395 | \$ 13.14 |
| Realized gains on derivatives | 931 | 0.23 | 8,622 | 2.20 |
| Royalty (expense) recovery | (1,086) | (0.26) | 75 | 0.02 |
| Operating expense | (9,993) | (2.43) | (7,381) | (1.89) |
| Transportation expense | (13,771) | (3.34) | (13,908) | (3.56) |
| Operating netback | \$ 23,715 | \$ 5.76 | \$ 38,803 | \$ 9.91 |

| | Six months ended June 30 | | | |
|-------------------------------------------------------|-----------------------------|----------|------------|----------|
| | 2020 | | 2019 | |
| | \$000 | per boe | \$000 | per boe |
| Petroleum and natural gas sales from production | \$ 111,819 | \$ 13.40 | \$ 127,788 | \$ 16.07 |
| Net sales of natural gas purchased from third parties | - | 0.00 | (1,400) | (0.18) |
| Realized gains on derivatives | 2,518 | 0.30 | 13,601 | 1.71 |
| Royalty expense | (4,841) | (0.58) | (2,227) | (0.28) |
| Operating expense | (19,640) | (2.35) | (15,538) | (1.95) |
| Transportation expense | (28,575) | (3.42) | (27,658) | (3.48) |
| Operating netback | \$ 61,281 | \$ 7.35 | \$ 94,566 | \$ 11.89 |

Net Sales of Natural Gas Purchased from Third Parties

Net sales of natural gas purchased from third parties represents the revenue or loss generated from the sale of natural gas volumes purchased from third parties, after deducting the cost to purchase the volumes. The purchase and sale transactions are non-routine and are considered by Management to be related for performance purposes.

The following terms and abbreviations used in this press release have the meanings set forth below:

| | |
|---------------|--------------------------------------------------------------------------------------------------------------------------------|
| bbl | one barrel |
| bbls | barrels |
| bbls/d | barrels per day |
| boe | barrels of oil equivalent of natural gas, on the basis of one barrel of oil or NGLs for six thousand cubic feet of natural gas |
| boe/d | barrels of oil equivalent of natural gas per day |
| mcf | thousand cubic feet |
| mcf/d | thousand cubic feet per day |
| mcfe | thousand cubic feet equivalent on the basis of six thousand cubic feet of natural gas for one barrel of oil or NGLs |
| mcfe/d | thousand cubic feet equivalent per day |
| mmbtu | million British thermal units |
| mmcf | million cubic feet |
| mmcf/d | million cubic feet per day |
| mmcfe/d | million cubic feet equivalent per day |
| Crude oil and | Light crude oil and medium crude oil as defined in National Instrument 51-101 |

condensate

NGLs Natural Gas Liquids as defined in National Instrument 51-101

Natural gas Conventional Natural Gas as defined in National Instrument 51-101

SOURCE Advantage Oil & Gas Ltd.

For further information: Craig Blackwood, Chief Financial Officer, (403) 718-8005 OR Investor Relations, Toll free: 1-866-393-0393; Advantage Oil & Gas Ltd., 2200, 440 - 2nd Avenue SW, Calgary, Alberta T2P 5E9, Phone: (403) 718-8000, Fax: (403) 718-8332, Web Site: www.advantageog.com, E-mail: ir@advantageog.com

<https://advantageog.mediaroom.com/2020-08-06-Advantage-Announces-Second-Quarter-2020-Financial-and-Operating-Results>