

## **Advantage Announces First Quarter 2023 Financial and Operating Results**

**(TSX: AAV)**

CALGARY, AB, April 27, 2023 /CNW/ - Advantage Energy Ltd. ("Advantage" or the "Corporation") is pleased to report its first quarter 2023 results, including 25% growth in production per share (year-over-year), while net debt<sup>(a)</sup> remained below our \$200 million target. Development operations continued at a steady pace with a focus on our liquids-weighted assets at Wembley, Valhalla and Progress.

### **Financial Highlights**

- Cash provided by operating activities of \$106.0 million
- Adjusted funds flow ("AFF")<sup>(a)</sup> of \$96.8 million. AFF per share<sup>(a)</sup> was \$0.58, an increase of 2% year-over-year, although gas prices have declined more than 30% since first quarter of 2022.
- Cash used in investing activities was \$85.6 million
- Net capital expenditures<sup>(a)</sup> were \$116.7 million
- Net income of \$29.1 million or \$0.18 per share
- Operating expenses remained low at \$3.44/boe <sup>(a)</sup>
- Share repurchases continued with \$47.3 million spent early in the first quarter for 5.4 million shares. In aggregate, Advantage repurchased 14.5% of our outstanding shares between April 2022 and January 2023.

### **Operational Highlights and Update**

- Quarterly production of 58,144 boe/d (314.3 MMcf/d natural gas, 5,765 bbls/d liquids), a 5% increase compared to fourth quarter 2022, despite an unplanned outage on TC Energy's NGTL system which limited production by more than 20% for 10 days
- Quarterly liquids production of 5,765 bbls/d (1,731 bbls/d oil, 1,157 bbls/d condensate, and 2,877 bbls/d NGLs), on-track to grow annually by more than 20% compared to 2022
- Well results at Glacier have delivered another step change in productivity, with average IP30 rates now approximately triple to the average rate of four years ago
- Carbon dioxide emissions at the Glacier Gas Plant have fallen approximately 15% as a result of the first phase of Entropy's carbon capture and storage project. Execution of Phase 2 remains on hold pending functional Canadian carbon policy.

- (a) Specified financial measure which is not a standardized measure under International Financial Reporting Standards ("IFRS") and may not be comparable to similar specified financial measures used by other entities. Please see "Specified Financial Measures" for the composition of such specified financial measure, an explanation of how such specified financial measure provides useful information to a reader and the purposes for which management of Advantage uses the specified financial measure, and where required, a reconciliation of the specified financial measure to the most directly comparable IFRS measure.

### **Marketing Update**

Advantage has hedged approximately 24% of its forecast natural gas production for summer 2023 and 6% for winter 2023/24. As part of our ongoing efforts to expand our natural gas export capacity and reduce concentration risk, Advantage successfully acquired 13 MMcf/d of Alliance Pipeline capacity for winter 2023/24.

### **Looking Forward**

To maximize shareholder value, Advantage remains focused on growing AFF per share<sup>(a)</sup> through organic growth and share repurchases. Advantage's three-year plan is to deliver annual production growth of approximately 10% with annual spending between \$250 million and \$300 million. All free cash flow<sup>(a)</sup> is planned to be returned to shareholders via share buybacks. In order to provide increased flexibility to this program, our net debt<sup>(a)</sup> target has been restated as a range, currently between \$170 million and \$230 million. The normal course issuer bid has been renewed and there are currently 165.2 million shares outstanding.

Advantage's 2023 capital guidance remains between \$250 million and \$280 million. Development activities during the remainder of 2023 include expanded focus on liquids-weighted growth, including seven wells at Wembley, two at Progress and two at Valhalla, plus commissioning a new oil battery at the Progress production center.

Production guidance for 2023 remains between 59,000 boe/d and 62,500 boe/d, with recent well outperformance partially offset by unplanned third-party pipeline restrictions. A planned, major 14-day turnaround at the Glacier Gas Plant in May 2023 is expected to reduce second quarter average production by approximately 8%, quarter-over-quarter, before returning to growth in the second half of 2023.

With modern, low emissions-intensity assets and ownership of 85%<sup>(b)</sup> of Entropy, the Corporation continues to proudly deliver clean, reliable, sustainable energy, contributing to a reduction in global emissions by displacing high-carbon fuels. Advantage wishes to thank our employees, Board of Directors and our shareholders for their ongoing support.

- (b) Advantage currently owns 90% of Entropy's common shares. Assuming Brookfield's currently-held unsecured debentures are exchanged for commons shares according to the terms of the investment agreement, Advantage will own 85% of Entropy's common shares.

Below are complete tables showing financial and operating highlights.

<b>Financial Highlights</b> <b>(\$000, except as otherwise indicated)</b>	<b>Three months ended</b>	
	<b>March 31</b>	
	<b>2023</b>	<b>2022</b>
<b>Financial Statement Highlights</b>		
Natural gas and liquids sales	<b>145,999</b>	177,569
Net income and comprehensive income	<b>29,114</b>	19,496
per basic share <sup>(2)</sup>	<b>0.18</b>	0.10
Basic weighted average shares (000)	<b>167,311</b>	190,829
Cash provided by operating activities	<b>105,955</b>	109,157
Cash used in financing activities	<b>(58,359)</b>	(50,769)
Cash used in investing activities	<b>(85,590)</b>	(76,983)
<b>Other Financial Highlights</b>		
Adjusted funds flow <sup>(1)</sup>	<b>96,833</b>	108,878
per boe <sup>(1)</sup>	<b>18.50</b>	22.85
per basic share <sup>(1)(2)</sup>	<b>0.58</b>	0.57
Net capital expenditures <sup>(1)</sup>	<b>116,700</b>	86,014
Free cash flow <sup>(1)</sup>	<b>(19,867)</b>	22,864
Working capital deficit <sup>(1)</sup>	<b>(12,449)</b>	(19,115)
Bank indebtedness	<b>167,260</b>	117,558
Net debt <sup>(1)</sup>	<b>195,523</b>	136,673

(1) Specified financial measure which is not a standardized measure under International Financial Reporting Standards ("IFRS") and may not be comparable to similar specified financial measures used by other entities. Please see "Specified Financial Measures" for the composition of such specified financial measure, an explanation of how such specified financial measure provides useful information to a reader and the purposes for which management of Advantage uses the specified financial measure, and where required, a reconciliation of the specified financial measure to the most directly comparable IFRS measure.

(2) Based on basic weighted average shares outstanding.

- (b) Specified financial measure which is not a standardized measure under International Financial Reporting Standards ("IFRS") and may not be comparable to similar specified financial measures used by other entities. Please see "Specified Financial Measures" for the composition of such specified financial measure, an explanation of how such specified financial measure provides useful information to a reader and the purposes for which management of Advantage uses the specified financial measure, and where required, a reconciliation of the specified financial measure to the most directly comparable IFRS measure.

<b>Operating Highlights</b>	<b>Three months ended</b>	
	<b>March 31</b>	
	<b>2023</b>	<b>2022</b>
<b>Operating</b>		
Production		
Crude oil (bbls/d)	<b>1,731</b>	997
Condensate (bbls/d)	<b>1,157</b>	1,057

NGLs (bbls/d)	<b>2,877</b>	2,854
Total liquids production (bbls/d)	<b>5,765</b>	4,908
Natural gas (Mcf/d)	<b>314,273</b>	288,226
Total production (boe/d)	<b>58,144</b>	52,946
Average realized prices (including realized derivatives) <sup>(2)</sup>		
Natural gas (\$/Mcf)	<b>4.42</b>	5.04
Liquids (\$/bbl)	<b>77.77</b>	82.48
<b>Operating Netback (\$/boe)<sup>(1)</sup></b>		
Natural gas and liquids sales	<b>27.90</b>	37.26
Realized gains (losses) on derivatives	<b>3.44</b>	(2.19)
Processing and other income	<b>0.35</b>	0.30
Net sales of purchased natural gas	-	0.01
Royalty expense	<b>(3.19)</b>	(3.42)
Operating expense	<b>(3.44)</b>	(2.79)
Transportation expense	<b>(4.33)</b>	(4.36)
Operating netback <sup>(1)</sup>	<b>20.73</b>	24.81

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The Corporation's unaudited consolidated financial statements for the three months ended March 31, 2023 together with the notes thereto, and Management's Discussion and Analysis for the three months ended March 31, 2023 have been filed on SEDAR and are available on the Corporation's website at <https://www.advantageog.com/investors/financial-reports>. Upon request, Advantage will provide a hard copy of any financial reports free of charge.

### **Forward-Looking Information and 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 position, strategy and development plans and the benefits to be derived therefrom; the Corporation's anticipated annual liquids production growth in 2023; the Corporation's focus on growing AFF per share through organic growth and share repurchases; the Corporation's net debt target range; the Corporation's anticipated annual production growth and annual spending; the Corporation's plan to return all free cash flow to shareholders via share buybacks; the Corporation's 2023 capital guidance; that the focus of the Corporation's development activities during the remainder of 2023 will focus on oil-weighted growth which delivers outsized adjusted funds flow growth per unit of production growth; the Corporation's planned 14-day turnaround at the Glacier Gas Plant and the anticipated timing and effects thereof; the Corporation's anticipated 2023 average production; and the Corporation's expectations that it will continue to deliver clean, reliable, sustainable energy, contributing to a reduction in global emissions by displacing high-carbon fuels. 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, net 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 and processing 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; ability to access sufficient capital from internal and external sources; the risk that the Corporation's annual liquids production growth in 2023 may be less than anticipated; the risk that the Corporation may not grow its AFF per share through organic growth and share repurchases; the risk that the Corporation may not meet its net debt target range; the risk that the Corporation's annual spending may be greater than anticipated; the risk that all of the Corporation's free cash flow may not be returned to its shareholders via share buybacks; the risk that the Corporation's focus on oil-weighted growth may not deliver outsized adjusted funds flow growth per unit of production growth; the risk that the Corporation's planned turnaround at the Glacier Gas Plant may last longer and have a greater impact on production than anticipated; the risk that the Corporation's 2023 average production may be less than anticipated; the risk that the Corporation may not have sufficient financial resources to purchase its shares pursuant to its share buyback program in the future; and the risk that the Corporation may not deliver clean, reliable, sustainable energy, contributing to a reduction in global emissions by displacing high-carbon fuels. 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](http://www.sedar.com) ("SEDAR") and [www.advantageog.com](http://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; the Corporation's current and future hedging program; future exchange rates; royalty rates; future operating costs; future transportation costs and availability of product transportation capacity; 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; the number of new wells required to achieve the budget objectives; 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; that the Corporation will have sufficient financial resources to purchase its shares pursuant to its share buyback program in the future; 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.*

*The future acquisition by the Corporation of the Corporation's common shares pursuant to its share buyback program, if any, and the level thereof is uncertain. Any decision to acquire common shares of the Corporation pursuant to the share buyback program will be subject to the discretion of the board of directors of the Corporation and may depend on a variety of factors, including, without limitation, the Corporation's business performance, financial condition, financial requirements, growth plans, expected capital requirements and other conditions existing at such future time including, without limitation, contractual restrictions and satisfaction of the solvency tests imposed on the Corporation under applicable corporate law. There can be no assurance of the number of common shares of the Corporation that the Corporation will acquire pursuant to its share buyback program, if any, in the future.*

*Management has included the above summary of assumptions and risks related to forward-looking information above and in its continuous disclosure filings on SEDAR in order to provide shareholders with a more complete perspective on Advantage's future operations and such information may not be appropriate for other purposes. Advantage's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Advantage will derive there from. Readers are cautioned that the foregoing lists of factors are not exhaustive. These forward-looking statements are made as of the date of this news 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.*

*This press release contains information that may be considered a financial outlook under applicable securities laws about the Corporation's potential financial position, including, but not limited to, the Corporation's net debt target range; the Corporation's anticipated annual spending; the Corporation's plan to return all free cash flow to shareholders via share buybacks; the Corporation's 2023 capital guidance; and that the Corporation's focus on oil-weighted growth will deliver outsized adjusted funds flow growth per unit of production growth; all of which are subject to numerous assumptions, risk factors, limitations and qualifications, including those set forth in the above paragraphs. The actual results of operations of the Corporation and the resulting financial results will vary from the amounts set forth in this press release and such variations may be material. This information has been provided for illustration only and with respect to future periods are based on budgets and forecasts that are speculative and are subject to a variety of contingencies and may not be appropriate for other purposes. Accordingly, these estimates are not to be relied upon as indicative of future results. Except as required by applicable securities laws, the Corporation undertakes no obligation to update such financial outlook. The financial outlook contained in this press release was made as of the date of this press release and was provided for the purpose of providing further information about the Corporation's potential future business operations. Readers are cautioned that the financial outlook contained in this press release is not conclusive and is subject to change.*

*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 in this press release to short-term production rates, such as IP30, and increases in IP30 rates over time, are useful in confirming the presence of hydrocarbons, however such rates, and historical increases in such rates, are not determinative of the rates at which such wells or future wells will commence production and decline thereafter and are not indicative of long-term performance rates of future wells or of ultimate recovery. Additionally, such rates may also include recovered "load oil" fluids used in well completion stimulation. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate or future production of Advantage.*

### **Specified Financial Measures**

*Throughout this news release, Advantage discloses certain measures to analyze financial performance, financial position, and cash flow. These non-GAAP and other financial measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other entities. The non-GAAP and other financial measures should not be considered to be more meaningful than GAAP measures which are determined in accordance with IFRS, such as net income (loss) and comprehensive income (loss), cash provided by operating activities, and cash used in investing activities, as indicators of Advantage's performance.*

### **Non-GAAP Financial Measures**

#### 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, support future capital expenditures plans, or return capital to shareholders. 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. A reconciliation of the most directly comparable financial measure has been provided below:*

	<b>Three months ended</b>	
	<b>March 31</b>	
<b>(\$000)</b>	<b>2023</b>	<b>2022</b>
Cash provided by operating activities	105,955	109,157
Expenditures on decommissioning		

liability	453	451
Changes in non-cash working capital	(9,575)	(730)
Adjusted funds flow	<b>96,833</b>	<b>108,878</b>

### Net Capital Expenditures

*Net capital expenditures include total capital expenditures related to property, plant and equipment, exploration and evaluation assets and intangible assets. Management considers this measure reflective of actual capital activity for the period as it excludes changes in working capital related to other periods and excludes cash receipts on government grants. A reconciliation of the most directly comparable financial measure has been provided below:*

	<b>Three months ended March 31</b>	
<b>(\$000)</b>	<b>2023</b>	<b>2022</b>
Cash used in investing activities	85,590	76,983
Changes in non-cash working capital	31,110	9,026
Project funding received	-	5
Net capital expenditures	<b>116,700</b>	<b>86,014</b>

### Free Cash Flow

*Advantage computes free cash flow as adjusted funds flow less net capital expenditures. Advantage uses free cash flow as an indicator of the efficiency and liquidity of Advantage's business by measuring its cash available after net capital expenditures to settle outstanding debt and obligations and potentially return capital to shareholders by paying dividends or buying back common shares. A reconciliation of the most directly comparable financial measure has been provided below:*

	<b>Three months ended March 31</b>	
<b>(\$000)</b>	<b>2023</b>	<b>2022</b>
Cash provided by operating activities	105,955	109,157
Cash used in investing activities	(85,590)	(76,983)
Changes in non-cash working capital	(40,685)	(9,756)
Expenditures on decommissioning liability	453	451
Project funding received	-	(5)
Free cash flow	<b>(19,867)</b>	<b>22,864</b>

### Operating Netback

*Operating netback is comprised of sales revenue and realized gains (losses) on derivatives, processing and other income, net sales of purchased natural gas, 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. The composition of operating netback is as follows:*

	<b>Three months ended March 31</b>	
<b>(\$000)</b>	<b>2023</b>	<b>2022</b>
Natural gas and liquids sales	145,999	177,569
Realized gains (losses) on derivatives	18,025	(10,443)
Processing and other income	1,820	1,438
Net sales of purchased natural gas	-	70
Royalty expense	(16,702)	(16,297)
Operating expense	(18,003)	(13,293)
Transportation expense	(22,647)	(20,753)
Operating netback	<b>108,492</b>	<b>118,291</b>

## Non-GAAP Ratios

### Adjusted Funds Flow per Share

Adjusted funds flow per share is derived by dividing adjusted funds flow by the basic weighted average shares outstanding of the Corporation. Management believes that adjusted funds flow per share provides investors an indicator of funds generated from the business that could be allocated to each shareholder's equity position.

	Three months ended March 31	
(\$000, except as otherwise indicated)	2023	2022
Adjusted funds flow	96,833	108,878
Weighted average shares outstanding (000)	167,311	190,829
Adjusted funds flow per share (\$/share)	<b>0.58</b>	<b>0.57</b>

### Adjusted Funds Flow per BOE

Adjusted funds flow per boe is derived by dividing adjusted funds flow by the total production in boe for the reporting period. Adjusted funds flow per boe is a useful ratio that allows users to compare the Corporation's adjusted funds flow against other competitor corporations with different rates of production.

	Three months ended March 31	
(\$000, except as otherwise indicated)	2023	2022
Adjusted funds flow	96,833	108,878
Total production (boe/d)	58,144	52,946
Days in period	90	90
Total production (000 boe)	5,233	4,765
Adjusted funds flow per BOE (\$/boe)	18.50	22.85

### Operating netback per BOE

Operating netback per boe is derived by dividing each component of the operating netback by the total production in boe for the reporting period. Operating netback per boe provides Management and users with a measure to compare the profitability of field operations between companies, development areas and specific wells against other competitor corporations with different rates of production.

	Three months ended March 31	
(\$000, except as otherwise indicated)	2023	2022
Operating netback	108,492	118,291
Total production (boe/d)	58,144	52,946
Days in period	90	90
Total production (000 boe)	5,233	4,765
Operating netback per BOE (\$/boe)	20.73	24.81

### Payout Ratio

Payout ratio is calculated by dividing net capital expenditures by adjusted funds flow. Advantage uses payout ratio as an indicator of the efficiency and liquidity of Advantage's business by measuring its cash available after net capital expenditures to settle outstanding debt and obligations and potentially return capital to shareholders by paying dividends or buying back common shares.

	Three months ended March 31	
(\$000, except as otherwise indicated)	2023	2022
Net capital expenditures	116,700	86,014

Adjusted funds flow	96,833	108,878
<b>Payout ratio</b>	<b>1.2</b>	<b>0.8</b>

#### Net Debt to Adjusted Funds Flow Ratio

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 indebtedness if it devoted all its adjusted funds flow to debt repayment.

<b>(\$000, except as otherwise indicated)</b>	<b>March 31 2023</b>	<b>March 31 2022</b>
Net Debt	195,523	136,673
Adjusted funds flow (prior four quarters)	504,745	289,724
<b>Net debt to adjusted funds flow ratio</b>	<b>0.4</b>	<b>0.5</b>

### **Capital Management Measures**

#### Working Capital

Working capital is a capital management financial measure that provides Management and users with a measure of the Corporation's short-term operating liquidity. By excluding short term derivatives and the current portion of provision and other liabilities, Management and users can determine if the Corporation's energy operations are sufficient to cover the short-term operating requirements. Working capital is not a standardized measure and therefore may not be comparable with the calculation of similar measures by other entities. Effective March 31, 2023, the Corporation reclassified deferred share units which were previously included in trade and other accrued liabilities, to provisions and other liabilities. Management determined that by reclassifying the deferred share units to provisions and other liabilities, users can better determine the Corporation's short-term operating requirements. Comparative figures have been restated to reflect the reclassification.

A summary of working capital as at March 31, 2023 and December 31, 2022 is as follows:

	<b>March 31 2023</b>	<b>December 31 2022</b>
Cash and cash equivalents	10,946	48,940
Trade and other receivables	56,739	92,816
Prepaid expenses and deposits	7,929	14,613
Trade and other accrued liabilities	(88,063)	(84,805)
<b>Working capital surplus (deficit)</b>	<b>(12,449)</b>	<b>71,564</b>

#### Net Debt

Net debt is a capital management financial measure that provides Management and users with a measure to assess the Corporation's liquidity. Net debt is not a standardized measure and therefore may not be comparable with the calculation of similar measures by other entities. Comparative figures have been restated to reflect the reclassification of deferred share units in trade and other accrued liabilities which affects net debt.

A summary of the reconciliation of net debt as at March 31, 2023 and December 31, 2022 is as follows:

	<b>March 31 2023</b>	<b>December 31 2022</b>
Bank indebtedness (non-current)	167,260	177,200
Unsecured debentures	15,814	15,700
Working capital (surplus) deficit	12,449	(71,564)
<b>Net debt</b>	<b>195,523</b>	<b>121,336</b>

### **Supplementary Financial Measures**



### Average Realized Prices

The Corporation discloses multiple average realized prices within the MD&A (see "Commodity Prices and Marketing"). The determination of these prices are as follows:

"Natural gas excluding derivatives" is comprised of natural gas sales, as determined in accordance with IFRS, divided by the Corporation's natural gas production.

"Natural gas including derivatives" is comprised of natural gas sales, including realized gains (losses) on natural gas derivatives, as determined in accordance with IFRS, divided by the Corporation's natural gas production.

"Crude Oil" is comprised of crude oil sales, as determined in accordance with IFRS, divided by the Corporation's crude oil production.

"Condensate" is comprised of condensate sales, as determined in accordance with IFRS, divided by the Corporation's condensate production.

"NGLs" is comprised of NGLs sales, as determined in accordance with IFRS, divided by the Corporation's NGLs production.

"Total liquids excluding derivatives" is comprised of crude oil, condensate and NGLs sales, as determined in accordance with IFRS, divided by the Corporation's crude oil, condensate and NGLs production.

"Total liquids including derivatives" is comprised of crude oil, condensate and NGLs sales, including realized gains (losses) on crude oil derivatives as determined in accordance with IFRS, divided by the Corporation's crude oil, condensate and NGLs production.

### Dollars per BOE figures

Throughout the MD&A, the Corporation presents certain financial figures, in accordance with IFRS, stated in dollars per boe. These figures are determined by dividing the applicable financial figure as prescribed under IFRS by the Corporation's total production for the respective period. Below is a list of figures which have been presented in the MD&A in \$ per boe:

- Cash finance expense per boe
- Depreciation expense per boe
- Finance expense per boe
- General and administrative expense per boe
- Natural gas and liquids sales per boe
- Operating expense per boe
- Realized gains (losses) on derivatives per boe
- Royalty expense per boe
- Net sales of purchased natural gas per boe
- Processing and other income per boe
- Share-based compensation expense per boe
- Transportation expense per boe

The following 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
mbbl	thousand barrels
mboe	thousand barrels of oil equivalent of natural gas
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
mmcf	million cubic feet
mmcf/d	million cubic feet per day
mmbtu	million British thermal units
mmcfe/d	million cubic feet equivalent per day

<i>tcf</i>	<i>trillion cubic feet</i>
<i>tcfe</i>	<i>trillion cubic feet equivalent</i>
<i>Liquids</i>	<i>Includes NGLs, condensate and crude oil</i>
<i>NGLs and condensate</i>	<i>Natural Gas Liquids as defined in National Instrument 51-101</i>
<i>Natural Gas</i>	<i>Conventional Natural Gas as defined in National Instrument 51-101</i>
<i>Crude Oil</i>	<i>Light Crude Oil and Medium Crude Oil as defined in National Instrument 51-101</i>

SOURCE Advantage Energy Ltd.

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