Advantage Announces 2025 Budget and Updated Three-Year Plan

(TSX: AAV)

CALGARY, AB, Dec. 10, 2024 /CNW/ - Advantage Energy Ltd. ("Advantage" or the "Corporation") is pleased to announce its 2025 budget and provide an updated three-year plan.

Advantage's 2025 capital program continues our focus on growing adjusted funds flow ("AFF")[a] per share via high rate-of-return development drilling. Production is expected to increase by approximately 16% in 2025, reflecting an organic growth rate of 9% plus a full year of incremental production associated with assets acquired mid-2024. Capital efficiencies are expected to be strong due to limited facilities spending, and our reinvestment ratio[a] is expected to be approximately 65%. All free cash flow ("FCF") from operations will be allocated to debt reduction though a portion of the proceeds from potential non-core divestitures may be used to buy back shares.

Advantage's updated three-year plan reinforces the strength of our business. Production is expected to continue to grow at a long-term average rate of approximately 10% through 2027, complemented by a distinctive free cash flow yield in each year of the plan. Capital spending is expected to average around $300 million per year; these unique capital efficiencies were made possible by our highly productive organic development program and strategic utilization of recently acquired infrastructure.

2025 Budget Highlights

- AFF per share[a] is expected to grow by approximately 65% year-over-year, based on strip pricing dated November 21, 2024.
- Production is expected to average between 80,000 and 83,000 boe/d and the corporate decline rate[a] is expected to average approximately 26%.
- Cash used in investing activities is planned to be between $270 million and $300 million. This program is fully funded even at bottom-decile commodity prices, due to our low-cost structure and strong hedging position.
- Net debt[a] is expected to approach our target of $450 million (approximately 1.1x net debt to adjusted funds flow[a]) towards the end of 2025.
- Approximately 34 net wells are planned with a two-rig program. Montney drilling is expected to include 20 wells (Glacier focused) and Charlie Lake drilling is expected to include 10 operated and 4 non-operated wells.
- At Progress, construction of a new 75 mmcf/d gas plant has been deferred to 2026, with no impact to forecasted production. Excess processing capacity acquired in 2024 will be utilized instead, while reducing 2025 capital and increasing free cash flow[a] by approximately $35 million.

---

[a] *Specified financial measure which is not a standardized measure under International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") 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 Accounting Standards measure.*

Three-Year Plan Update

- Advantage will continue to plan for top-line production growth of up to 10% each year. Corporate production is expected to exceed 90,000 boe/d by 2027.
- Cash used in investing activities is planned to remain at approximately $300 million per year, including any required infrastructure expansions.
- On average, Advantage plans to drill approximately 35 net wells per year to achieve growth targets. Current tier 1 inventory is 640 wells, with over 1,500 additional economic locations delineated.
- The expansion of Advantage's processing capacity in Alberta continues, with capacity now exceeding 500 mmcf/d (including third-party service). The only spending allocated to infrastructure expansion in the three-year plan is approximately $40 million in 2026, to complete the partially constructed Progress gas plant, for an incremental 75 mmcf/d of capacity.
- Production growth will be managed in conjunction with transportation service growth and hedging, with a focus on increasing access to non-AECO markets in 2027 and beyond.
- Advantage expects it will not be subject to cash income taxes until 2028.

2025 Guidance Summary (1)(2)

Cash Used in Investing Activities ($ millions) (3)	$270 to $300
Production	
Total Production (boe/d)	80,000 to 83,000
Natural Gas (%)	84% to 85%
Crude Oil and Condensate (%)	11% to 12%
NGLs (%)	~4%
Expenses	
Royalty Rate (%)	8% to 10%
Operating Expense ($/boe)[a]	$5.20 to $5.90
Transportation Expense ($/boe)[a]	$3.95 to $4.25
G&A Expense ($/boe)[a]	$0.75 to $0.85
Finance Expense ($/boe)[a]	$1.50 to $1.95

Notes:

(1) Forward-looking statements and information representing Management estimates. Refer to Advisory for cautionary statements regarding Advantage's budget including material assumptions and risk factors.

(2) Budget and guidance numbers are for Advantage Energy Ltd. only and exclude Entropy Inc.

(3) Cash Used in Investing Activities is the same as Net Capital Expenditures as no change in non-cash working capital is assumed between years and other differences are immaterial. See Advisory.

Marketing Update

Advantage has hedged approximately 37% of its forecasted natural gas production through the end of 2024, as well as 37% for calendar 2025 and 25% for calendar 2026. Advantage has also hedged approximately 75% of its oil and condensate production through the end of 2024, as well as 52% in the first half of 2025 and 15% in the second half of 2025.

Looking Forward

Advantage's priority remains AFF per share growth to maximize shareholder returns. To achieve this, our first priority is delivering high-return organic production growth, capped at 10% per year. Capital efficiency continues to be a key component of Advantage's corporate strategy. Through to 2027, we expect to deliver production growth and capital spending efficiencies comparable to our recent programs, despite a higher production base, thanks to continuously strong well productivity and our increased portfolio of unutilized processing capacity.

While Advantage's near-term FCF will be primarily allocated towards quickly achieving our net debt target, we may layer-in opportunistic share buybacks if our share price remains temporarily disconnected from fundamentals. Non-core asset divestitures have not been included in our budget but are expected to help accelerate debt reduction and reactivation of the share buyback program.

Our highly valuable British Columbia assets are not slated to be developed in our current three-year plan and therefore are potential candidates for divestiture. However, Advantage is pleased to have recently acquired an idled 100 mmcf/d sour gas plant and pipeline network in close proximity to Conroy, establishing a direct path to highly efficient future development. Therefore, any decision to divest of these assets will be weighed against mid- to long-term upside value.

Advantage is encouraged by improving natural gas fundamentals in mid-2025 and beyond due to increasing North American LNG export capacity and increasing structural power generation demand. With this outlook, the Corporation has refined its 2025 capital program to focus on liquids-weighted drilling during the first half of the year with a shift to gas-weighted drilling mid-year. Advantage has a range of high-return development options beyond 2025 and will monitor market conditions before formalizing plans for 2026 and 2027.

With modern, low emissions-intensity assets and ownership of 73%[b] 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.

For more details, Advantage has posted an updated presentation at www.advantageog.com to accompany a virtual Investor Day to be held on Tuesday, December 10, 2024, at 8:00 am Mountain Time (10:00 am Eastern Time). See our December 3, 2024 press release for details on attending our virtual Investor Day.

Advantage Energy 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

---

[b] Advantage currently owns 92% of Entropy's common shares. Assuming Brookfield's and Canada Growth Fund's currently-held unsecured debentures are exchanged for common shares according to the terms of the investment agreements, Advantage would own approximately 73% of Entropy's common shares.

Forward Looking Information 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 "guidance", "anticipate", "target", "objectives", "estimates", "continue", "demonstrate", "expect", "may", "can", "will", "believe", "would" and similar expressions and include statements relating to, among other things, Advantage's focus, strategy, priorities and development plans; the focus of Advantage's 2025 capital program including growing adjusted flow per share and high rate-of-return development drilling; Advantage's anticipated production growth; expectations of strong capital efficiencies and limited facilities spending; Advantage's anticipated reinvestment ratio; Advantage's expectations that it will allocate all FCF from operations to debt reduction and that a portion of the proceeds from a potential non-core divesture may be used to buy back shares; the anticipated number of wells to be drilled at certain of its locations; the construction of its new gas plant at Progress, including the anticipated timing thereof and the expectation that due to the deferral of the construction at Progress, excess processing capacity acquired in 2024 will be utilized by Advantage and the corresponding impact to its 2025 capital and free cash flow; Advantage's three-year plan, including its anticipated annual production growth, annual cash used in investing activities, annual drilling activities, annual processing capacity, capital spending related to infrastructure, and the expectation that it will have a distinctive free cash flow yield; Advantage's 2025 budget, including its anticipated AFF per share growth, average annual production, corporate decline rate, cash used in investing activities (and the expectation that it will be fully funded at bottom-decile commodity prices), net debt and net debt to adjusted funds flow ratio, royalty rate, operating expense per boe, transportation expense per boe, G&A expense per boe and finance expense per boe; Advantage's expectations that it will deliver production growth and capital spending efficiencies comparable to its recent programs; Advantage's anticipated drilling plans in 2025 and the focus thereof; that Advantage will manage its production growth in conjunction with transportation service growth and hedging, with a focus on non-AECO markets prior to the commissioning of LNG Canada; Advantage's expectations that it will not be subject to cash income taxes until 2028; Advantage's hedging program; expectations that Advantage may buy back its shares; expectations that non-core divestures will accelerate debt reduction and reactivation of its share buyback program; that Advantage has a range of high-return development options beyond 2025; and the anticipated benefits to be derived from Advantage's sour gas plant and pipeline network. 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.

With respect to forward-looking statements contained in this press release, Advantage has made assumptions regarding, but not limited to: future oil and gas prices; anticipated NYMEX and WTI prices; anticipated strip pricing; foreign exchange rates; conditions in general economic and financial markets; 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 number of new wells required to achieve the budget objectives; that the Corporation will have sufficient adjusted funds 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. Management has included the above *summary of assumptions and risks related to forward-looking information 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 therefrom. 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.*

This press release contains forward-looking statements which are estimates of Advantage's three-year plan, including its anticipated annual production growth, annual cash used in investing activities, annual drilling activities, annual processing capacity, capital spending related to infrastructure, and the expectation that it will have a distinctive free cash flow yield. The foregoing estimates are based on various assumptions and are provided for illustration only and are based on budgets and estimates that have not been finalized and are subject to change and a variety of contingencies including prior years' results. In addition, the foregoing estimates and assumptions underlying these 2026 and 2027 forward-looking statements are management prepared only and have not been approved by the Board of Directors of Advantage. These estimates are made as of the date of this press release and except as required by applicable securities laws, Advantage undertakes no obligation to update such estimates.

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; Advantage's 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 Advantage's top-line production growth year-over-year may be less than anticipated; the risk that Advantage may not allocate all FCF from operations to debt reduction; the risk that the Corporation may not have sufficient financial resources to buy back its shares in the future; the risk that Advantage may not grow its AFF per share when anticipated, or at all; the risk that Advantage may drill less wells than anticipated; the risk that the construction of Advantage's new gas plant at Progress may occur later than anticipated and may be more costly than anticipated; the risk that Advantage's net debt may be greater than anticipated; the risk that Advantage may be subject to cash taxes prior to 2028; the risk that Advantage's gas processing capacity may be less than anticipated; the risk that

Advantage's adjusted funds flow per share, corporate production, cash used in investing activities and AFF may be less than anticipated; the risk that Advantage may not manage its production growth in conjunction with transportation service growth and hedging; the risk that Advantage's annual production, cash used in investing activities, drilling activities, and growth in gas processing capacity over the next three years may be less than anticipated; the risk that Advantage's operating expense per boe, transportation expense per boe, G&A expense per boe, and finance expense per boe may be greater than anticipated; and the risk that Advantage may not have a range of high-return development options beyond 2025; the risk that Advantage's non-core divestures may not result in the benefits anticipated; and the risk that Advantage's sour gas plant and pipeline network may not lead to be benefits anticipated. Many of these risks and uncertainties and additional risk factors are described in the Corporation's Annual Information Form which is available at www.sedarplus.ca ("SEDAR+") and www.advantageog.com. Readers are also referred to risk factors described in other documents Advantage files with Canadian securities authorities.

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.

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, Advantage's anticipated reinvestment ratio; Advantage's expectations that it will allocate all FCF from operations to debt reduction and that a portion of the proceeds from a potential non-core divesture may be used to buy back shares; the estimated impact to Advantage's 2025 capital and free cash flow that will result from the deferral of the construction of its new gas plant at Progress; Advantage's three-year plan, including its anticipated annual cash used in investing activities, capital spending related to infrastructure, and the expectation that it will have a distinctive free cash flow yield; Advantage's 2025 budget, including its anticipated AFF per share growth, cash used in investing activities (and the expectation that it will be fully funded at bottom-decile commodity prices), net debt and net debt to adjusted funds flow ratio, royalty rate, operating expense per boe, transportation expense per boe, G&A expense per boe and finance expense per boe; and Advantage's expectations that it will not be subject to cash income taxes until 2028; 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.

In addition to the assumptions listed above, Advantage has made the following assumptions with respect to the three-year plan contained in this press release, unless otherwise specified:

- *Production growth of approximately 16% in 2025 and a long-term average production growth rate of* *approximately 10% through 2027;*

- *Liquids production representing approximately 15% to 16% of total production for 2025 to 2027;*
- *Capital spending is expected to average approximately $300 million per year for 2025 to 2027;*
- *Commodity prices utilizing forward pricing assumptions as at November 21, 2024: WTI US$/bbl (2025–$69, 2026–$66, 2027–$65), AECO $CDN/GJ (2025–$2.25, 2026–$2.95, 2027–$3.00), FX $CDN/$US (2025–1.39, 2026–1.37, 2027–1.36);*
- *Current hedges (See Advantage's website); and*
- *No cash income taxes within the three-year plan due to over $1 billion in high-quality tax pools (See note 15 "Income taxes" in Advantage's Consolidated Financial Statements for the year ended December 31, 2023 for estimated tax pools available). Tax pools are increased for net capital expenditures and reduced for tax pools used to reduce taxable income in a specific year.*

Specified Financial Measures

Throughout this press 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 International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and therefore may not be comparable to similar measures presented by other entities. The non-GAAP and other financial measures should not be considered to be more meaningful than GAAP measures which are determined in accordance with IFRS Accounting Standards, such as net income (loss) and comprehensive income (loss), cash provided by operating activities, and cash used in investing activities, as indicators of Advantage's performance. Refer to the Corporation's most recent Management's Discussion and Analysis for the three and nine months ended September 30, 2024, which is available at www.sedarplus.ca and www.advantageog.com for additional information about certain specified financial measures, including reconciliations to the nearest GAAP measures and disclosures of historical specified financial measures, as applicable.

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.

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.

Free Cash Flow

Advantage computes free cash flow as adjusted funds flow less net capital expenditures excluding the impact of asset acquisitions and dispositions. 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, excluding acquisitions, to settle outstanding debt and obligations and potentially return capital to shareholders by paying dividends or buying back common shares. Advantage excludes the impact of acquisitions and dispositions as they are not representative of the free cash flow used in the Corporation's operations.*

Non-GAAP Ratios

Reinvestment Ratio

Reinvestment ratio is calculated by dividing net capital expenditures by adjusted funds flow. Advantage uses reinvestment 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.

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.

Net Debt to Adjusted Funds Flow Ratio

Net debt to adjusted funds flow ratio 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 including working capital, and its outstanding aggregate convertible debentures if Advantage devoted all its adjusted funds flow to debt repayment. Net debt to adjusted funds flow is calculated by taking bank indebtedness, inclusive of working capital, plus convertible debentures, and dividing it by adjusted fund flow (for the trailing four quarters) that can be used to satisfy such borrowings.

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.

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. Net debt includes bank indebtedness, the aggregate principal balance of convertible debentures and working capital.

Supplementary Financial Measures

"Decline rate" is calculated by identifying the actual or forecasted production of all the wells onstream at the start of the year, then tracking their cumulative decline by the end of the year, expressed as a percentage.

Dollars per BOE figures

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

- *G&A expense per boe*
- *Finance expense per boe*
- *Operating expense per boe*
- *Transportation expense per boe*

Oil and Gas Information

Barrels of oil equivalent (boe) and thousand cubic feet of natural gas equivalent (mcfe) may be misleading, particularly if used in isolation. Boe and mcfe 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 mcfe 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.

Production estimates contained herein are expressed as anticipated average production over the calendar year. In determining anticipated production for the three-year plan, Advantage considered historical drilling, completion and production results for prior years and took into account the estimated impact on production of the Corporation's three-year expected drilling and completion activities.

This press release discloses drilling inventory in three categories: (i) proved locations; (ii) probable locations; and (iii) unbooked locations. Booked locations include both proved locations and probable locations that are derived from the Sproule Associates Limited (Glacier, Progress, Valhalla and Wembley) and the McDaniel & Associates Consultants Ltd. (Charlie Lake) reserves evaluations effective December 31, 2023 and account for drilling locations that have associated proved and/or probable reserves, as applicable. Unbooked locations are internal estimates based on our prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources. Of the 2,165 total drilling locations identified, 314 are proved locations, 86 are probable locations and 1,765 are unbooked locations. Unbooked locations have been identified by Management as an estimation of our multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that the Corporation 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 we actually drill wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been de-risked by drilling existing wells in relative close proximity to such unbooked drilling locations, other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

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

AECO	*A notational market point on TransCanada Pipeline Limited's NGTL system where the purchase and sale of natural gas is transacted*
Bbl	*one barrel*
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 per day*
Crude oil and condensate	*Light crude oil and medium crude oil as defined in National Instrument 51-101*
Liquids	*Includes crude oil and condensate and NGLs*
mcfe	*thousand cubic feet equivalent on the basis of six thousand cubic feet of natural gas for one barrel of oil or NGLs*
mmcf/d	*million cubic feet per day*
Natural gas	*Conventional Natural Gas as defined in National Instrument 51-101*
NGLs	*Natural Gas Liquids as defined in National Instrument 51-101*
NGTL	*NOVA Gas Transmission Ltd.*
WTI	*West Texas Intermediate*

SOURCE Advantage Energy Ltd.

For further information: For further information contact: Craig Blackwood, Chief Financial Officer, (403) 718-8000; Brian Bagnell, Vice President, Commodities and Capital Markets, (403) 718-8000 OR Investor Relations: Toll free: 1-866-393-0393

---

https://advantageog.mediaroom.com/2024-12-10-Advantage-Announces-2025-Budget-and-Updated-Three-Year-Plan