

Advantage Announces First Quarter 2025 Financial and Operating Results

(TSX: AAV)

CALGARY, AB, May 1, 2025 /CNW/ - Advantage Energy Ltd. ("Advantage" or the "Corporation") is pleased to report 2025 first quarter financial and operating results.

2025 First Quarter Financial Highlights

- Cash provided by operating activities of \$122.9 million.
- Adjusted funds flow ("AFF")^(a) of \$121.1 million or \$0.73 per share for Advantage^(b), exceeding expectations largely due to the outperformance of recently acquired assets and successful reductions in their cost structure.
- Cash used in investing activities of \$107.9 million.
- Net capital expenditures^(a) were \$94.2 million for Advantage^(b).
- Net debt^(a) of \$603.3 million for Advantage^(b), a reduction of \$22.3 million during the quarter and ahead of schedule to achieve our 2025 net debt target of \$450 million.

2025 First Quarter Operating Highlights

- Record average production of 83,773 boe/d (423.0 mmcf/d natural gas, 13,273 bbls/d liquids), an increase of 27% versus first quarter of 2024 as a result of the acquisition and moderate organic growth.
- Record liquids production of 13,273 bbls/d (8,487 bbls/d crude oil, 1,023 bbls/d condensate, and 3,763 bbls/d NGLs), an increase of 106% over the first quarter of 2024.
- Drilled 13 (10.1 net) liquids-weighted wells in Wembley, Valhalla, Progress and Gordondale, with 9 (8.8 net) wells recently brought on production. Results from both the Montney and Charlie Lake programs continue to exceed expectations.
- Operating costs in the first quarter dropped to \$4.76/boe^(a), an incremental 8% decline from the fourth quarter of 2024, due to the ongoing, successful integration of the acquired assets.

News Release

Advantage Energy Ltd.

(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.

(b) "Advantage" refers to Advantage Energy Ltd. only and excludes its subsidiary Entropy Inc.

Marketing Update

Advantage has hedged approximately 43% of its forecasted natural gas production for the balance of 2025, as well as 26% in 2026 and 7% in 2027. Advantage has also hedged approximately 43% of its forecasted crude oil and condensate production for the balance of 2025.

Looking Forward

Advantage's corporate strategy continues to focus on maximizing AFF per share without compromising our balance sheet. At current futures pricing, our optimized development drilling program maximizes AFF per share with all free cash flow directed to deleveraging and share buybacks.

Although Q1 production exceeded expectations and operating costs have trended lower, Advantage is maintaining its annual guidance. Unpredictable NGTL system reliability may affect production this summer and operating costs are expected to settle in the bottom half of our guidance range as new third-party processing commitments come online.

With the most capital-intensive quarter of our 2025 budget now behind us, we expect accelerated free cash flow ("FCF")^(a) through the balance of this year, driving us towards our net debt target while increasing our rate of share buybacks. Once our net debt target is achieved, we will establish a new, conservative debt range and return to aggressive share buybacks.

At futures pricing, Advantage expects to generate more than \$500 million of FCF over our three-year plan, while continuing to grow production at 5-10% annually. This would not be possible without our exceptional assets and peer-leading execution.

High-quality Montney assets have become increasingly scarce. Recognizing this trend, our special committee of independent

directors will continue to monitor the markets to identify opportunities that are in the best interest of Advantage and our shareholders.

Advantage is strongly positioned to benefit from the Canadian political outlook by virtue of our low carbon natural gas and 62% ownership of Entropy Inc. Our strategy remains centered on disciplined capital allocation, high-return investments, and measured, sustainable AFF per share growth. This strategy presents shareholders with a rare and transformative opportunity for long-term value creation.

Advantage wishes to thank our employees, board of directors and shareholders for their ongoing support.

Conference call

Advantage's management team will host a conference call and webcast to discuss the Corporation's first quarter 2025 financial and operating results on Friday, May 2, 2025 at 8:00 am Mountain Time (10:00 am Eastern Time).

To participate by phone, please call 1-888-510-2154 (North American toll-free) or 1-437-900-0527 (International). A recording of the conference call will be available for replay by calling 1-888-660-6345 and entering the conference replay code 88709#. The replay will be available until May 9, 2025.

To join the conference call without operator assistance, you may enter your details and phone number at <https://emportal.ink/4ctYcco> to receive an instant automated call back. You may also stream the event via webcast at <https://app.webinar.net/pbzVjYX3MD2>.

Below are complete tables showing financial and operating highlights.

Financial Highlights (\$000, except as otherwise indicated)	Three months ended	
	March 31	
	2025	2024
Financial Statement Highlights		
Natural gas and liquids sales	221,790	135,897
Net income (loss) and comprehensive income (loss) ⁽³⁾	(29,024)	23,163
per basic share ⁽²⁾⁽³⁾	(0.17)	0.14
per diluted share ⁽²⁾⁽³⁾	(0.17)	0.14
Basic weighted average shares (000)	166,821	160,444
Diluted weighted average shares (000)	166,821	164,129
Cash provided by operating activities	122,949	67,374
Cash provided by financing activities	11,670	11,883
Cash used in investing activities	(107,919)	(79,427)
Other Financial Highlights⁽¹⁾		
<u>Advantage Energy Ltd.</u>		
Adjusted funds flow	121,127	67,031
per basic share ⁽²⁾	0.73	0.42
per diluted share ⁽²⁾	0.73	0.41
Net capital expenditures	94,171	76,176
Free cash flow – surplus (deficit)	22,956	(9,145)
Bank indebtedness	446,333	238,578
Net debt	603,307	233,127
<u>Entropy Inc.</u>		
Adjusted funds flow	(2,485)	(1,638)
per basic share ⁽²⁾	(0.02)	(0.01)
per diluted share ⁽²⁾	(0.02)	(0.01)
Net capital expenditures	19,816	3,958
Free cash flow – surplus (deficit)	(22,301)	(5,596)
Net debt	119,940	46,836

(1) Specified financial measures which are not standardized measures under 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 measures, an explanation of how such specified financial measures provides useful information to a reader and the purposes for which Management of Advantage uses the specified financial measures, and/or where required, a reconciliation of the specified financial measures to the most directly comparable IFRS measures.

(2) Based on basic and diluted weighted average shares outstanding.

(3) Net income (loss) and comprehensive income (loss) attributable to Advantage Shareholders.

Operating Highlights ⁽¹⁾	Three months ended	
	March 31	
	2025	2024
Operating		
Production		
Crude oil (bbls/d)	8,487	2,630
Condensate (bbls/d)	1,023	1,231
NGLs (bbls/d)	3,763	2,591
Total liquids (bbls/d)	13,273	6,452
Natural gas (Mcf/d)	422,998	357,410
Total production (boe/d)	83,773	66,020
Average realized prices (including realized derivatives)		
Natural gas (\$/Mcf)	3.29	2.86
Liquids (\$/bbl)	86.53	80.21
Operating Netback (\$/boe) ⁽²⁾		
Natural gas and liquids sales	29.42	22.62
Realized gains on derivatives	0.87	0.70
Processing and other income	0.13	0.30
Royalty expense	(2.80)	(1.52)
Operating expense	(4.76)	(4.08)
Transportation expense	(4.06)	(4.23)
Operating netback	18.80	13.79

(1) Operating highlights are for Advantage's natural gas and liquids operations.

(2) Specified financial measure which is not a standardized measure under 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/or where required, a reconciliation of the specified financial measure to the most directly comparable IFRS measure.

The Corporation's unaudited consolidated financial statements for the three months ended March 31, 2025 together with the notes thereto, and Management's Discussion and Analysis for the three months ended March 31, 2025 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 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; expectations that Advantage is ahead of schedule to achieve its net debt target in 2025; NGTL system reliability and the anticipated effects thereof; that new third-party processing commitments will come online and the anticipated benefits thereof; Advantage's corporate strategy to focus on maximizing AFF per share growth without compromising its balance sheet; Advantage's expectation that once it achieves its net debt target, that it will establish a new net debt range and return to aggressive share buybacks; the anticipated amount of FCF that Advantage will generate and anticipated production growth over the next three years; that Advantage's previously announced special committee of independent directors will continue to monitor the markets in an effort to identify opportunities in the best interests of Advantage and its shareholders and the anticipated benefits therefrom; expectations that Advantage is strongly positioned to benefit from the Canadian political outlook by virtue of its low carbon natural gas and ownership of Entropy Inc.; Advantage's strategy of disciplined capital allocation, high-return investments, and measured, sustainable AFF per share growth and the anticipated benefits to be derived therefrom; Advantage's hedging program and the percentage of its natural gas, crude oil and condensate production that is hedged; and the anticipated timing of Advantage's conference call to discuss its first quarter 2025 financial and operating results. 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, industry and business conditions; actions by governmental or regulatory authorities including increasing taxes and changes in investment or other regulations; the risk that (i) the U.S. tariffs that are currently in effect on goods exported from or imported into Canada continue in effect for an extended period of time, the tariffs that have been threatened are implemented, that tariffs that are currently suspended are reactivated, the rate or scope of tariffs are increased, or new tariffs are imposed, including on oil and natural gas, (ii) the U.S. and/or Canada imposes any other form of tax, restriction or prohibition on the import or export of products from one country to the other, including on oil and natural gas, and (iii) the tariffs imposed or threatened to be imposed by the U.S. on other countries and retaliatory tariffs imposed or threatened to be imposed by other countries on the U.S., will trigger a broader global trade war which could have a material adverse effect on the Canadian, U.S. and global economies, and by extension the Canadian oil and natural gas industry and the Corporation, including by decreasing demand for (and the price of) oil and natural gas, disrupting supply chains, increasing costs, causing volatility in global financial markets, and limiting access to financing; 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; the risk that the Corporation may not have access to sufficient capital from internal and external sources; the risk that the Corporation may not be able to grow its production as anticipated, or at all; the risk that the Corporation may not achieve its net debt target when anticipated, or at all; the risk that the Corporation may not achieve its strategy of maximizing its AFF per share growth without compromising its balance sheet; the risk that Advantage may generate less FCF over the next three years than anticipated; the risk that Advantage may not be able to successfully integrate its acquired assets as anticipated; the risk that Advantage may be negatively impacted by industry consolidation; the risk that the special committee does not identify any beneficial opportunities for shareholders; and the risk that the Corporation's financial and operating results may be less favorable than 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.

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 duration and impact of tariffs that are currently in effect on goods exported from or imported into Canada, and that other than the tariffs that are currently in effect, neither the U.S. nor Canada (i) increases the rate or scope of such tariffs, reenacts tariffs that are currently suspended, or imposes new tariffs, on the import of goods from one country to the other, including on oil and natural gas, and/or (ii) imposes any other form of tax, restriction or prohibition on the import or export of products from one country to the other, including on oil 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; 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.

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 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.

The future acquisition by the Corporation of the Corporation's shares pursuant to a share buyback program, if any, and the level thereof is uncertain. Any decision to implement a share buyback program or acquire shares of the Corporation 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, satisfaction of the solvency tests imposed on the Corporation under applicable corporate law and receipt of regulatory approvals. There can be no assurance that the Corporation will buyback any shares of the Corporation 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, expectations that Advantage is ahead of schedule to achieve its net debt target in 2025; and the anticipated amount of FCF that Advantage will generate over the next three years, 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.

Oil and Gas Information

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.

This press release contains several oil and gas metrics, including operating netback. The following oil and gas metrics are described below under "Specified Financial Measures": operating netback. Such oil and gas metrics have been prepared by management and 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 shareholders with measures to compare the Corporation'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.

References in this press release to "Low-carbon" refers to emissions intensity lower than traditional fossil fuel-based power generation sources, such as coal, oil or natural gas, on a relative basis.

Specified Financial Measures

Throughout this press release and in other documents disclosed by the Corporation, 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:

(\$000)	Three months ended March 31					
	2025			2024		
	Advantage	Entropy	Total	Advantage	Entropy	Total
Cash provided by (used in) operating activities	123,814	(865)	122,949	69,284	(1,910)	67,374
Expenditures on decommissioning liability	1,393	-	1,393	67	-	67
Changes in non-cash working capital	(4,080)	(1,620)	(5,700)	(2,320)	272	(2,048)
Adjusted funds flow	121,127	(2,485)	118,642	67,031	(1,638)	65,393

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:

(\$000)	Three months ended March 31					
	2025			2024		
	Advantage	Entropy	Total	Advantage	Entropy	Total
Cash used in investing activities	87,901	20,018	107,919	75,481	3,946	79,427
Changes in non-cash working capital	6,270	(202)	6,068	695	12	707
Net capital expenditures	94,171	19,816	113,987	76,176	3,958	80,134

Specified Financial Measures (continued)

Non-GAAP Financial Measures (continued)

Free Cash Flow

The Corporation computes free cash flow as adjusted funds flow less net capital expenditures excluding the impact of asset acquisitions and dispositions. The Corporation uses free cash flow as an indicator of the efficiency and liquidity of the Corporation's business by measuring its cash available after net capital expenditures, excluding acquisitions and dispositions, to settle outstanding debt and obligations and potentially return capital to shareholders by paying dividends or buying back common shares. The Corporation excludes the impact of acquisitions and dispositions as they are not representative of the free cash flow used in the Corporation's natural gas and liquids and carbon capture operations and are financed by means other than adjusted funds flow. A reconciliation of the most directly comparable financial measure has been provided below:

Three months ended March 31

2025

2024

(\$000)	Advantage	Entropy	Total	Advantage	Entropy	Total
Cash provided by (used in) operating activities	123,814	(865)	122,949	69,284	(1,910)	67,374
Cash used in investing activities	(87,901)	(20,018)	(107,919)	(75,481)	(3,946)	(79,427)
Changes in non-cash working capital	(10,350)	(1,418)	(11,768)	(3,015)	260	(2,755)
Expenditures on decommissioning liability	1,393	-	1,393	67	-	67
Dispositions	(4,000)	-	(4,000)	-	-	-
Free cash flow - surplus (deficit)	22,956	(22,301)	655	(9,145)	(5,596)	(14,741)

Operating Income

Operating income is comprised of natural gas and liquids sales, realized gains 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 income provides Management and users with a measure to compare the profitability of Advantage's field operations between companies, development areas and specific wells. The composition of operating income is as follows:

(\$000)	Three months ended March 31	
	2025	2024
Natural gas and liquids sales	221,790	135,897
Realized gains on derivatives	6,525	4,206
Processing and other income	978	1,809
Royalty expense	(21,079)	(9,135)
Operating expense	(35,858)	(24,497)
Transportation expense	(30,573)	(25,397)
Operating income	141,783	82,883

Specified Financial Measures (continued)

Non-GAAP Ratios

Adjusted Funds Flow per Share

Adjusted funds flow per share is derived by dividing adjusted funds flow by the basic and diluted 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.

(\$000, except as otherwise indicated)	Three months ended March 31	
	2025	2024
Adjusted funds flow	118,642	65,393
Weighted average shares outstanding (000)	166,821	160,444
Diluted weighted average shares outstanding (000)	166,821	164,129
Adjusted funds flow per basic share (\$/share)	0.71	0.41
Adjusted funds flow per diluted share (\$/share)	0.71	0.40

Adjusted Funds Flow per BOE

Adjusted funds flow per boe is derived by dividing adjusted funds flow attributable to Advantage 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.

(\$000, except as otherwise indicated)	Three months ended March 31	
	2025	2024
Advantage adjusted funds flow	121,127	67,031
Total production (boe/d)	83,773	66,020
Days in period	90	91

Total production (boe)	7,539,570	6,007,820
Adjusted funds flow per BOE (\$/boe)	16.07	11.16

Operating netback

Operating netback is derived by dividing operating income by the total production in boe for the reporting period. Operating netback 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.

(\$000, except as otherwise indicated)	Three months ended	
	March 31	
	2025	2024
Operating income	141,783	82,883
Total production (boe/d)	83,773	66,020
Days in period	90	91
Total production (boe)	7,539,570	6,007,820
Operating netback (\$/boe)	18.80	13.79

Specified Financial Measures (continued)

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 provisions 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.

A summary of working capital as at March 31, 2025 and December 31, 2024 is as follows:

(\$000, except as otherwise indicated)	March 31	December 31
	2025	2024
Cash and cash equivalents	46,846	20,146
Trade and other receivables	90,050	83,188
Prepaid expenses and deposits	9,608	10,000
Trade and other accrued liabilities	(133,936)	(116,609)
Working capital surplus (deficit)	12,568	(3,275)

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.

A summary of the reconciliation of net debt as at March 31, 2025 and December 31, 2024 is as follows:

	March 31	December 31
	2025	2024
Bank indebtedness	446,333	470,424
Convertible debentures	143,750	143,750
Working capital deficit	13,224	11,377
Net debt attributable to Advantage	603,307	625,551
Unsecured debentures	145,732	101,000
Working capital surplus	(25,792)	(8,102)
Net debt attributable to Entropy	119,940	92,898

Net debt	723,247	718,449
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Supplementary financial measures

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

"Average realized prices (including realized derivatives) liquids" is comprised of crude oil, condensate and NGL's sales, as determined in accordance with IFRS, divided by the Corporation's crude oil, condensate and NGL's production.

"Natural gas and liquids sales per boe" is comprised of natural gas sales and liquids sales, as determined in accordance with IFRS, divided by the Corporation's total natural gas and liquids production.

"Operating expense per boe" is comprised of operating expense, as determined in accordance with IFRS, divided by the Corporation's total production.

"Processing and other income per boe" is comprised of processing and other income, as determined in accordance with IFRS, divided by the Corporation's total production.

"Realized gains on derivatives per boe" is comprised of realized gains on derivatives, as determined in accordance with IFRS, divided by the Corporation's total production.

"Royalty expense per boe" is comprised of royalty expense, as determined in accordance with IFRS, divided by the Corporation's total production.

"Transportation expense per boe" is comprised of transportation expense, as determined in accordance with IFRS, divided by the Corporation's total production.

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

<i>bbl</i>	<i>one barrel</i>
<i>bbls</i>	<i>barrels</i>
<i>bbls/d</i>	<i>barrels per day</i>
<i>boe</i>	<i>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</i>
<i>boe/d</i>	<i>barrels of oil equivalent of natural gas per day</i>
<i>mdbl</i>	<i>thousand barrels</i>
<i>mboe</i>	<i>thousand barrels of oil equivalent of natural gas</i>
<i>mcf</i>	<i>thousand cubic feet</i>
<i>mcf/d</i>	<i>thousand cubic feet per day</i>
<i>mcfe</i>	<i>thousand cubic feet equivalent on the basis of six thousand cubic feet of natural gas for one barrel of oil or NGLs</i>
<i>mmcf</i>	<i>million cubic feet</i>
<i>mmcf/d</i>	<i>million cubic feet per day</i>
<i>mmbtu</i>	<i>million British thermal units</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>"Shale Gas" & "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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