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Advantage Announces Operations Update, Conclusion of Strategic Review and 2025 Reserves

(TSX: AAV)

CALGARY, AB, Feb. 12, 2026 /CNW/ - Advantage Energy Ltd. ("Advantage" or the "Corporation") is pleased to provide a corporate update and announce its 2025 reserves.

Operations and Commercial Update

- Net capital expenditures[(a)] were $287.7 million for Advantage[(b)] during the year ended December 31, 2025.
- Production for the fourth quarter of 2025 averaged 79,823 boe/d (408.3 mmcf/d natural gas, 7,372 bbls/d crude oil, 938 bbls/d condensate and 3,462 bbls/d NGLs), despite minor impacts from price-driven shut-ins in early October.
- Production in January 2026 averaged 80,000 boe/d (86% natural gas), which is 3,000 boe/d over budget. This is attributed to strong operational performance, with the last 6 wells brought onstream in north Glacier continuing to exceed expectations, and encouraging early results from a 5-well Montney pad at central Glacier and a 2-well Charlie Lake pad at east Glacier.
- Delivered exceptional capital efficiencies with the top 9 Alberta Montney gas wells in 2025, based on IP90 rates and publicly available information.
- Closed a non-producing asset divestiture in January for cash proceeds of $12 million.
- Succeeded in shedding certain midstream processing contracts in order to reduce unit operating costs.
- Increased gas hedging to approximately 33% of forecasted gas production for calendar 2026 and 11% for calendar 2027. Advantage has also hedged approximately 27% of its oil and condensate production for calendar 2026 and 6% for calendar 2027.
- Added 22,500 GJ/d of physical natural gas transportation service to the Ventura market, secured for a seven-year term commencing on April 1, 2029.

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(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.*

Conclusion of Strategic Review

Advantage's Board of Directors (the "Board") has concluded the Corporation's strategic review process (the "Strategic Review"). Oversight for this process was provided by a Special Committee of the Board, comprised entirely of independent directors (the "Special Committee").

The Special Committee thoroughly evaluated various strategic options, including a sale, merger, and other transactions, as part of its mandate. The Special Committee unanimously concluded that none of the proposals received or strategic alternatives evaluated were in the best interests of the Corporation and its shareholders, as they were inferior to the Corporation's intrinsic value and long-term prospects. The Special Committee presented its findings to the Board and recommended the dissolution of the Special Committee, having fully satisfied its mandate. The Board agreed with the Special Committee's conclusions and recommendations, terminating the Special Committee's mandate.

John Festival, Chair of the Board, commented, "The Board has determined that the continued execution of the Corporation's strategic plan is the best approach to maximize shareholder value at this time. The Special Committee ran a comprehensive and disciplined process, supported by highly experienced external advisors, and the Board is aligned in its view that none of the alternatives appropriately reflect the intrinsic value of Advantage's top-tier assets and long-term outlook. We remain committed to maximizing shareholder value and will regularly assess new opportunities as part of our strategic planning cycle."

Focus Remains on Operational Excellence and Financial Discipline

Advantage's three-year plan is set to deliver exceptional total shareholder returns, thanks to our high asset quality, disciplined capital allocation and innovative execution. With the Strategic Review concluded, management and the Board continue to focus on executing the Corporation's plan and advancing the initiatives already underway to drive value and shareholder returns.

Advantage's corporate strategy is to maximize cash flow per share while protecting our balance sheet. Our success is driven by:

1. high rate-of-return development investments based on disciplined capital allocation;
2. relentless cost focus, facilitated by owned and operated infrastructure;
3. operational excellence, delivering prolific well results, risk mitigation and safe, responsible execution; and
4. maximizing shareholder returns with free cash flow growth, rapid debt repayment and opportunistic share buy backs.

The Board expresses appreciation to the Special Committee for its rigorous oversight, to Advantage's employees for their unwavering focus and execution, and to shareholders for their continued support.

Looking Forward: 2026 Capital Reduced by $20 Million, Production Outlook Unchanged

For 2026, Advantage has planned an exceptionally efficient, Glacier-focused program with production growth of approximately 6% (or 11% excluding the impact of a major turnaround at our Glacier Gas Plant). Following the commissioning of the Progress Gas Plant and the turnaround at Glacier in Q2, second-half production is expected to average 90,000 boe/d (86% natural gas).

Capital discipline remains a top priority. Advantage is reducing our 2026 capital program by approximately $20 million, by deferring the lowest rate-of-return wells in our drilling program. With the continued strength of recent wells, our 2026 production guidance remains unchanged.

Advantage's free cash flow ("FCF") [(a)] profile is weighted to the second half of 2026, with a capital intensive spending profile in the first quarter. As we approach our net debt target, debt reduction will remain our priority, while share repurchases will be layered in opportunistically.

Supply/demand fundamentals have been volatile through the winter, and AECO futures pricing has weakened in the short-term. If basin production starts showing signs of oversupply, Advantage may moderate 2027 spending plans and prioritize additional debt repayment.

2025 Reserves Highlights

- Proved Developed Producing ("PDP") reserves increased 1%, with finding and development ("F&D")[(a)] costs of $9.36/boe, reflecting temporarily elevated spending on construction of the Progress Gas Plant and pre-drilling wells in advance of the planned production increase in the second half of 2026.
- Net present value of PDP reserves of $1.4 billion (before tax, 10% discount rate) or $8.21/share[(a)].
- Total Proved ("1P") reserves increased 1%, with F&D[(a)] costs of $7.68/boe.
- Net present value of 1P reserves of $2.8 billion (before tax, 10% discount rate) or $16.85/share[(a)].
- Proved plus Probable ("2P") reserves increased 1%, with F&D[(a)] costs of $8.58/boe.
- Net present value of 2P reserves of $4.1 billion (before tax, 10% discount rate) or $24.83/share[(a)].
- PDP reserve additions replaced[(a)] 106% of production. Lower future development costs, combined with growing reserve volumes, demonstrate continued improvements in capital efficiency.

RESERVE HIGHLIGHTS	PDP	1P	2P
2025 Reserves (million boe)	173.4	476.7	689.2
2025 F&D Cost ($/per boe, including FDC)[(a)]	$9.36	$7.68	$8.58
2025 Reserves Increase Over 2024	1 %	1 %	1 %

RESERVES SUMMARY TABLES

Company Gross (before royalties) Working Interest Reserves Summary as at December 31, 2025

	Light & Medium Crude Oil (Mbbls)	Conventional Natural Gas (MMcf)	Shale Gas (MMcf)	Natural Gas Liquids (Mbbls)	Total Oil Equivalent (Mboe)
Proved					
Developed Producing	10,278	91,113	828,557	9,821	173,377
Developed Non-producing	249	1,043	45,207	387	8,344
Undeveloped	20,454	125,270	1,395,775	21,003	294,965
Total Proved	**30,981**	**217,426**	**2,269,539**	**31,212**	**476,687**
Probable	17,006	118,576	970,877	13,888	212,470
Total Proved + Probable	**47,988**	**336,002**	**3,240,416**	**45,100**	**689,157**

[(1)] Table may not add due to rounding.

Company Net Present Value of Future Net Revenue using the IQRE Average Forecasts($000) (1)(2)(3)

	Before Income Taxes Discounted at		
	0 %	**10 %**	**15 %**
Proved			
Developed Producing	2,116,347	1,370,848	1,161,196
Developed Non-producing	135,585	65,083	51,323
Undeveloped	3,979,415	1,377,351	893,676
Total Proved	**6,231,347**	**2,813,282**	**2,106,195**
Probable	4,077,454	1,331,502	916,486
Total Proved + Probable	**10,308,800**	**4,144,784**	**3,022,680**

(1) Advantage's light and medium crude oil, conventional natural gas, shale gas and natural gas liquid reserves were evaluated using the IQRE Average Forecast (as defined herein) effective December 31, 2025 prior to the provision for income taxes, interests, debt services charges and general and administrative expenses. It should not be assumed that the discounted future net revenue estimated by McDaniel (as defined herein) represents the fair market value of the reserves.

(2) Assumes that development of reserves will occur, without regard to the likely availability to the Corporation of funding required for that development.

(3) Future Net Revenue incorporates Managements' estimates of required abandonment and reclamation costs, including expected timing such costs will be incurred, associated with all wells, facilities and infrastructure.

(4) Table may not add due to rounding.

IQRE Average Forecasts

The net present value of future net revenue atDecember 31, 2025 was based upon light and medium crude oil, conventional natural gas, shale gas and natural gas liquid pricing assumptions, which were computed by using the average of the forecasts ("IQRE Average Forecast") prepared by McDaniel & Associates Consultants Ltd. ("McDaniel"), Sproule Associates Limited, and GLJ Petroleum Consultants effective December 31, 2025. These forecasts are adjusted for reserves quality, transportation charges and the provision of any applicable sales contracts. The price assumptions used over the next seven years are summarized in the table below:

Year	Canadian Light Sweet Crude 40^{o} API ($Cdn/bbl)	Alberta AECO-C Natural Gas ($Cdn/mmbtu)	Edmonton Propane ($Cdn/bbl)	Edmonton Butane ($Cdn/bbl)	Edmonton Pentanes Plus ($Cdn/bbl)	Exchange Rate ($US/$Cdn)
2026	77.54	3.00	25.10	36.95	80.01	0.73
2027	83.60	3.30	27.28	39.79	86.19	0.74
2028	90.17	3.49	29.67	42.87	92.83	0.74
2029	92.32	3.58	30.37	43.89	95.04	0.74
2030	94.17	3.65	30.98	44.77	96.94	0.74
2031	96.06	3.72	31.60	45.66	98.89	0.74
2032	97.98	3.80	32.23	46.58	100.86	0.74

Company Gross (before royalties) Working Interest Reserves Reconciliation(2)

FACTORS	Light Crude Oil and Medium Crude Oil (Mbbls)	Conventional Natural Gas (MMcf)	Shale Gas (MMcf)	Natural Gas Liquids(5) (Mbbls)	Total Oil Equivalent (Mboe)
Gross Total Proved					
December 31, 2024	33,692.3	223,398.8	2,222,395.7	32,892.3	474,217.0
Extensions and improved recovery (1)	2,885.9	24,463.0	143,125.1	2,139.7	32,957.0
Technical revisions (2)	(1,400.2)	(301.2)	30,551.2	(1,988.4)	1,653.1
Discoveries	-	-	-	-	-
Acquisitions	-	-	-	-	-
Dispositions	(108.6)	(1,219.2)	-	(70.1)	(381.8)
Economic factors (3)	(1,171.8)	(7,232.4)	(3,663.4)	(203.0)	(3,190.8)
Production	(2,916.6)	(21,683.0)	(122,870.1)	(1,558.8)	(28,567.5)

December 31, 2025	30,981.0	217,426.1	2,269,538.5	31,211.8	476,686.9
Gross Total Probable					
December 31, 2024	15,670.9	102,282.0	984,921.5	14,513.2	211,384.6
Extensions and improved recovery (1)	1,914.7	16,674.5	11,733.4	987.1	7,636.4
Technical revisions (2)	(1,187.1)	(3,006.8)	(27,441.4)	(1,667.8)	(7,929.5)
Discoveries	-	-	-	-	-
Acquisitions	-	-	-	-	-
Dispositions	(22.0)	(297.4)	-	(16.1)	(87.6)
Economic factors (3)	629.9	2,923.6	1,663.5	71.9	1,466.3
Production	-	-	-	-	-
December 31, 2025	17,006.4	118,576.0	970,877.0	13,888.3	212,470.2
Total Proved + Probable					
December 31, 2024	49,363.1	325,680.9	3,207,317.2	47,405.5	685,601.6
Extensions and improved recovery (1)	4,800.6	41,137.5	154,858.5	3,126.8	40,593.4
Technical revisions (2)	(2,587.3)	(3,308.0)	3,109.8	(3,656.1)	(6,276.4)
Discoveries	-	-	-	-	-
Acquisitions	-	-	-	-	-
Dispositions	(130.5)	(1,516.6)	-	(86.2)	(469.5)
Economic factors (3)	(541.9)	(4,308.8)	(1,999.9)	(131.1)	(1,724.5)
Production	(2,916.6)	(21,683.0)	(122,870.1)	(1,558.8)	(28,567.5)
December 31, 2025	47,987.5	336,002.0	3,240,415.5	45,100.1	689,157.1

(1) Extensions and improved recovery: Reserves were added from 25.5 net wells brought on production concurrent with Advantage's 2025 capital program.
(2) Technical revisions: Total technical revisions driven by adjustments to Glacier liquid yield recovery and shrinkage estimates, and rescheduling of locations due to deferrals in the Wembley Montney area.
(3) Economic factors: Changes in forecast pricing for both crude oil and natural gas resulted in minor, negative impact to total reserves. Less than one per cent of total proved and total proved plus probable reserves were removed due to changes in forecast pricing.
(4) Natural gas liquids include condensate.
(5) Tables may not add due to rounding.

Company 2025 F&D Costs – Gross (before royalties) Working Interest Reserves including FDC(1)(2)(3)

	Proved	Proved + Probable
Net capital expenditures ($000)(a)(b)	287,698	287,698
Acquisitions and dispositions ($000)	2,700	2,700
Net change in FDC ($000)	(49,136)	(10,817)
Total capital ($000)	241,262	279,581
Total Mboe, end of year	476,687	689,157
Total Mboe, beginning of year	474,217	685,602
Acquisitions and dispositions, Mboe	(382)	(469)
Production, Mboe	(28,568)	(28,568)
Reserve additions, Mboe	31,420	32,592
2025 F&D costs ($/boe) (a)	$ 7.68	$ 8.58
2024 F&D costs ($/boe) (a)	$ 9.39	$ 6.87
Three-year average F&D costs ($/boe) (a)	$ 8.51	$ 7.82

Company 2025 FD&A Costs – Gross (before royalties) Working Interest Reserves including FDC(1)(2)(3)

	Proved	Proved + Probable
Net capital expenditures ($000)(a)(b)	287,698	287,698
Net change in FDC ($000)	(49,136)	(10,817)
Total capital ($000)	238,562	276,881
Total Mboe, end of year	476,687	689,157
Total Mboe, beginning of year	474,217	685,602

Production, Mboe		(28,568)		(28,568)
Reserve additions, Mboe		31,038		32,123
2025 FD&A costs ($/boe) [(a)]	$	7.69	$	8.62
2024 FD&A costs ($/boe) [(a)]	$	17.11	$	13.30
Three-year average FD&A costs ($/boe) [(a)]	$	12.80	$	11.20

(1) F&D and FD&A costs are calculated by dividing total capital by reserve additions during the applicable period. Total capital includes both net capital expenditures incurred and changes in FDC required to bring the proved undeveloped and probable undeveloped reserves to production during the applicable period. Reserves additions are calculated as the change in reserves from the beginning to the ending of the applicable period excluding production. F&D excludes the impact of acquisitions and dispositions while FD&A includes the impact of acquisitions and dispositions.

(2) The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated FDC generally will not reflect total finding and development costs related to reserves additions for that year. Changes in forecast FDC occur annually as a result of development activities, acquisition and disposition activities and capital cost estimates that reflect McDaniel's best estimate of what it will cost to bring the proved undeveloped and probable undeveloped reserves on production.

(3) The change in FDC is primarily from incremental undeveloped locations.

The reserves by category and year-over-year changes compared to 2024 are indicated below:

Reserve Category	Light & Medium Crude Oil Million bbls	Conventional Natural Gas Tcf	Shale Gas Tcf	Natural Gas Liquids Million bbls	Total Oil Equivalent Million boe	% Change from 2024
PDP	10.3	0.09	0.83	9.8	173.4	1 %
1P	30.9	0.22	2.27	31.2	476.7	1 %
2P	48.0	0.34	3.24	45.1	689.2	1 %

The total number of 2P future well locations booked in the McDaniel 2025 Reserves Report (as defined below) are illustrated in the following table:

McDaniel Number of Gross Wells Booked

	Developed	Undeveloped	Total
Glacier	298	192	**490**
Valhalla	24	56	**80**
Wembley	30	35	**65**
Progress	8	22	**30**
Charlie Lake	241	119	**360**
Total	**601**	**424**	**1,025**

With top-tier resource, modern assets and ownership of 46%(c) of Entropy Inc, the Corporation continues to profitably deliver reliable and affordable energy.

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(c) 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 46% 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", "plan", "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; Advantage's expectations regarding its intrinsic value and long-term prospects; Advantage's expectations regarding its strategic plan and the anticipated benefits thereof; Advantage's intention to maximize shareholder value and regularly assess new opportunities as part of its strategic planning cycle; Advantage's expectations regarding its three-year plan and the benefits thereof; the focus of Advantage to execute the Corporation's plan and drive value and shareholder returns; Advantage's corporate strategy to maximize cash flow per share while protecting its *balance sheet and the anticipated drivers of Advantage's success; expected well performance in north Glacier; Advantage's hedging program; anticipated increased physical natural gas transportation service to the Venture market; Advantage's anticipated production growth; anticipated completion of the Progress Gas Plant and the turnaround at Glacier and the anticipated benefits thereof; anticipated second half production; Advantage's intention to prioritize capital discipline; Advantage's reduction to its 2026 capital drilling program and the anticipated benefits thereof; Advantage's expected FCF profile; Advantage's expectations that it will prioritize FCF towards further debt reduction with share repurchases layered in opportunistically as Advantage approaches its net debt target; that Advantage may moderate 2027 spending plans based on basin production supply; Advantage's expected future development costs; natural gas fundamentals; that Advantage continues to deliver reliable and affordable energy; and Advantage's anticipated timing for filing its 2025 annual information form. 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 AECO, 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 FCF, 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; 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; and that anticipated production will be accurate. 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.

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; 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 production growth year-over-year may be less than anticipated; the risk that Advantage may not prioritize FCF to additional debt reduction while layering in share repurchases opportunistically; the risk that the Corporation may not have sufficient financial resources to repurchase its shares in the future; the risk that Advantage may drill less wells than anticipated; the risk that the construction of Advantage's new Progress Gas Plant may occur later than anticipated and may be more costly than anticipated; the risk that the turnaround of Advantage's Glacier Gas

Plant may not be completed on the timeline anticipated or result in the anticipated benefits thereof; the risk that Advantage's net debt may be greater than anticipated or that Advantage may not reach its target net debt when anticipated; and the risk that Advantage's gas processing capacity may be less than anticipated; the risk that Advantage's annual production may be less 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.

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 planned 2026 capital program and Advantage's expectations that it will prioritize FCF to additional debt reduction while layering in share repurchases opportunistically once Advantage approaches its net debt target, which is 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 (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.

McDaniel & Associates Consultants Ltd. ("McDaniel") was engaged as an independent qualified reserve evaluator to evaluate Advantage's year-end reserves as of December 31, 2025 ("McDaniel 2025 Reserves Report") and December 31, 2024 in accordance with National Instrument 51-101 ("NI 51-101") and the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook"). The net present value of future net revenue of reserves at December 31, 2025 was based upon light and medium crude oil, conventional natural gas, shale gas and natural gas liquid pricing assumptions, which were computed by using the IQRE Average Forecast effective December 31, 2025. The net present value of future net revenue of reserves at December 31, 2024 was based upon light and medium crude oil, conventional natural gas, shale gas and natural gas liquid pricing assumptions, which were computed by using the IQRE Average Forecast effective December 31, 2024. Reserves are stated on a gross (before royalties) working interest basis unless otherwise indicated. It should not be assumed that the estimates of future net revenues presented herein represent the fair market value of the reserves. There are numerous uncertainties inherent in estimating quantities of crude oil, reserves and the future cash flows attributed to such reserves. Additional details are provided in the accompanying tables to this release and additional reserve information as required under NI 51-101 will be included in our Annual Information Form which will be made available on SEDAR+ and at www.advantageog.com. The recovery and reserve estimates of reserves provided in this press release are estimates only, and there is no guarantee that the estimated reserves will be recovered. Actual reserves may eventually prove to be greater than, or less than, the estimates provided herein.

References in this press release to short-term production rates are useful in confirming the presence of hydrocarbons, however *such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long-term performance 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 production of Advantage.*

This press release discloses undeveloped drilling locations in two categories: (i) proved locations; and (ii) probable locations. Proved locations and probable locations are derived from the McDaniel 2025 Reserves Report and account for drilling locations that have associated proved and/or probable reserves, as applicable. Of the 424 total undeveloped drilling locations identified herein, 331 are proved locations with 142 in Glacier, 56 in Valhalla, 22 in Wembley, 17 in Progress, and 94 in Charlie Lake. Of the 93 probable locations, 50 are in Glacier, 0 in Valhalla, 13 in Wembley, 5 in Progress, and 25 in Charlie Lake.

This press release contains several oil and gas metrics, including reserve additions, F&D costs, and FD&A costs. The following oil and gas metrics are described below under "Specified Financial Measures": F&D costs, FD&A costs, and reserve additions. 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.

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.

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

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.*

Non-GAAP Ratios

Finding and Development Costs ("F&D")

F&D cost is calculated based on adding net capital expenditures excluding acquisitions and dispositions, and the net change in future development capital ("FDC"), divided by the change in reserves within the applicable reserves category for the year. Additionally, the Corporation discloses three-year average F&D cost, which is calculated based on adding net capital expenditures excluding acquisitions and dispositions from 2025, 2024 and 2023, and the net change in FDC from 2025, 2024 and 2023, divided by reserve additions from 2025, 2024 and 2023. Management uses F&D costs as a measure of capital efficiency for organic reserves development.

Finding, Development & Acquisition Costs ("FD&A")

FD&A cost is calculated based on adding net capital and the net change in future development capital ("FDC"), divided by the change in reserves within the applicable reserves category for the year. Additionally, the Corporation discloses three-year average FD&A cost, which is calculated based on adding net capital expenditures from 2025, 2024 and 2023, and the net change in FDC from 2025, 2024 and 2023, divided by reserve additions from 2025, 2024 and 2023. Management uses FD&A costs as a measure of capital efficiency for organic and acquired reserves development.

Supplementary Financial Measures

"Reserve additions replaced" is calculated by dividing reserves net volume additions by the current annual production and expressed as a percentage. Management uses this measure to determine the relative change of its reserves base over a period of time.

"Net present value of PDP reserves per share" is comprised of net present value of PDP reserves (before tax, 10% discount rate) from the McDaniel 2025 Reserves Report, divided by the basic outstanding shares of the Corporation as at December 31, 2025.

"Net present value of proved reserves per share" is comprised of net present value of proved reserves (before tax, 10% discount rate) from the McDaniel 2025 Reserves Report, divided by the basic outstanding shares of the Corporation as at December 31, 2025.

"Net present value of proved plus probable reserves per share" is comprised of net present value of proved plus probable reserves (before tax, 10% discount rate) from the McDaniel 2025 Reserves Report, divided by the basic outstanding shares of the Corporation as at December 31, 2025.

Certain financial and operating results included in this news release for the fourth quarter and year-ended 2025, including net capital expenditures, are based on unaudited estimated results. These estimated results are subject to change upon completion of the Corporation's audited financial statements for the year ended December 31, 2025, and changes could be material. Advantage anticipates filing its audited financial statements and related management's discussion and analysis for the year ended December 31, 2025 on SEDAR+ on or about March 5, 2026.

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	*Light crude oil and medium crude oil as defined in National Instrument 51-101*
IP90	*Average initial peak production rate over 90 consecutive days after a well is brought on production*
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 and condensate	*Natural Gas Liquids as defined in National Instrument 51-101*
NGTL	*NOVA Gas Transmission Ltd.*

SOURCE Advantage Energy Ltd.

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