

Advantage Announces First Quarter 2026 Results

(TSX: AAV)

Calgary, AB, April 30, 2026 /CNW/ - Advantage Energy Ltd. ("Advantage" or the "Corporation") is pleased to report first quarter 2026 financial and operating results.

The financial and operating highlights presented below are for Advantage Energy Ltd. only and exclude its subsidiary Entropy Inc.

2026 First Quarter Financial Highlights

- Cash provided by operating activities of \$118.3 million.
- Adjusted funds flow ("AFF")^(a) of \$121.2 million or \$0.73/share, demonstrating resilience during a period of gas price volatility.
- Cash used in investing activities of \$95.4 million.
- Net capital expenditures^(a) totaled \$136.2 million, excluding asset dispositions. By the end of the first quarter, Advantage had executed approximately 46% of its 2026 capital budget.
- Net debt^(a) of \$555.9 million, substantially flat from year-end 2025 despite weak natural gas prices.
- Liquids assets generated 44% of total sales, with average realized liquids pricing of \$84.11 per barrel.

2026 First Quarter Operating Highlights

- Average production of 81,375 boe/d (415.5 MMcf/d natural gas, 12,123 bbls/d liquids), a 2% increase from the fourth quarter of 2025.
- Liquids production of 12,123 bbls/d (7,689 bbls/d crude oil, 1,202 bbls/d condensate, and 3,232 bbls/d NGLs), a 3% increase from the fourth quarter of 2025.
- Drilled 12 gross (11.8 net) wells in Glacier and Valhalla, with 13 gross (12.6 net) wells recently brought on production.
- Construction of Advantage's new 75 mmcf/d Progress gas plant is mechanically complete, with commissioning now underway.

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

Marketing Update

Advantage has hedged approximately 41% of forecasted natural gas production in 2026, 29% in 2027, and 18% in 2028. AECO exposure has fallen to approximately 18% for the remainder of 2026, thanks to our hedging and downstream market diversification.

Advantage has also hedged approximately 42% of forecasted crude oil and NGL production in 2026 and 26% in 2027.

Looking Forward

Advantage is entering a period of highly efficient growth and escalating free cash flow^(a), with less than \$100 million of capital planned for the second half of 2026. Production is anticipated to average approximately 90,000 boe/d from Q3 2026 through 2027.

We expect to achieve our net debt target range of \$400 million to \$500 million (approximately 1x debt to AFF^(a)) during the second half of 2026, with cash flows supported by our hedging program and market diversification, even if natural gas pricing remains weak. Given the proximity to our debt target, Advantage may opportunistically allocate a portion of free cash flow^(a) to share buybacks through Q2 and into the summer.

At current futures pricing, our liquids volumes are expected to realize \$100 per barrel and account for 58% of sales between Q2 and Q4 of 2026. To maximize AFF per share^(a) growth and respond to low AECO pricing, Advantage is reallocating approximately \$25 million of capital this year from Glacier gas targets to Wembley oil targets, with no change to 2026 guidance. Additional capital may be reallocated to liquids drilling later this year if oil prices remain strong.

Advantage now holds adequate processing facilities for production to exceed 100,000 boe/d without any significant infrastructure expansions. Our total owned and operated gas processing capacity exceeds 500 MMcf/d, plus an additional 100 MMcf/d of capacity ready to be reactivated at Conroy. The strategic location of the Progress high-liquids sour gas plant will allow us to unlock significant value in previously constrained liquids assets at Valhalla and Progress, while reducing corporate operating costs to approximately \$5.00 per boe.

Construction of Entropy's Glacier Carbon Capture and Storage ("CCS") phase 2 project is expected to be completed in mid-2026, substantially decarbonizing the Glacier facility and driving a positive step change in Entropy's operating income from power sales and contractually guaranteed carbon pricing. The project includes repowering Glacier with a gas turbine combined with post combustion carbon capture on all major sources of emissions; all funding is provided by Entropy's partners, Brookfield and Canada Growth Fund.

Carbon Capture, Utilization and Storage Investment Tax Credit Update

Advantage continues to await receipt of an investment tax credit ("ITC") from the Government of Canada. The ITC is associated with qualifying expenditures incurred on phase 1 of the Glacier Gas Plant CCS project, where eligible spending commenced in 2022 prior to the regulations being finalized in 2024. While the Corporation has worked constructively with multiple federal departments, progress has been significantly slower than anticipated. The pace and reliability of federal incentive programs have yet to be demonstrated, and Advantage is concerned this may negatively impact the ability for companies to invest in Canadian emissions reductions.

Upon receipt, any proceeds from the investment tax credit are expected to be allocated to debt reduction.

Conference Call

Advantage's management team will host a conference call to discuss the Corporation's first quarter 2026 results on Friday, May 1, 2026 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 64034#. The replay will be available until May 8, 2026.

To join the conference call without operator assistance, you may enter your details and phone number at <https://emportal.ink/48eHbll> to receive an instant automated call back. You may also stream the event via webcast at <https://app.webinar.net/R4qdAB327Bk>.

Below are complete tables showing financial and operating highlights.

Financial Highlights (\$000, except as otherwise indicated)	Three months ended March 31	
	2026	2025
Consolidated Financial Highlights		
Natural gas and liquids sales	206,922	221,790
Net income (loss) and comprehensive income (loss) ⁽⁴⁾	29,528	(29,024)
per basic share ⁽²⁾	0.18	(0.17)
per diluted share ⁽²⁾	0.17	(0.17)
Basic weighted average shares (000)	166,975	166,821
Diluted weighted average shares (000)	170,368	166,821
Cash provided by operating activities	117,078	122,949
Cash provided by financing activities	31,959	11,670
Cash used in investing activities	(134,239)	(107,919)
Segmented Financial Highlights⁽¹⁾		
<u>Advantage Energy Ltd.</u>		
Adjusted funds flow	121,187	121,127
per basic share ⁽²⁾	0.73	0.72
per diluted share ⁽³⁾	0.71	0.71
Net capital expenditures	124,228	94,171
Free cash flow - surplus (deficit)	(14,978)	22,956
Bank indebtedness	399,077	446,333
Net debt	555,869	603,307

Entropy Inc.

Adjusted funds flow	(3,434)	(2,485)
per basic share ⁽²⁾	(0.02)	(0.01)
per diluted share ⁽³⁾	(0.02)	(0.01)
Net capital expenditures	44,744	19,816
Free cash flow - deficit	(48,178)	(22,301)
Net debt	313,389	119,940

- (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, as applicable.
- (3) Based on adjusted diluted weighted average shares outstanding.
- (4) Net income (loss) and comprehensive income (loss) attributable to Advantage shareholders.

Operating Highlights ⁽¹⁾	Three months ended	
	March 31	
	2026	2025
Operating		
Production		
Crude oil (bbls/d)	7,689	8,487
Condensate (bbls/d)	1,202	1,023
NGLs (bbls/d)	3,232	3,763
Total liquids production (bbls/d)	12,123	13,273
Natural gas (Mcf/d)	415,517	422,998
Total production (boe/d)	81,375	83,773
Average realized prices (including realized derivatives) ⁽²⁾		
Natural gas (\$/Mcf)	3.67	3.29
Liquids (\$/bbl)	80.18	86.53
Operating Netback (\$/boe)⁽²⁾		
Natural gas and liquids sales	28.25	29.42
Realized gain on derivatives	2.45	0.87
Royalty expense	(2.01)	(2.80)
Operating expense	(5.53)	(4.63)
Transportation expense	(3.94)	(4.06)
Operating netback	19.22	18.80

- (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, 2026 together with the notes thereto, and Management's Discussion and Analysis for the three months ended March 31, 2026 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; the anticipated timing of Advantage's turnaround at its Glacier Gas Plant; Advantage's hedging program, including the proportion of forecasted natural gas and oil production hedged, and the anticipated benefits thereof; that Advantage expects to enter into a period of highly efficient growth and escalating free cash

flow; anticipated production from Q3 2026 through 2027; Advantage's net debt target range and the anticipated timing of reaching the net debt target range; that Advantage may opportunistically allocate a portion of free cash flow to share buybacks through Q2 and into the summer; Advantage's 2026 drilling program and the anticipated production growth; the anticipated benefits of the Progress Gas Plant, including that it will unlock significant value in previously constrained liquids assets at Valhalla and Progress, expand versatility of our greater Glacier/Valhalla/Progress complex and reduce corporate operating costs; the proportion of sales expected to be generated by liquids volumes between Q2 and Q4 of 2026; that Advantage may reallocate additional capital to liquids drilling; anticipated timing of completion of Entropy's Glacier CCS phase 2 project and the benefits thereof; that any proceeds received from the investment tax credit are expected to be allocated to debt reduction; and the anticipated timing of Advantage's conference call. 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; 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; risks associated with the mandatory joint review of the Canada-United States-Mexico Agreement ("CUSMA") on July 1, 2026, including the risk that the members ultimately withdrawing from CUSMA, which could result in a significant increase in trade barriers, which could in turn have a material adverse effect on the Canadian and U.S. economies, and by extension the Canadian oil and natural gas industry and Advantage; actions by governmental or regulatory authorities including increasing taxes and changes in investment or other regulations; changes in tax laws, royalty regimes and incentive programs relating to the oil and gas industry; Advantage's success at acquisition, exploitation and development of reserves; unexpected drilling results; changes in commodity prices, currency exchange rates, net capital expenditures, reserves or reserves estimates and debt service requirements; the occurrence of unexpected events involved in the exploration for, and the operation and development of, oil and gas properties, including hazards such as fire, explosion, blowouts, cratering, and spills, each of which could result in substantial damage to wells, production and processing facilities, other property and the environment or in personal injury; changes or fluctuations in production levels; delays in anticipated timing of drilling and completion of wells; individual well productivity; competition from other producers; the lack of availability of qualified personnel or management; credit risk; changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced; our ability to comply with current and future environmental or other laws; stock market volatility and market valuations; liabilities inherent in oil and natural gas operations; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions; geological, technical, drilling and processing problems and other difficulties in producing petroleum reserves; ability to obtain required approvals of regulatory authorities; the risk that the Corporation may not have access to sufficient capital from internal and external sources; the risk that Advantage's future production may be less than anticipated; the risk that the Progress gas plant may not result in the anticipated benefits; the risk that the Corporation may not buy back shares opportunistically through Q2 and into the summer; the risk that the Corporation may not have sufficient financial resources to acquire its common shares pursuant to its share buyback program in the future; the risk that Advantage may not enter a period of highly efficient growth and escalating free cash flow; the risk that Advantage may not reach its net debt target range on the anticipated timeline, or at all; the risk that Entropy's CCS phase 2 project may not be completed on the anticipated timeline or result in the anticipated benefits thereof; and the risk that proceeds from the investment tax credit may not be allocated to debt reduction. 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; that the Corporation will have sufficient financial resources to purchase its shares pursuant to its share buyback program in the future; and the estimates of the Corporation's production and reserves volumes and the assumptions related thereto (including commodity prices and development costs) are accurate in all material respects. Readers are cautioned that the foregoing lists of factors are not exhaustive.

The future acquisition by the Corporation of the Corporation's 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.

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.

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 net debt target range and anticipated timing of reaching our net debt target range; that Advantage expects to enter into a period of escalating free cash flow; the proportion of our capital budget expected to be spent during the second half of the year; Advantage's expected daily production for 2026 and 2027; that Advantage may opportunistically allocate free cash flow to share buybacks through Q2 and into the summer; anticipated corporate operating costs; and the proportion of sales expected to be generated by liquids volumes between Q2 and Q4 of 2026; 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, which are described below under "Specified Financial Measures". 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, 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 and comprehensive income, 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					
	2026			2025		
	Advantage	Entropy	Total	Advantage	Entropy	Total
Cash provided by (used in) operating activities	118,287	(1,209)	117,078	123,814	(865)	122,949
Expenditures on decommissioning liability	621	-	621	1,393	-	1,393
Changes in non-cash working capital	2,279	(2,225)	54	(4,080)	(1,620)	(5,700)
Adjusted funds flow	121,187	(3,434)	117,753	121,127	(2,485)	118,642

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					
	2026			2025		
	Advantage	Entropy	Total	Advantage	Entropy	Total
Cash used in investing activities	95,385	38,854	134,239	87,901	20,018	107,919
Changes in non-cash working capital	28,843	5,890	34,733	6,270	(202)	6,068
Net capital expenditures	124,228	44,744	168,972	94,171	19,816	113,987

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 generated and used in the Corporation's natural gas and liquids and carbon capture operations. A reconciliation of the most directly comparable financial measure has been provided below:

(\$000)	Three months ended March 31					
	2026			2025		
	Advantage	Entropy	Total	Advantage	Entropy	Total
Cash provided by (used in) operating activities	118,287	(1,209)	117,078	123,814	(865)	122,949
Cash used in investing activities	(95,385)	(38,854)	(134,239)	(87,901)	(20,018)	(107,919)
Changes in non-cash working capital	(26,564)	(8,115)	(34,679)	(10,350)	(1,418)	(11,768)
Expenditures on decommissioning liability	621	-	621	1,393	-	1,393
Dispositions	(11,937)	-	(11,937)	(4,000)	-	(4,000)
Free cash flow - surplus (deficit)	(14,978)	(48,178)	(63,156)	22,956	(22,301)	655

Operating Income

Operating income for Advantage's natural gas and liquids operations is comprised of natural gas and liquids sales, realized gains on derivatives, 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 across companies, development areas and specific wells. The composition of operating income is as follows:

(\$000)	Three months ended March 31	
	2026	2025
Natural gas and liquids sales	206,922	221,790
Realized gains on derivatives	17,971	6,525
Royalty expense	(14,714)	(21,079)
Operating expense	(40,484)	(34,880)
Transportation expense	(28,875)	(30,573)
Operating Income	140,820	141,783

Non-GAAP Ratios

Adjusted Funds Flow per Basic Share and per Diluted Share

Adjusted funds flow per share is calculated by dividing adjusted funds flow, by segment, by the basic weighted average shares outstanding and the adjusted diluted weighted average shares outstanding. The Corporation adjusted diluted weighted average shares to be calculated based on adjusted funds flow and to include only dilutive instruments that Management considers likely to be dilutive as at the balance sheet date, based on the current economic situation. Performance Share Units are included in adjusted diluted shares as they are expected to be settled in Common Shares. Convertible debentures are excluded until such time that the share price of the Corporation is greater than the conversion price as it avoids overstating dilution in periods where instruments are out-of-the-money and not economically viable to convert. Management believes that adjusted funds flow per share and per diluted 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	
	2026	2025
Weighted average shares outstanding (000)	166,975	166,821
Diluted weighted average shares outstanding (000)	170,368	169,632
Common shares impact - Convertible debentures (000)	-	-

Adjusted diluted weighted average shares outstanding (000)	170,368	169,632
Advantage adjusted funds flow	121,187	121,127
Entropy adjusted funds flow	(3,434)	(2,485)
<u>Advantage</u>		
Adjusted funds flow per basic share (\$/share)	0.73	0.72
Adjusted funds flow per diluted share (\$/share)	0.71	0.71
<u>Entropy</u>		
Adjusted funds flow per basic share (\$/share)	(0.02)	(0.01)
Adjusted funds flow per diluted share (\$/share)	(0.02)	(0.01)

Adjusted Funds Flow per boe

Adjusted funds flow per boe is derived by dividing adjusted funds flow attributed 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 corporations with different rates of production.

(\$000, except as otherwise indicated)	Three months ended March 31	
	2026	2025
Advantage adjusted funds flow	121,187	121,127
Total production (boe/d)	81,375	83,773
Days in period	90	90
Total production (boe)	7,323,750	7,539,570
Adjusted funds flow per BOE (\$/boe)	16.55	16.07

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 across companies, development areas and specific wells against other corporations with different rates of production.

(\$000, except as otherwise indicated)	Three months ended March 31	
	2026	2025
Operating income	140,820	141,783
Total production (boe/d)	81,375	83,773
Days in period	90	90
Total production (boe)	7,323,750	7,539,570
Operating netback (\$/boe)	19.22	18.80

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, financing liability, provisions and other liabilities and unsecured debentures, Management and users can determine if the Corporation's 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, 2026, December 31, 2025 and March 31, 2025 is as follows:

	March 31 2026	December 31 2025	March 31 2025
Cash and cash equivalents	32,533	17,735	46,846
Trade and other receivables	93,982	84,973	90,050

Prepaid expenses and deposits	10,094	11,016	9,608
Trade and other accrued liabilities	(152,891)	(109,248)	(133,936)
Working capital surplus (deficit)	(16,282)	4,476	12,568

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 asat March 31, 2026, December 31, 2025 and March 31, 2025 is as follows:

	March 31 2026	December 31 2025	March 31 2025
Bank indebtedness	399,077	412,993	446,333
Convertible debentures	143,750	143,750	143,750
Working capital (surplus) deficit	13,042	(7,651)	13,224
Net debt attributable to Advantage	555,869	549,092	603,307
Unsecured debentures	310,149	254,421	145,732
Working capital (surplus) deficit	3,240	3,175	(25,792)
Net debt attributable to Entropy	313,389	257,596	119,940
Net debt	869,258	806,688	723,247

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.

"Realized gain 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(s)</i>	<i>one barrel or 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>mcf</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>Liquids</i>	<i>Total of crude oil, condensate and NGLs</i>
<i>NGLs and condensate</i>	<i>Natural Gas Liquids as defined in National Instrument 51-101</i>
<i>Natural Gas</i>	<i>"Conventional Gas" and "Shale 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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