

This document is important and requires your immediate attention. If you are in any doubt as to how to deal with it, you should consult your investment dealer, stock broker, bank manager, lawyer or other professional advisor.

This document does not constitute an offer or a solicitation to any Person in any jurisdiction in which such offer or solicitation is unlawful. The Offer (as defined below) is not being made to, and deposits will not be accepted from or on behalf of, Shareholders (as defined below) in any jurisdiction in which the making of the Offer would not be in compliance with the laws of such jurisdiction. However, Advantage Energy Ltd. may, in its sole discretion, take such action as it may deem necessary to make the Offer in any such jurisdiction and to extend the Offer to Shareholders in such jurisdiction.

This Offer has not been approved by any securities regulatory authority nor has any securities regulatory authority passed upon the fairness or merits of the Offer or upon the adequacy of the information contained in this document. Any representation to the contrary is an offense.

For U.S. Shareholders: The Offer is made by a Canadian issuer, for its own Shares (as defined below), and while the Offer is subject to the disclosure requirements of the province of Alberta and the other provinces of Canada, U.S. Shareholders should be aware that these disclosure requirements are different from those of the United States. The enforcement by U.S. Shareholders of civil liabilities under U.S. federal and state securities laws may be adversely affected by the fact that Advantage Energy Ltd. is incorporated under the Business Corporations Act (Alberta) and located in Canada, and that certain of its directors and officers and the experts named in the Offer are non-residents of the United States.

November 10, 2022



**OFFER TO PURCHASE FOR CASH
UP TO \$100,000,000 IN VALUE OF ITS COMMON SHARES AT A PURCHASE PRICE OF
NOT LESS THAN \$11.20 AND NOT MORE THAN \$12.90 PER COMMON SHARE**

Advantage Energy Ltd. ("**Advantage**" or the "**Company**") hereby offers to purchase for cancellation a number of common shares of the Company (the "**Shares**") for an aggregate purchase price not exceeding \$100,000,000. The purchase price of any Share taken up by the Company (the "**Purchase Price**") will be determined in the manner described below but will not be less than \$11.20 and not more than \$12.90 per Share.

The offer by the Company is subject to the terms and conditions set forth in this offer to purchase (the "**Offer to Purchase**"), the accompanying issuer bid circular (the "**Circular**"), and the related letter of transmittal (the "**Letter of Transmittal**") and notice of guaranteed delivery (the "**Notice of Guaranteed Delivery**") (which together constitute, and are herein referred to as, the "**Offer**").

The Offer commences on the date hereof and expires at 5:00 p.m. (Eastern Standard Time) on December 16, 2022, or at such later time and date to which the Offer may be extended or varied by the Company (the "Expiration Date"), unless withdrawn. The Offer is not conditional upon any minimum number of Shares being properly deposited under the Offer.

The Offer is, however, subject to other conditions and the Company reserves the right, subject to applicable laws, to withdraw, extend or vary the Offer if, at any time prior to the payment for any Shares, certain events occur. See Section 7 of the Offer to Purchase, "Certain Conditions of the Offer".

Holders of Shares (the "**Shareholders**") wishing to tender to the Offer may do so pursuant to:

- auction tenders in which the tendering Shareholders specify the number of Shares being tendered at a specified price (the "**Auction Price**") of not less than \$11.20 and not more than \$12.90 per Share in increments of \$0.10 per Share (the "**Auction Tenders**"); or
- purchase price tenders in which the tendering Shareholders do not specify a price per Share, but rather agree to have a specified number of Shares purchased at the Purchase Price to be determined as provided herein (the "**Purchase Price Tenders**").

Promptly following the Expiration Date, the Company will determine the Purchase Price, representing a single price per Share, which will not be less than \$11.20 and not more than \$12.90 per Share, taking into account the Auction Prices and the number of Shares deposited pursuant to Auction Tenders and Purchase Price Tenders. The Purchase Price will be the lowest price that enables the Company to purchase the maximum number of Shares properly deposited pursuant to Auction Tenders and Purchase Price Tenders having an aggregate Purchase Price not exceeding \$100,000,000. If the Purchase Price is determined to be \$11.20 (which is the minimum price per Share under the Offer), the maximum number of Shares that may be purchased by the Company is 8,928,571 Shares. If the Purchase Price is determined to be \$12.90 (which is the maximum price per Share under the Offer), the maximum number of Shares that may be purchased by the Company is 7,751,937 Shares. For the purpose of determining the Purchase Price, Shares tendered pursuant to a Purchase Price Tender will be considered to have been tendered at a price of \$11.20 per Share (which is the minimum price per Share under the Offer). All Shares purchased under the Offer will be purchased at the same Purchase Price, even if some of the Shares are tendered below the Purchase Price. However, Shares tendered by a Shareholder pursuant to an Auction Tender will not be purchased by the Company pursuant to the Offer if the Auction Price for such Shares is greater than the Purchase Price. Shareholders who validly tender Shares without specifying a price or the method in which they are tendering their Shares, will be deemed to have made a Purchase Price Tender. Shareholders who wish to deposit Shares without specifying a price at which such Shares may be purchased by the Company should tender Shares in a Purchase Price Tender.

Under a Purchase Price Tender, Shares will be purchased, upon the terms and subject to the conditions of the Offer, at the Purchase Price determined as provided herein. Each Shareholder should understand that Shares tendered in Purchase Price Tenders will be deemed to have been tendered at the minimum price of \$11.20 per Share and such tenders may result in a lower Purchase Price than might otherwise have been determined if the applicable Shares had been tendered pursuant to Auction Tenders.

Each Shareholder who has properly deposited Shares pursuant to an Auction Tender at an Auction Price at or below the Purchase Price or a Purchase Price Tender and who has not withdrawn such Shares will receive the Purchase Price, payable in cash (subject to applicable withholding taxes, if any), for all Shares purchased upon the terms and subject to the conditions of the Offer, including the provisions relating to proration and the preferential acceptance of odd lots described herein.

The Purchase Price will be payable in Canadian dollars.

All Auction Tenders and Purchase Price Tenders will be subject to adjustment to avoid the purchase of fractional Shares. All payments to Shareholders will be subject to deduction of applicable withholding taxes. See Section 3 of the Offer to Purchase, "Number of Shares and Proration".

If the aggregate purchase price for Shares validly deposited and not withdrawn pursuant to Auction Tenders at Auction Prices at or below the Purchase Price and Purchase Price Tenders would result in an aggregate purchase price in excess of \$100,000,000 and the conditions of the Offer are satisfied and/or waived, then a portion of such deposited Shares will be purchased as follows: (i) first, the Company will purchase at the Purchase Price all Shares tendered at or below

the Purchase Price by Shareholders who own fewer than 100 Shares (the "**Odd Lot Holders**"); and (ii) second, the Company will purchase at the Purchase Price on a *pro rata* basis (according to the number of Shares deposited or deemed to be deposited at a price equal to or less than the Purchase Price) that portion of Shares tendered pursuant to Auction Tenders at or below the Purchase Price and Purchase Price Tenders having an aggregate purchase price, based on the Purchase Price, equal to (A) \$100,000,000, less (B) the aggregate amount paid by the Company for Shares tendered by Odd Lot Holders. All Auction Tenders and Purchase Price Tenders will be subject to adjustment to avoid the purchase of fractional Shares. All payments to Shareholders will be subject to deduction of applicable withholding taxes. See Section 3 of the Offer to Purchase, "Number of Shares and Proration".

If no Auction Tenders or Purchase Price Tenders are made pursuant to the Offer, no Shares will be purchased by the Company.

Certificates, if applicable, for all Shares not purchased under the Offer (including Shares not purchased because of proration, invalid tender, or Shares deposited pursuant to Auction Tenders at Auction Prices in excess of the Purchase Price), or Shares properly withdrawn before the Expiration Date, will be returned (in the case of certificates representing Shares all of which are not purchased) or replaced with a direct registration system ("**DRS**") advice representing the balance of Shares not purchased (in the case of certificates representing Shares of which less than all are purchased), promptly after the Expiration Date or termination of the Offer or the date of withdrawal of the Shares, without expense to the Shareholder. In the case of Shares tendered through book-entry transfer pursuant to DRS advices, such Shares will be credited to the appropriate account, without expense to the Shareholder.

As of November 7, 2022, there were 181,114,976 Shares issued and outstanding. The Offer would be for approximately 4.93% of the total number of issued and outstanding Shares if the Purchase Price is determined to be \$11.20 (which is the minimum price per Share under the Offer) or approximately 4.28% of the total number of issued and outstanding Shares if the Purchase Price is determined to be \$12.90 (which is the maximum price per Share under the Offer).

The Shares are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "AAV". On November 2, 2022, the last full trading day prior to the date of announcement of the Company's intention to make the Offer, the closing price of the Shares on the TSX was \$10.73 per Share. On November 7, 2022, the last full trading day prior to the announcement by Advantage of the price range being offered under the Offer, the closing price of the Shares on the TSX was \$11.87 per Share.

During the 12 months ended November 7, 2022, the closing prices of the Shares on the TSX have ranged from a low of \$5.98 to a high of \$12.19 per Share.

In accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, the Company has determined that: (i) a liquid market existed for the Shares at the time of the Offer, and (ii) it is reasonable to conclude that, following the completion of the Offer in accordance with its terms, there will be a market for holders of Shares who do not tender to the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer. The board of directors of Advantage (the "**Board of Directors**") has also obtained, on a voluntary basis, an opinion from RBC Dominion Securities Inc. as of November 7, 2022 which, subject to the qualifications, assumptions and restrictions set out therein, confirms the determinations of the Company with respect to market liquidity. A copy of the opinion is attached hereto as Schedule A.

The Board of Directors has approved the Offer. However, none of Advantage or the Board of Directors (as defined below), the Dealer Manager (as defined below) or the Depositary (as defined below) makes any recommendation to any Shareholder as to whether to deposit or refrain from depositing Shares under the Offer, whether Shareholders should elect an Auction Tender or a Purchase Price Tender, or as to the purchase price or purchase prices at which Shareholders may deposit their Shares. Shareholders are urged to evaluate carefully all information in the Offer, consult their own financial, legal, investment and tax advisors and make their own decisions as to whether to deposit Shares under the Offer, how many Shares to deposit and whether to specify a price and, if so, at what price to deposit such Shares. No director or officer of the Company has advised the Company that he or she intends to deposit Shares under the Offer. See Section 3 "Purpose and

Effect of the Offer", Section 9 "Interest of Directors and Officers – Ownership of Advantage's Securities" and Section 10 "Arrangements Concerning Shares – Acceptance of the Offer" of the Circular.

Shareholders should carefully consider the income tax consequences of having Shares purchased under the Offer. For some Shareholders, the income tax treatment of selling Shares to the Company under the Offer may be materially different from the income tax treatment of selling Shares in the market. See Section 13 of the Circular, "Income Tax Considerations".

Shareholders wishing to deposit all or any portion of their Shares pursuant to the Offer must comply in all respects with the delivery procedures described herein. See Section 5 of the Offer to Purchase, "Procedure for Depositing Shares".

In April, 2022 the Company received approval from the TSX to commence a normal course issuer bid (the "NCIB"), under which it intends to purchase and cancel up to 18,704,019 Shares over a 12-month period from April 13, 2022 to April 12, 2023. As of November 7, 2022 a total of 12,770,992 Shares have been repurchased and cancelled pursuant to the NCIB for total consideration of approximately \$134,782,900. See Sections 3 and 6 of the Circular, "Purpose and Effect of the Offer" and "Previous Purchases of Shares". In accordance with applicable Canadian securities laws, Advantage has suspended repurchases of any Shares under the NCIB until after expiry or termination of the Offer.

NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY RECOMMENDATION ON BEHALF OF ADVANTAGE OR THE BOARD OF DIRECTORS AS TO WHETHER YOU SHOULD DEPOSIT OR REFRAIN FROM DEPOSITING SHARES PURSUANT TO THE OFFER OR WHETHER SHAREHOLDERS SHOULD ELECT AN AUCTION TENDER OR A PURCHASE PRICE TENDER. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE OFFER OTHER THAN AS SET FORTH IN THE OFFER. IF GIVEN OR MADE, ANY SUCH RECOMMENDATION OR ANY SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY ADVANTAGE, THE BOARD OF DIRECTORS, THE DEALER MANAGER OR THE DEPOSITARY.

No Canadian, U.S. or foreign securities commission has approved or disapproved of the Offer or passed upon the merits or fairness of the Offer or passed upon the adequacy or accuracy of the information contained in the Offer. Any representation to the contrary is a criminal offense.

Any questions or requests for information regarding the Offer should be directed to Computershare Investor Services Inc. (the "**Depository**") or RBC Dominion Securities Inc. (the "**Dealer Manager**") at the addresses and telephone numbers of the Depository and the Dealer Manager set forth on the last page of the accompanying Circular.

The Offer will expire at 5:00 p.m. (Eastern Standard Time) on December 16, 2022, unless extended, varied or withdrawn.

The Depository for the Offer is:

Computershare Investor Services Inc.

Regular Mail:
Computershare Investor Services Inc.
P.O. Box 7021
31 Adelaide Street East
Toronto, ON M5C 3H2
Attention: Corporate Actions

The Dealer Manager for the Offer is:

RBC Dominion Securities Inc.

Royal Bank Plaza, South Tower
200 Bay Street, 4th Floor,
Toronto, Ontario
M5J 2W7

Email: advantagesib@rbccm.com

Registered Mail, Hand or Courier

8th Floor, 100 University Ave
Toronto, ON M5J 2Y1
Attention: Corporate Actions

For inquiries only:

Toll Free (within North America): 1 (800) 564-6253
Telephone (outside North America): 1 (514) 982-7555
Email: corporateactions@computershare.com

(This page has been left blank intentionally.)

TABLE OF CONTENTS

FORWARD-LOOKING STATEMENTS	1
INFORMATION FOR UNITED STATES SHAREHOLDERS	3
CURRENCY	3
GLOSSARY	4
SUMMARY	7
OFFER TO PURCHASE	12
1. THE OFFER	12
2. PURCHASE PRICE	13
3. NUMBER OF SHARES AND PRORATION	14
4. ANNOUNCEMENT OF RESULTS OF THE OFFER	14
5. PROCEDURE FOR DEPOSITING SHARES	14
6. WITHDRAWAL RIGHTS	19
7. CERTAIN CONDITIONS OF THE OFFER	20
8. EXTENSION AND VARIATION OF THE OFFER	22
9. TAKING UP AND PAYMENT FOR DEPOSITED SHARES	23
10. PAYMENT IN THE EVENT OF MAIL SERVICE INTERRUPTION	24
11. LIENS AND DIVIDENDS	24
12. NOTICE	24
13. OTHER TERMS	25
ISSUER BID CIRCULAR	27
1. ADVANTAGE ENERGY LTD	27
2. AUTHORIZED CAPITAL	27
3. PURPOSE AND EFFECT OF THE OFFER	27
4. PRICE RANGE OF SHARES	32
5. DIVIDEND POLICY	32
6. PREVIOUS PURCHASES OF SHARES	32
7. PREVIOUS SALES OF SECURITIES	33
8. PREVIOUS DISTRIBUTIONS OF SHARES	33
9. INTEREST OF DIRECTORS AND OFFICERS	34
10. ARRANGEMENTS CONCERNING SHARES	35
11. MATERIAL CHANGES IN THE AFFAIRS OF THE COMPANY	36
12. PRIOR VALUATIONS AND BONA FIDE OFFERS	36
13. INCOME TAX CONSIDERATIONS	36
14. LEGAL MATTERS AND REGULATORY APPROVALS	45
15. SOURCE OF FUNDS	45
16. DEALER MANAGER	46
17. DEPOSITARY	46

18.	FEES AND EXPENSES.....	46
19.	WITHDRAWAL RIGHTS.....	47
20.	FINANCIAL STATEMENTS.....	47
21.	CANADIAN STATUTORY RIGHTS	47
	APPROVAL AND CERTIFICATE	48
	CONSENT OF RBC DOMINION SECURITIES INC.	49
	SCHEDULE A LIQUIDITY OPINION OF RBC DOMINION SECURITIES INC.	50

WHERE YOU CAN FIND MORE INFORMATION

You may access Advantage's disclosure documents and any reports, statements or other information that we file with the securities regulatory authorities in each of the provinces of Canada on the Internet on the Canadian System for Electronic Document Analysis and Retrieval ("**SEDAR**") and which may be accessed at www.sedar.com. The most recent interim financial statements of the Company will be sent without charge to any Shareholder requesting them and are available on SEDAR and the Company's website at www.advantageog.com.

FORWARD-LOOKING STATEMENTS

Certain statements in this Offer constitute "forward-looking statements" within the meaning of applicable Canadian securities laws. Specific forward-looking statements in this document include, but are not limited to: statements about the Offer, including the terms and conditions of the Offer, the aggregate amount of Shares to be purchased for cancellation under the Offer, the expected expiration date of the Offer, the time by which the Company will pay for tendered Shares, the market for the Shares after completion of the Offer not being materially less liquid than the market that exists at the time of the making of the Offer, future purchases of additional Shares following expiry of the Offer, that the Company expects to fund the purchase of Shares pursuant to the Offer, including all related fees and expenses, with available cash on hand or by drawing on existing Credit Facilities, the Company continuing to have sufficient financial resources and working capital and the Offer not being expected to preclude the Company from pursuing its foreseeable business opportunities or the future growth of the Company's business, the satisfaction or waiver of the conditions to the Offer, the extent to which Shareholders determine to deposit their Shares to the Offer, the intentions of the Company's officers and directors to participate in the Offer, the purchase of the Shares under the Offer being in the best interests of the Company and its shareholders, the Company's status as a reporting issuer and the continued listing of the Shares on the TSX, the costs and expenses incurred in connection with the Offer, and the receipt by the Company of exemptive relief from the securities regulatory authorities in Canada to permit the Company to extend the Offer in certain circumstances without first taking up all of the Shares validly deposited under the Offer. When used in this Offer, the words "may", "will", "would", "should", "could", "expects", "forecasts", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "outlook", "predicts", "projects", "likely", "potential", "propose", "goal", "seek", "target", "strategy", "schedule", "future", "continue" and similar references to future periods or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance and, by their very nature, involve a number of inherent risks and uncertainties, some that are similar to other oil and gas companies and some that are unique to the Company. Forward-looking statements are based on the Company's current expectations, estimates, projections and assumptions, both general and specific, made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate and reasonable in the circumstances. The Company cautions that there can be no assurance that such assumptions will prove to be correct or that the Company's expectations regarding this Offer or the Company's business, objectives, plans and strategic priorities will be achieved.

Advantage's actual results may differ materially from those expressed or implied by its forward-looking statements and readers are cautioned not to place undue reliance on them. Such risks and uncertainties, certain of which are beyond Advantage's control, include, but are not limited to: changes in general economic, market and business conditions; industry conditions, including as a result of demand and supply effects resulting from the COVID-19 pandemic; actions by governmental or regulatory authorities including increasing taxes and changes in investment or other regulations; changes in tax laws, royalty regimes and incentive programs relating to the oil and gas industry; Advantage's success at acquisition, exploitation and development of reserves; unexpected drilling results; changes in commodity prices, currency exchange rates, net capital expenditures, reserves or reserves estimates and debt service requirements; the occurrence of unexpected events involved in the exploration for, and the operation and development of, oil and gas properties, including hazards such as fire, explosion, blowouts, cratering, and spills, each of which could result in substantial damage to wells, production and processing facilities, other property and the environment or in personal injury; changes or fluctuations in production levels; delays in anticipated timing of drilling and completion of wells; individual well productivity; competition from other producers; the lack of availability of qualified personnel or management; credit risk; changes in laws and regulations including the adoption of new

environmental laws and regulations and changes in how they are interpreted and enforced; 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; and ability to access sufficient capital from internal and external sources to fund the Offer and otherwise. Many of these risks and uncertainties and additional risk factors are described in Advantage's management's discussion and analysis for the year ended December 31, 2021, Advantage's management's discussion and analysis for the three and nine month periods ended September 30, 2022 and Advantage's annual information form for the year-ended December 31, 2021, each of which is available on SEDAR at www.sedar.com.

Other factors could also cause the Company's expectations regarding the Offer to differ materially from those expressed or implied by the forward-looking statements, including with respect to the Company's ability to complete the Offer on the timelines anticipated, the Company's expectation that any purchases of Shares pursuant to the Offer will be funded with available cash on hand or by drawing on existing Credit Facilities, the Company continuing to have sufficient financial resources and working capital following the completion of the Offer, the Offer not precluding the Company from pursuing future business opportunities, the market for the Shares not being materially less liquid after the completion of the Offer than the market that exists at the time of the Offer, the satisfaction or waiver of the conditions to the Offer, the anticipated benefits of the Offer, and the extent to which Shareholders determine to deposit their Shares to the Offer and the Company's status as a reporting issuer and the continued listing of the Shares on the TSX.

With respect to forward-looking statements contained in this Offer, Advantage has made assumptions regarding, but not limited to: conditions in general economic and financial markets; effects of regulation by governmental agencies; current and future commodity prices and royalty regimes; 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; that the Company 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 Company's conduct and results of operations will be consistent with its expectations; that the Company will have the ability to develop the Company'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 Company's production and reserves volumes and the assumptions related thereto (including commodity prices and development costs) are accurate in all material respects; the impact and duration of ongoing global events and the ability of the Company to carry on its operations as currently contemplated in light of such events; the ability of the Company to obtain exemptive relief from the securities regulatory authorities in Canada to permit the Company to extend the Offer in certain circumstances without first taking up all of the Shares validly deposited under the Offer; and that the Company will have cash on hand and will be able to draw on its credit facilities to fund the Offer.

These factors are not intended to represent a complete list of the factors that could affect the Company; however, these factors should be considered carefully. Other factors could also cause the Company's expectations regarding the Offer to differ materially from those expressed or implied by the forward-looking statements. The purpose of the forward-looking statements is to provide the reader with a description of management's expectations and may not be appropriate for other purposes. Readers should not place undue reliance on forward-looking statements made herein. Furthermore, unless otherwise stated, the forward-looking statements contained in this Offer are made as of the date of this Offer, and the Company has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

The forward-looking statements contained in this Offer are expressly qualified by this cautionary statement. Further details and descriptions of these and other factors are disclosed in the Offer and in Advantage's public filings with provincial securities regulatory authorities, which may be accessed on SEDAR's website at www.sedar.com.

INFORMATION FOR UNITED STATES SHAREHOLDERS

The Offer is made by Advantage, a Canadian issuer, for its own Shares, and while the Offer is subject to the disclosure requirements of the province of Alberta and the other provinces of Canada, U.S. Shareholders should be aware that these disclosure requirements are different from those of the United States.

Financial statements referenced in the Offer to Purchase and Circular have been prepared in accordance with International Financial Reporting Standards and are subject to Canadian auditing and auditor independence standards, and thus are not comparable in all respects to financial statements of U.S. domestic companies.

The enforcement by Shareholders of civil liabilities under U.S. federal and state securities laws may be adversely affected by the fact that Advantage is incorporated under the *Business Corporations Act* (Alberta) and located in Canada and that certain of its directors and officers and the experts named in the Offer are non-residents of the United States and that some or all of the assets of the Company and said Persons are located outside the United States. It may be difficult to effect service of process on the Company, its officers and directors and the experts named in the Offer. In addition, U.S. Shareholders should not assume that courts in Canada or in the countries where such directors and officers reside or in which Advantage's assets or the assets of such Persons are located (i) would enforce judgments of U.S. courts obtained in actions against Advantage or such Persons predicated upon civil liability provisions of U.S. federal and state securities laws as may be applicable, or (ii) would enforce, in original actions, any asserted liabilities against Advantage, its subsidiaries or such Persons predicated upon such laws. Enforcement of any asserted civil liabilities under U.S. securities laws may be further adversely affected by the fact that some or all of the experts named in the Offer may be residents of Canada.

U.S. Shareholders should be aware that the acceptance of the Offer will have certain tax consequences under United States and Canadian law. See Section 13 of the Circular, "Income Tax Considerations". **Shareholders should consult their own tax advisors with respect to their particular circumstances and tax considerations applicable to them.**

Neither the United States Securities and Exchange Commission, nor any U.S. state, Canadian provincial, territorial or foreign securities regulatory authority, has approved or disapproved of this Offer or passed upon the merits or fairness of such transaction or passed upon the accuracy or adequacy of the information contained in this Offer to Purchase and Circular. Any representation to the contrary is a criminal offence.

CURRENCY

All dollar references in the Offer to Purchase and the Circular are expressed in Canadian dollars, except where otherwise indicated. References to "\$" are to Canadian dollars and references to "US\$" are to U.S. dollars.

On November 7, 2022, the Bank of Canada daily average exchange rate was \$1.00 = US\$0.7411.

GLOSSARY

In this document, unless the subject matter or context is inconsistent therewith, the following terms have the following meanings:

"**ABCA**" means the *Business Corporations Act* (Alberta).

"**Agent's Message**" means a message, transmitted by DTC, to and received by the Depository and forming a part of a DTC book entry confirmation.

"**Auction Price**" means the price specified by a tendering Shareholder, being not less than \$11.20 and not more than \$12.90 per Share and in increments of \$0.10 per Share, at which such tendering Shareholder will tender to the Offer through an Auction Tender.

"**Auction Tender**" means an auction tender delivered by a Shareholder wishing to tender to the Offer in which the tendering Shareholder specifies the number of Shares being tendered at an Auction Price.

"**Board of Directors**" means the board of directors of the Company.

"**Book-Entry Confirmation**" means a confirmation of a book entry transfer of Shares into the Depository's account established at CDS in accordance with the terms of the Offer.

"**Business Day**" means any day other than a Saturday, a Sunday, or a statutory holiday in Calgary, Alberta or a U.S. federal holiday.

"**CDS**" means CDS Clearing and Depository Services Inc.

"**CDS Participant**" means a participant in CDSX.

"**CDSX**" means the book entry system administered by CDS.

"**Circular**" means the issuer bid circular accompanying and forming part of the Offer to Purchase.

"**Code**" means the United States Internal Revenue Code of 1986, as amended.

"**Company**", "**we**", "**us**", "**our**" or "**Advantage**" means Advantage Energy Ltd.

"**CRA**" means the Canada Revenue Agency.

"**Credit Agreement**" has the meaning set forth in Section 15 of the Circular, "Source of Funds".

"**Credit Facilities**" has the meaning set forth in Section 15 of the Circular, "Source of Funds".

"**Dealer Manager**" means RBC Capital Markets.

"**Depository**" means Computershare Investor Services Inc.

"**Deposited Shares**" means Shares validly deposited pursuant to the Offer and not withdrawn.

"**DRS**" means direct registration system.

"**DSUs**" means deferred share units granted under the Company's deferred share unit plan.

"**DTC**" means the Depository Trust Company.

"Eligible Institution" means a Canadian Schedule I chartered bank, a member of the Securities Transfer Agent Medallion Program (STAMP), a member of the Stock Exchanges Medallion Program (SEMP).

"Entropy" means Entropy Inc., a corporation incorporated under the ABCA.

"Expiration Date" means December 16, 2022 or such later date to which the Offer may be extended or varied by the Company.

"IRS" means the Internal Revenue Service for the United States of America.

"Letter of Transmittal" means the letter of acceptance and transmittal in the form forwarded with the Circular.

"Liquidity Opinion" means the liquidity opinion prepared by RBC Capital Markets and attached as Schedule A hereto.

"MI 61-101" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, as amended.

"NCIB" means the Company's normal course issuer bid that commenced on April 13, 2022 and pursuant to which the Company is authorized to repurchase up to 18,704,019 Shares over a period of 12 months.

"NGLs" means those hydrocarbon components that can be recovered from natural gas as a liquid including, but not limited to, ethane, propane, butanes, pentanes plus, and condensates.

"Non-Resident Shareholder" has the meaning set forth in Section 13 of the Circular, "Income Tax Considerations" under "Certain Canadian Federal Income Tax Considerations – Non-Residents of Canada".

"Notice of Guaranteed Delivery" means the notice of guaranteed delivery in the form forwarded with the Circular.

"Odd Lot Holder" means a Shareholder who owns fewer than 100 Shares.

"Odd Lots" means, for purposes of the Offer, all Shares validly tendered at or below the Purchase Price by Odd Lot Holders.

"Offer" means the offer made to Shareholders to purchase that number of Shares having an aggregate purchase price not exceeding \$100,000,000, the terms and conditions of which are set forth in the Offer to Purchase, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery.

"Offer to Purchase" means the attached offer to purchase.

"Person" means and includes any individual, sole proprietorship, partnership, joint venture, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, a trustee, executor, administrator or other legal representative and any governmental authority or any agency or instrumentality thereof.

"PFIC" has the meaning set forth in Section 13 of the Circular, "Income Tax Considerations" under "Certain United States Federal Income Tax Considerations to U.S. Shareholders – Treatment as a Sale or Exchange".

"Proposed Amendments" means all specific proposals to amend the Tax Act and the regulations thereunder publicly announced by the Minister of Finance (Canada) prior to the date hereof.

"PSAs" mean the share-based performance awards granted under the Company's restricted and performance award incentive plan.

"**Public float**" has the meaning set forth in Section 3 of the Circular, "Purpose and Effect of the Offer" under "Liquidity of Market".

"**Purchase Price**" means the price per Share (being not less than \$11.20 and not more than \$12.90 per Share) that Advantage will pay for Deposited Shares, determined in accordance with the process described in Section 2 of this Offer to Purchase, "Purchase Price".

"**Purchase Price Tender**" means a deposit (or deemed deposit) where tendering Shareholders do not specify a price per Share, but rather agree to have a specified number of Shares purchased at the Purchase Price as determined under the Offer, it being understood that, for the purposes of determining the Purchase Price, Shares that are the subject of Purchase Price Tenders will be deemed to have been tendered at the minimum price of \$11.20 per Share.

"**RBC Capital Markets**" means RBC Dominion Securities Inc., a member company of RBC Capital Markets.

"**Resident Shareholder**" has the meaning set forth in Section 13 of the Circular, "Income Tax Considerations" under "Certain Canadian Federal Income Tax Considerations – Residents of Canada".

"**Section 302 Tests**" has the meaning set forth in Section 13 of the Circular, "Income Tax Considerations" under "Certain United States Federal Income Tax Considerations to U.S. Shareholders – Treatment as a Sale or Exchange".

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators.

"**Shareholder**" means a registered or beneficial holder of outstanding Shares, as the context requires.

"**Shares**" means common shares in the capital of the Company.

"**taxable capital gain**" has the meaning set forth in Section 13 of the Circular, "Income Tax Considerations" under "Certain Canadian Federal Income Tax Considerations – Residents of Canada".

"**Tax Act**" means the *Income Tax Act* (Canada), including regulations enacted thereunder, as amended.

"**Transfer Agent**" means Computershare Trust Company of Canada, the registrar and transfer agent of the Shares.

"**Treasury Regulations**" means United States Treasury regulations promulgated under the Code.

"**TSX**" means the Toronto Stock Exchange.

"**U.S. Shareholder**" has the meaning set forth in Section 13 of the Circular, "Income Tax Considerations" under "Certain United States Federal Income Tax Considerations to U.S. Shareholders."

SUMMARY

This summary is provided for your convenience. It highlights certain material information relating to the Offer, but you should understand that it does not describe all of the details of the Offer to the same extent as described elsewhere herein. The Company therefore urges you to read the entire Offer to Purchase, Circular, Letter of Transmittal and Notice of Guaranteed Delivery because they each contain important information. References have been included to certain sections of the Offer where you will find a more complete discussion.

Purpose of the Offer

The Board of Directors believes that the purchase of Shares by the Company is in the best interests of the Company and its Shareholders.

The Offer will allow the Company to return up to an additional \$100,000,000 of capital to Shareholders who elect to tender their Shares while at the same time increasing the proportionate Share ownership of Shareholders who elect not to tender.

See Section 3 of the Circular, "Purpose and Effect of the Offer".

Expiration Date

The Offer expires at 5:00 p.m. (Eastern Standard Time) on December 16, 2022 or at such later time and date to which the Offer may be extended or varied by the Company, unless withdrawn. See Section 1 of the Offer to Purchase, "The Offer".

Payment Date

Advantage will take up the Shares to be purchased pursuant to the Offer as soon as reasonably practicable after the Expiration Date and in any event not later than ten (10) days after the Expiration Date, provided that the conditions of the Offer (as the same may be varied) have been satisfied or waived. Any Shares taken up will be paid for as soon as reasonably practicable, but in any event no later than three (3) Business Days after they are taken up in accordance with applicable Canadian securities laws. See Section 9 of the Offer to Purchase, "Taking Up and Payment for Deposited Shares".

If exemptive relief is granted by the securities regulatory authorities in Canada to permit the Company to extend the Offer in circumstances in which all of the terms and conditions of the Offer have either been satisfied or waived by Advantage without first taking up Shares that have been deposited (and not withdrawn) before the Offer was previously scheduled to expire, the Company will not take up or pay for any Shares until the expiry of such extension. See Section 8 of the Offer to Purchase, "Extension and Variation of the Offer".

Currency of Payment

The Purchase Price will be denominated in Canadian dollars and payments of amounts owing to Shareholders whose Shares are taken up will be made in Canadian dollars.

Methods of Tender

Shareholders wishing to tender to the Offer may do so pursuant to:

- **Auction Tenders** in which the tendering Shareholders specify the number of Shares being tendered and specify an Auction Price of not less than \$11.20 and not more than \$12.90 per Share in increments of \$0.10 per Share; or

- **Purchase Price Tenders** in which the tendering Shareholders do not specify a price per Share, but rather agree to have a specified number of Shares purchased at the Purchase Price to be determined as provided herein.

Depositing Shares at Different Prices

A Shareholder making an Auction Tender may deposit different Shares at different prices, but a Shareholder cannot deposit the same Shares pursuant to more than one method of tender or pursuant to an Auction Tender at more than one price. Shareholders may deposit different Shares pursuant to Auction Tenders and Purchase Price Tenders.

If a Shareholder desires to deposit different Shares at different prices, that Shareholder must complete a separate Letter of Transmittal (and, if applicable, a Notice of Guaranteed Delivery) for each price at which that Shareholder is depositing Shares. The same Shares cannot be deposited pursuant to different tender methods or pursuant to an Auction Tender at more than one price. See Section 5 of this Offer to Purchase, "Procedure for Depositing Shares".

Purchase Price

The Purchase Price will be determined in the manner described in the Offer but will be not less than \$11.20 and not more than \$12.90 per Share, taking into account the Auction Prices and the number of Shares deposited pursuant to Auction Tenders and Purchase Price Tenders. The Purchase Price will be the lowest price that enables the Company to purchase the maximum number of Shares pursuant to valid Auction Tenders and Purchase Price Tenders having an aggregate purchase price not exceeding \$100,000,000.

All Shares purchased by the Company pursuant to the Offer (including Shares tendered at Auction Prices below the Purchase Price) will be purchased at the same Purchase Price.

Certificates, if applicable, representing all Shares not purchased under the Offer (including Shares not purchased because of proration, invalid tender, or Shares deposited pursuant to Auction Tenders at Auction Prices in excess of the Purchase Price), or Shares properly withdrawn before the Expiration Date, will be returned (in the case of certificates representing Shares all of which are not purchased) or replaced with a DRS advice representing the balance of Shares not purchased (in the case of certificates representing Shares of which less than all are purchased), promptly after the Expiration Date or termination of the Offer or the date of withdrawal of the Shares, without expense to the Shareholder. In the case of Shares tendered through book-entry transfer pursuant to DRS advices, such Shares will be credited to the appropriate account, without expense to the Shareholder. See Section 2 of the Offer to Purchase, "Purchase Price".

Number of Shares to be Purchased

Advantage will purchase Shares under the Offer to a maximum aggregate amount of \$100,000,000. If the Purchase Price is determined to be \$11.20 (which is the minimum price per Share under the Offer), the maximum number of Shares that may be purchased by the Company is 8,928,571 Shares. If the Purchase Price is determined to be \$12.90 (which is the maximum price per Share under the Offer), the maximum number of Shares that may be purchased by the Company is 7,751,937 Shares. Since the Purchase Price will only be determined after the Expiration Date, the number of Shares that will be purchased will not be known until after the

Expiration Date. See Section 3 of the Offer to Purchase, "Number of Shares and Proration".

Proration

If the aggregate purchase price for Shares validly deposited and not withdrawn pursuant to Auction Tenders at Auction Prices at or below the Purchase Price and Purchase Price Tenders would result in an aggregate purchase price in excess of \$100,000,000 and the conditions of the Offer are satisfied and/or waived, then a portion of such deposited Shares will be purchased as follows: (i) first, the Company will purchase at the Purchase Price all Shares tendered at or below the Purchase Price by Odd Lot Holders; and (ii) second, the Company will purchase at the Purchase Price on a *pro rata* basis (according to the number of Shares deposited or deemed to be deposited at a price equal to or less than the Purchase Price) that portion of Shares tendered pursuant to Auction Tenders at or below the Purchase Price and Purchase Price Tenders having an aggregate purchase price, based on the Purchase Price, equal to (A) \$100,000,000, less (B) the aggregate amount paid by the Company for Shares tendered by Odd Lot Holders. All Auction Tenders and Purchase Price Tenders will be subject to adjustment to avoid the purchase of fractional Shares. All payments to Shareholders will be subject to deduction of applicable withholding taxes. See Section 3 of the Offer to Purchase, "Number of Shares and Proration".

Delivery Procedure

Each Shareholder wishing to deposit Shares pursuant to the Offer must:

- provide certificates, if applicable, for all Deposited Shares in proper form for transfer, together with a properly completed and duly executed Letter of Transmittal, in accordance with the instructions in such Letter of Transmittal, together with all other documents required by the Letter of Transmittal and must be delivered to, and received by, the Depositary at one of the addresses listed in the Letter of Transmittal by the Expiration Date. A Shareholder whose Shares are held through DRS must only deliver its Letter of Transmittal and is not required to submit a statement of its DRS positions;
- follow the guaranteed delivery procedure described in Section 5 of the Offer to Purchase, "Procedure for Depositing Shares"; or
- transfer Shares pursuant to a book-entry transfer, provided that a Book-Entry Confirmation through the CDSX system (in the case of Shares held in CDS) or an Agent's Message (in the case of Shares held in DTC) is received by the Depositary at its office in Toronto, Ontario prior to the Expiration Date (as such terms are defined herein).

A Shareholder who wishes to deposit Shares under the Offer and who holds such Shares through an investment dealer, stock broker, bank, trust company or other nominee should immediately contact such nominee in order to take the necessary steps to be able to deposit such Shares under the Offer. See Section 5 of the Offer to Purchase, "Procedure for Depositing Shares".

Brokerage Commissions	Shareholders depositing Shares will not be obligated to pay brokerage fees or commissions to the Company or to the Depositary. However, Shareholders are cautioned to consult with their own brokers or other intermediaries to determine whether any fees or commissions are payable to their own brokers or other intermediaries in connection with a deposit of Shares pursuant to the Offer. See Section 9 of the Offer to Purchase, "Taking Up and Payment for Deposited Shares".
Conditions to the Offer	The obligation of the Company to take up and pay for any Shares deposited under the Offer is subject to the conditions described in Section 7 of the Offer to Purchase, "Certain Conditions of the Offer".
Withdrawal Rights	Shares deposited pursuant to the Offer may be withdrawn by the Shareholder (a) at any time if the Shares have not been taken up by the Company before actual receipt by the Depositary of a notice of withdrawal in respect of such Shares, (b) at any time before the expiration of ten (10) days from the date that a notice of change or variation (unless (i) the Company has taken up the Shares deposited pursuant to the Offer before the date of the notice of change or variation, (ii) the variation consists solely of an increase in the consideration offered for those Shares pursuant to the Offer where the time for deposit is not extended for greater than ten (10) days, or (iii) the variation consists solely of the waiver of one or more conditions of the Offer) has been given in accordance with Section 8 of the Offer to Purchase, "Extension and Variation of the Offer", or (c) at any time if the Shares have been taken up but not paid for by the Company within three (3) Business Days of being taken up.
Position of the Company and its Directors	Neither the Company nor its Board of Directors makes any recommendation to any Shareholder as to whether to deposit or refrain from depositing Shares. Shareholders are urged to evaluate carefully all information in the Offer, consult their own investment and tax advisors and make their own decisions whether to deposit Shares under the Offer, how many Shares to deposit and whether to specify a price and, if so, at what price to deposit such Shares. See Section 1 of the Offer to Purchase, "The Offer".
Directors & Officers	No director or officer of the Company has advised the Company that he or she intends to deposit Shares under the Offer. See Section 9 of the Circular, "Interest of Directors and Officers – Ownership of Advantage's Securities" and Section 10 of the Circular, "Arrangements Concerning Shares" of the Circular.
Tax Considerations	Shareholders should carefully consider the income tax consequences of having Shares being purchased under the Offer. See Section 13 of the Circular, "Income Tax Considerations".
Trading Information	On November 2, 2022, the last full trading day prior to the date of announcement of the Company's intention to make the Offer, the closing price of the Shares on the TSX was \$10.73 per Share. On November 7, 2022, the last full trading day prior to the announcement by Advantage of the price range being offered under the Offer, the closing price of the Shares on the TSX was \$11.87 per Share.

Further Information

For further information regarding the Offer, Shareholders may contact the Depositary or the Dealer Manager or consult their own brokers. The address and telephone numbers and email of the Depositary and Dealer Manager are set forth on pages iv and v and the back cover of the Offer.

NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY RECOMMENDATION ON BEHALF OF THE COMPANY OR THE BOARD OF DIRECTORS AS TO WHETHER SHAREHOLDERS SHOULD DEPOSIT OR REFRAIN FROM DEPOSITING SHARES PURSUANT TO THE OFFER OR WHETHER SHAREHOLDERS SHOULD ELECT AN AUCTION TENDER OR A PURCHASE PRICE TENDER. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE OFFER OTHER THAN AS SET FORTH IN THE OFFER. IF GIVEN OR MADE, ANY SUCH RECOMMENDATION OR ANY SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY, THE BOARD OF DIRECTORS, THE DEALER MANAGER OR THE DEPOSITARY.

OFFER TO PURCHASE

To the holders of Shares of Advantage Energy Ltd.:

1. THE OFFER

The Company hereby offers, upon the terms and subject to the conditions described in this Offer to Purchase, the accompanying Circular, the related Letter of Transmittal and the Notice of Guaranteed Delivery, to purchase for cancellation a number of Shares having an aggregate purchase price not exceeding \$100,000,000 pursuant to:

- Auction Tenders at Auction Prices of not less than \$11.20 and not more than \$12.90 per Share in increments of \$0.10 per Share, as specified by the Shareholders; or
- Purchase Price Tenders.

The Offer will commence on November 10, 2022, the date of this Offer to Purchase, and will expire at 5:00 p.m. (Eastern Standard Time) on December 16, 2022, or at such later time and date to which the Offer may be extended or varied by Advantage, unless withdrawn. Beneficial owners of Shares should be aware that their broker, dealer, commercial bank, trust company or other nominee may establish its own earlier deadlines for participation in the Offer.

THE OFFER IS NOT CONDITIONAL UPON ANY MINIMUM NUMBER OF SHARES BEING DEPOSITED. THE OFFER IS, HOWEVER, SUBJECT TO CERTAIN OTHER CONDITIONS. SEE SECTION 7 OF THE OFFER TO PURCHASE, "CERTAIN CONDITIONS OF THE OFFER".

Each Shareholder who has properly deposited Shares pursuant to an Auction Tender at or below the Purchase Price or a Purchase Price Tender and who has not withdrawn such Shares will receive the Purchase Price, payable in cash (subject to applicable withholding taxes, if any), for all Shares purchased upon the terms and subject to the conditions of the Offer, including the provisions relating to proration and the preferential acceptance of Odd Lots described herein.

Certificates, if applicable, representing all Shares not purchased under the Offer (including Shares not purchased because of proration, invalid tender, or Shares deposited pursuant to Auction Tenders at Auction Prices in excess of the Purchase Price), or Shares properly withdrawn before the Expiration Date, will be returned (in the case of certificates representing Shares all of which are not purchased) or replaced with a DRS advice representing the balance of Shares not purchased (in the case of certificates representing Shares of which less than all are purchased), promptly after the Expiration Date or termination of the Offer or the date of withdrawal of the Shares, without expense to the Shareholder. In the case of Shares tendered through book-entry transfer pursuant to DRS advices, such Shares will be credited to the appropriate account, without expense to the Shareholder.

None of Advantage or its Board of Directors, the Dealer Manager or the Depositary makes any recommendation to any Shareholder as to whether to deposit or refrain from depositing Shares under the Offer, how many Shares to deposit and whether to specify a price and, if so, at what price to deposit such Shares. Shareholders must make their own decisions as to whether to deposit Shares under the Offer, how many Shares to deposit and whether to specify a price and, if so, at what price to deposit such Shares. **Shareholders should carefully consider the income tax consequences of having Shares being purchased under to the Offer. For some Shareholders, the income tax treatment of selling Shares to the Company under the Offer may be materially different from the income tax treatment of selling Shares in the market. See Section 13 of the Circular, "Income Tax Considerations".**

The accompanying Circular, Letter of Transmittal and Notice of Guaranteed Delivery contain important information and should be read carefully before making a decision with respect to the Offer.

2. PURCHASE PRICE

Purchase Price

Promptly following the Expiration Date, the Company will determine the Purchase Price, representing a single price per Share, which will not be less than \$11.20 and not more than \$12.90 per Share, taking into account the Auction Prices and the number of Shares deposited pursuant to Auction Tenders and Purchase Price Tenders. The Purchase Price will be the lowest price that enables the Company to purchase the maximum number of Shares properly deposited pursuant to Auction Tenders and Purchase Price Tenders having an aggregate Purchase Price not exceeding \$100,000,000. If the Purchase Price is determined to be \$11.20 (which is the minimum price per Share under the Offer), the maximum number of Shares that may be purchased by the Company is 8,928,571 Shares. If the Purchase Price is determined to be \$12.90 (which is the maximum price per Share under the Offer), the maximum number of Shares that may be purchased by the Company is 7,751,937 Shares.

For the purpose of determining the Purchase Price, Shares tendered pursuant to a Purchase Price Tender will be considered to have been tendered at a price of \$11.20 per Share (which is the minimum price per Share under the Offer). Shares tendered by a Shareholder pursuant to an Auction Tender will not be purchased by the Company pursuant to the Offer if the price per Share specified by the Shareholder is greater than the Purchase Price.

Shareholders who validly tender Shares without specifying a price or the method in which they are tendering their Shares will be deemed to have made a Purchase Price Tender.

Shareholders should be aware that Shares tendered in Purchase Price Tenders will be deemed to have been tendered at the minimum price of \$11.20 per Share and such tenders may result in a lower Purchase Price than might otherwise have been determined if the applicable Shares had been tendered pursuant to Auction Tenders.

As promptly as practicable after determining the Purchase Price, Advantage will publicly announce the Purchase Price and all Shareholders who have validly deposited and not withdrawn their Shares pursuant to Auction Tenders at or below the Purchase Price or pursuant to Purchase Price Tenders will receive the Purchase Price, payable in cash, for all Shares purchased upon the terms and subject to the conditions of the Offer, including the provisions relating to proration and the preferential acceptance of Odd Lots described herein. See Section 3 of this Offer, "Number of Shares and Proration".

All Shares purchased under the Offer will be purchased at the same Purchase Price, even if some of the Shares are tendered below the Purchase Price. However, Shares tendered by a Shareholder pursuant to an Auction Tender will not be purchased by the Company pursuant to the Offer if the Auction Price for such Shares is greater than the Purchase Price. Shareholders who validly tender Shares without specifying a price or the method in which they are tendering their Shares, will be deemed to have made a Purchase Price Tender. Shareholders who wish to deposit Shares without specifying a price at which such Shares may be purchased by the Company should tender Shares in a Purchase Price Tender. All Auction Tenders and Purchase Price Tenders will be subject to adjustment to avoid the purchase of fractional Shares.

No alternative, conditional or contingent tenders will be accepted.

Currency

Each registered Shareholder who has tendered Shares under the Offer will receive payment of the Purchase Price for purchased Shares in Canadian dollars.

Each non-registered or beneficial Shareholder who has tendered Shares under the Offer will receive payment of the Purchase Price for purchased Shares in Canadian dollars.

3. NUMBER OF SHARES AND PRORATION

As of November 7, 2022, there were 181,114,976 Shares issued and outstanding. Accordingly, the Offer is for approximately 4.93% of the total number of issued and outstanding Shares if the Purchase Price is determined to be \$11.20 (which is the minimum price per Share pursuant to the Offer) or approximately 4.28% of the total number of issued and outstanding Shares if the Purchase Price is determined to be \$12.90 (which is the maximum price per Share pursuant to the Offer). The Offer is not conditional upon any minimum number of Shares being properly deposited under the Offer.

If the aggregate purchase price for Shares validly deposited and not withdrawn pursuant to Auction Tenders at Auction Prices at or below the Purchase Price and Purchase Price Tenders would result in an aggregate purchase price in excess of \$100,000,000 and the conditions of the Offer are satisfied and/or waived, then a portion of such deposited Shares will be purchased as follows: (i) first, the Company will purchase at the Purchase Price all Shares tendered at or below the Purchase Price by Odd Lot Holders; and (ii) second, the Company will purchase at the Purchase Price on a *pro rata* basis (according to the number of Shares deposited or deemed to be deposited at a price equal to or less than the Purchase Price) that portion of Shares tendered pursuant to Auction Tenders at or below the Purchase Price and Purchase Price Tenders having an aggregate purchase price, based on the Purchase Price, equal to (A) \$100,000,000, less (B) the aggregate amount paid by the Company for Shares tendered by Odd Lot Holders. All Auction Tenders and Purchase Price Tenders will be subject to adjustment to avoid the purchase of fractional Shares. All payments to Shareholders will be subject to deduction of applicable withholding taxes.

As set out above, Odd Lots will be accepted for purchase before any proration. In order to qualify for this preference, an Odd Lot Holder must properly tender, pursuant to an Auction Tender at an Auction Price at or below the Purchase Price or pursuant to a Purchase Price Tender, all Shares owned by such Odd Lot Holder. Odd Lot Holders making an Auction Tender or a Purchase Price Tender will be required to tender all Shares owned by the Shareholder. Partial tenders will not be accepted from Odd Lot Holders. This preference is not available to holders of 100 or more Shares even if holders have separate share certificates or DRS advices for fewer than 100 Shares or hold fewer than 100 Shares in different accounts. Any Odd Lot Holder wishing to tender all Shares owned, without proration, must complete the appropriate box on the Letter of Transmittal and, if applicable, on the Notice of Guaranteed Delivery. Shareholders owning an aggregate of fewer than 100 Shares whose Shares are purchased pursuant to the Offer not only will avoid the payment of brokerage commissions, but will also avoid any odd lot discounts, each of which may be applicable on a sale of their Shares in a transaction on the TSX.

If no Auction Tenders or Purchase Price Tenders are made pursuant to the Offer, no Shares will be purchased by the Company.

4. ANNOUNCEMENT OF RESULTS OF THE OFFER

The Company will publicly announce the results of the Offer, including the Purchase Price, the number of Shares validly tendered to the Offer and the aggregate purchase price of the Shares to be purchased for cancellation pursuant to the Offer, as promptly as reasonably practicable after the Expiration Date.

5. PROCEDURE FOR DEPOSITING SHARES

Proper Tender of Shares

Shareholders who wish to accept the Offer may do so by making Auction Tenders or Purchase Price Tenders. In accordance with Instruction 4 of the Letter of Transmittal, each Shareholder desiring to deposit Shares pursuant to the Offer must indicate:

- (a) in Box A captioned "Type of Tender" on such Letter of Transmittal and, if applicable, the Notice of Guaranteed Delivery, whether Shares are deposited pursuant to an Auction Tender or a Purchase Price Tender;

(b) in Box F, if an Auction Tender is made, the price at which such Shares are being deposited; and

(c) in Box D, if applicable, whether the Shareholder is making an Odd Lot deposit in accordance with Instruction 7 of the Letter of Transmittal.

A Shareholder who wishes to make an Auction Tender will be required to specify, among other things, the number of Shares that it wishes to sell and the price per Share (not less than \$11.20 and not more than \$12.90 per Share and in increments of \$0.10 per Share) at which it is prepared to sell those Shares. A Shareholder may make multiple Auction Tenders but not in respect of the same Shares (i.e., Shareholders may deposit different Shares at different prices but cannot deposit the same Shares at different prices). A Shareholder may also make an Auction Tender in respect of certain Shares and a Purchase Price Tender in respect of other Shares. Odd Lot Holders making an Auction Tender or a Purchase Price Tender will be required to tender all Shares owned by the Shareholder. Partial tenders will not be accepted from Odd Lot Holders. A Shareholder who wishes to make a Purchase Price Tender may not specify an Auction Price.

Shares deposited pursuant to an Auction Tender in compliance with the procedures set forth herein will be taken up only if the Auction Price specified in the Auction Tender is equal to or less than the Purchase Price.

Shareholders who validly tender Shares without specifying a price or the method in which they are tendering their Shares will be deemed to have made a Purchase Price Tender. If multiple boxes are checked in the same Letter of Transmittal indicating that Shares are being deposited pursuant to an Auction Tender and Purchase Price Tender, all Shares identified will be deemed to have been tendered pursuant to a Purchase Price Tender.

A Shareholder desiring to deposit Shares at different prices must complete a separate Letter of Transmittal (and, if applicable, a separate Notice of Guaranteed Delivery) for each price at which the Shareholder is depositing Shares. The same Shares cannot be deposited pursuant to different tender methods or pursuant to an Auction Tender at more than one Auction Price.

Proper Deposit of Shares

To deposit Shares pursuant to the Offer, Shareholders must (a) provide certificates, if applicable, for all Deposited Shares in proper form for transfer, together with a properly completed and duly executed Letter of Transmittal (or a manually executed photocopy thereof), in accordance with the instructions in such Letter of Transmittal, together with all other documents required by the Letter of Transmittal and the same must be delivered to, and received by, the Depository at one of the addresses listed in the Letter of Transmittal by the Expiration Date, (b) follow the guaranteed delivery procedure described below, or (c) transfer Shares pursuant to the procedures for book-entry transfer, provided that the Depository receives at its office in Toronto, Ontario prior to the Expiration Date, (i) in the case of Shares held by CDS, a Book-Entry Confirmation of transfer of Shares into the Depository's account established at CDS in accordance with the terms of the Offer, through the CDSX book-entry system administered by CDS, or (ii) in the case of Shares held in DTC, a message, transmitted by DTC, to and received by the Depository and forming a part of a DTC book-entry confirmation. A Shareholder whose Shares are held through DRS must only deliver its Letter of Transmittal and is not required to submit a statement of its DRS positions.

A non-registered Shareholder who desires to deposit Shares under the Offer should immediately contact such Shareholder's investment dealer, stock broker, commercial bank, trust company or other nominee in order to take the necessary steps to be able to deposit such Shares under the Offer.

If an investment dealer, stock broker, bank, trust company or other nominee holds Shares for a Shareholder, it is likely the nominee has established an earlier deadline for that Shareholder to act to instruct the nominee to accept the Offer on its behalf. A Shareholder should immediately contact its investment dealer, stock broker, bank, trust company or other nominee to find out the nominee's deadline.

Participants of CDS or DTC should contact CDS or DTC, as applicable, to obtain instructions as to the method of depositing Shares under the terms of the Offer. CDS and DTC will be issuing instructions to their respective participants as to the method of depositing Shares under the terms of the Offer.

Signature Guarantees

No signature guarantee is required on the Letter of Transmittal if (a) the Letter of Transmittal is signed by the registered holder of the Shares exactly as the name of the registered holder appears on the share certificate or DRS advices deposited therewith, and payment is to be made directly to such registered holder, or (b) Shares are deposited for the account of an Eligible Institution. In all other cases, all signatures on the Letter of Transmittal must be guaranteed by an Eligible Institution. See the appropriate instructions in the Letter of Transmittal.

If a certificate or DRS advice representing Shares is registered in the name of a Person other than the signatory to a Letter of Transmittal, or if payment is to be made, or certificates or DRS advices representing Shares not purchased are to be issued, to a Person other than the registered holder, the certificate or DRS advice must be endorsed or the certificate or DRS advice must be accompanied by an appropriate stock power signed exactly as the name of the registered holder appears on the certificate or DRS advice, with the signature on the certificate or stock power signature guaranteed by an Eligible Institution.

Book-Entry Transfer Procedures

An account with respect to the Shares will be established at CDS for purposes of the Offer. Any financial institution that is a participant in CDS may make book-entry delivery of the Shares through CDSX by causing CDS to transfer such Shares into the Depository's account in accordance with CDS's procedures for such transfer. Delivery of Shares to the Depository by means of a book-entry transfer through CDSX will constitute a valid tender under the Offer.

Shareholders may accept the Offer by following the procedures for a book-entry transfer established by CDS, provided that a Book-Entry Confirmation through CDSX is received by the Depository at its Toronto, Ontario office address set forth on the back-cover page of this Offer to Purchase and Circular prior to the Expiration Date. Shareholders, through their respective CDS Participants, who utilize CDSX to accept the Offer through a book-entry transfer of their holdings into the Depository's account with CDS shall be deemed to have completed and submitted a Letter of Transmittal and to be bound by the terms thereof and, therefore, such instructions received by the Depository are considered a valid tender in accordance with the terms of the Offer. **Delivery of documents to CDS does not constitute delivery to the Depository.**

Shareholders who have an account maintained by DTC may accept the Offer by following the procedures for book-entry transfer established by DTC, provided that a book-entry confirmation, together with an Agent's Message in respect thereof, or a properly completed and duly executed Letter of Transmittal and any other required documents, are received by the Depository at its office specified in the Letter of Transmittal prior to the Expiration Date of the Offer. If necessary, the Depository will establish an account at DTC for the purpose of the Offer. Any financial institution that is a participant in DTC's systems may cause DTC to make a book-entry transfer of a Shareholder's Shares into the Depository's account in accordance with DTC's procedures for such transfer. However, as noted above, although delivery of Shares may be effected through book-entry transfer at DTC, either a Letter of Transmittal (or a manually signed facsimile copy thereof), properly completed and duly executed, together with any required signature guarantees, or an Agent's Message in lieu of a Letter of Transmittal, and any other required documents, must, in any case, be received by the Depository, at its office specified in the Letter of Transmittal prior to the Expiration Date. Delivery of documents to DTC in accordance with its procedures does not constitute delivery to the Depository.

Method of Delivery

The method of delivery of certificates representing Shares, if applicable and all other required documents is at the option and risk of the depositing Shareholder. If certificates representing Shares are to be sent by mail, registered mail that is properly insured is recommended and it is suggested that the mailing be made sufficiently in advance of

the Expiration Date to permit delivery to the Depository on or prior to such date. Delivery of a certificate representing Shares will only be made upon actual receipt of such certificate representing Shares by the Depository.

Lost or Stolen Certificates

If any certificate representing Shares has been lost or destroyed, the Shareholder should promptly notify the Depository at the phone number or address set forth on the back cover page of this document. The Shareholder will then be instructed as to the steps that must be taken in order to replace the certificate(s). The Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost or destroyed certificates have been followed, and in such circumstances, a longer period of time may be needed to complete a tender of Shares. Shareholders are urged to contact the Depository immediately in order to permit timely processing of this documentation.

Procedure for Guaranteed Delivery

If a Shareholder wishes to deposit Shares pursuant to the Offer, its Shares are represented by certificates and the Shareholder cannot deliver certificates for such Shares, or the book-entry transfer procedures described above cannot be completed, prior to the Expiration Date, or time will not permit all required documents to reach the Depository by the Expiration Date, such Shares may nevertheless be deposited if all of the following conditions are met:

- (a) such deposit is made by or through an Eligible Institution;
- (b) a properly completed and duly executed Notice of Guaranteed Delivery substantially in the form provided by the Company through the Depository is received by the Depository, at its Toronto office listed in the Notice of Guaranteed Delivery, by the Expiration Date; and
- (c) the share certificates for all Shares proposed to be taken up in proper form for transfer, together with a properly completed and duly executed Letter of Transmittal (or a manually executed photocopy thereof) or, in the case of a book-entry transfer, a Book-Entry Confirmation through CDSX (in the case of Shares held in CDS) or an Agent's Message (in the case of Shares held in DTC), and any other documents required by the Letter of Transmittal, are received by the Toronto office of the Depository, before 5:00 p.m. (Eastern Standard Time) on or before the second trading day on the TSX after the Expiration Date.

The Notice of Guaranteed Delivery may be hand delivered, couriered, mailed or transmitted by electronic mail transmission to the Toronto office of the Depository listed in the Notice of Guaranteed Delivery, and must include a guarantee by an Eligible Institution in the form set forth in the Notice of Guaranteed Delivery.

Notwithstanding any other provision hereof, payment for Shares accepted pursuant to the Offer will be made only after timely receipt by the Depository of the share certificates for all Shares proposed to be taken up in proper form for transfer, together with a properly completed and duly executed Letter of Transmittal (or a manually executed photocopy thereof) or Book-Entry Confirmation in lieu thereof relating to such Shares, with signatures that are guaranteed if so required in accordance with the Letter of Transmittal, and any other documents required by the Letter of Transmittal.

The tender information specified in a Notice of Guaranteed Delivery by a Person completing such Notice of Guaranteed Delivery will, in all circumstances, take precedence over the tender information that is specified in the related Letter of Transmittal that is subsequently deposited.

Return of Unpurchased Shares

Certificates, if applicable, representing all Shares not purchased under the Offer (including Shares not purchased because of proration, invalid tender, or Shares deposited pursuant to Auction Tenders at Auction Prices in

excess of the Purchase Price), or Shares properly withdrawn before the Expiration Date, will be returned (in the case of certificates representing Shares all of which are not purchased) or replaced with a DRS advice representing the balance of Shares not purchased (in the case of certificates representing Shares of which less than all are purchased), promptly after the Expiration Date or termination of the Offer or the date of withdrawal of the Shares, without expense to the Shareholder. In the case of Shares tendered through book-entry transfer pursuant to DRS advices, such Shares will be credited to the appropriate account, without expense to the Shareholder.

In the case of Shares tendered through book-entry transfer into the Depositary's account at DTC or CDS, the Shares will be credited to the appropriate account maintained by the tendering Shareholder at DTC or CDS, as applicable, without expense to the Shareholder.

Determination of Validity, Rejection and Notice of Defect

All questions as to the number of tenders to be accepted, the form of documents and the validity, eligibility (including time of receipt) and acceptance for payment of any Shares will be determined by the Company, in its sole discretion, which determination shall be final and binding on all parties. Advantage reserves the absolute right to reject any deposits of Shares determined by it not to be in proper form or completed in accordance with the instructions herein and in the Letter of Transmittal or the acceptance for payment of or payment for which may, in the opinion of the Company's counsel, be unlawful. Advantage also reserves the absolute right to waive any of the conditions of the Offer or any defect or irregularity in the deposit of any particular Shares. No individual deposit of Shares will be deemed to be properly made until all defects and irregularities have been cured or waived. Unless waived, any defects or irregularities in connection with deposits must be cured within such time as Advantage shall determine. **None of Advantage, the Depositary, the Dealer Manager nor any other Person is or will be obligated to give notice of defects or irregularities in deposits, nor shall any of them incur any liability for failure to give any such notice.** The Company's interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the Notice of Guaranteed Delivery) will be final and binding.

Under no circumstances will interest be paid by the Company or the Depositary by reason of any delay in making payment to any Person, including without limitation any delay arising because the Shares to be delivered pursuant to the guaranteed delivery procedures are not so delivered to the Depositary, and therefore payment by the Depositary on account of such Shares is not made until after the date the payment for the Deposited Shares taken up pursuant to the Offer is to be made by the Company.

Formation of Agreement

The proper deposit of Shares pursuant to any one of the procedures described above will constitute a binding agreement between the depositing Shareholder and the Company, effective as of the Expiration Date, upon the terms and subject to the conditions of the Offer. The Company's interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the Notice of Guaranteed Delivery) will be final and binding. Such agreement will be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

Further Assurances

Each Shareholder accepting the Offer covenants under the terms of the Letter of Transmittal to execute, upon request of Advantage, any additional documents, transfers and other assurances as may be necessary or desirable to complete the sale, assignment and transfer of any Shares proposed to be taken up by the Company. Each authority therein conferred or agreed to be conferred may be exercised during any subsequent legal incapacity of such Shareholder and shall, to the extent permitted by law, survive the death or incapacity, bankruptcy or insolvency of the Shareholder and all obligations of the Shareholder therein shall be binding upon the heirs, personal representatives, successors and assigns of such Shareholder.

6. WITHDRAWAL RIGHTS

Except as otherwise provided in this Section 6, deposits of Shares pursuant to the Offer will be irrevocable. Shares deposited pursuant to the Offer may be withdrawn by the Shareholder: (a) at any time if the Shares have not been taken up by the Company before actual receipt by the Depository of a notice of withdrawal in respect of such Shares; (b) at any time before the expiration of ten (10) days from the date that a notice of change or variation (unless (i) the Company has taken up the Shares deposited pursuant to the Offer before the date of the notice of change or variation, (ii) the variation consists solely of an increase in the consideration offered for those Shares pursuant to the Offer where the time for deposit is not extended for greater than ten (10) days, or (iii) the variation consists solely of the waiver of one or more conditions of the Offer) has been given in accordance with Section 8 of this Offer to Purchase, "Extension and Variation of the Offer"; or (c) at any time if the Shares have been taken up but not paid for by the Company within three (3) Business Days of being taken up.

For a withdrawal to be effective, a written or printed copy of a notice of withdrawal must be actually received by the Depository by the applicable date specified above at the place of deposit of the relevant Shares. Any such notice of withdrawal must be signed by or on behalf of the Person who signed the Letter of Transmittal or Notice of Guaranteed Delivery in respect of the Shares being withdrawn or, in the case of Shares tendered by a CDS Participant through CDSX, be signed by such participant in the same manner as the participant's name is listed on the applicable Book-Entry Confirmation or, in the case of Shares tendered by a DTC participant, be signed by such participant in the same manner as the participant's name is listed on the applicable Agent's Message, and must specify the name of the Person who deposited the Shares to be withdrawn, the name of the registered holder, if different from that of the Person who deposited such Shares, and the number of Shares to be withdrawn. If the certificates for the Shares deposited pursuant to the Offer have been delivered or otherwise identified to the Depository, then, prior to the release of such certificates, the depositing Shareholder must submit the serial numbers shown on the particular certificates evidencing the Shares to be withdrawn and the signature on the notice of withdrawal must be guaranteed by an Eligible Institution (as defined in Section 5 of the Offer to Purchase, "Procedure for Depositing Shares"), except in the case of Shares deposited by an Eligible Institution. **A withdrawal of Shares deposited pursuant to the Offer may only be accomplished in accordance with the foregoing procedure. The withdrawal shall take effect only upon actual receipt by the Depository of a written or printed copy of a properly completed and executed notice of withdrawal.**

A Shareholder who wishes to withdraw Shares under the Offer and who holds Shares through an investment dealer, stock broker, bank, trust company or other nominee should immediately contact such nominee in order to take the necessary steps to be able to withdraw such Shares under the Offer. Participants of CDS or DTC should contact these depositaries with respect to the withdrawal of Shares under the Offer.

All questions as to the form and validity (including time of receipt) of notices of withdrawal will be determined by the Company, in its sole discretion, which determination shall be final and binding. None of the Company, the Depository, the Dealer Manager or any other Person shall be obligated to give any notice of any defects or irregularities in any notice of withdrawal and none of them shall incur any liability for failure to give any such notice.

Any Shares properly withdrawn will thereafter be deemed not deposited for purposes of the Offer. However, withdrawn Shares may be redeposited prior to the Expiration Date by again following the procedures described in Section 5 of this Offer to Purchase, "Procedure for Depositing Shares".

If the Company extends the period of time during which the Offer is open, is delayed in its purchase of Shares or is unable to purchase Shares pursuant to the Offer for any reason, then, without prejudice to the Company's rights under the Offer, the Depository may, subject to applicable law, retain on behalf of the Company all Deposited Shares, and such Shares may not be withdrawn except to the extent that depositing Shareholders are entitled to withdrawal rights as described in this Section 6.

7. CERTAIN CONDITIONS OF THE OFFER

Notwithstanding any other provision of the Offer, the Company shall not be required to accept for purchase, to purchase or, subject to any applicable rules or regulations, to pay for any Shares deposited, and may terminate, cancel or amend the Offer or may postpone the payment for Shares deposited, if, at any time before the payment for any such Shares, any of the following events shall have occurred (or shall have been determined by the Company to have occurred) which, in the Company's sole judgment, acting reasonably, in any such case and regardless of the circumstances, makes it inadvisable to proceed with the Offer or with such acceptance for purchase or payment:

- (a) there shall have been threatened, taken or pending any action, suit or proceeding by any government or governmental authority or regulatory or administrative agency in any jurisdiction, or by any other Person in any jurisdiction, before any court or governmental authority or regulatory or administrative agency in any jurisdiction (i) challenging or seeking to cease trade, make illegal, delay or otherwise directly or indirectly restrain or prohibit the making of the Offer, the acceptance for payment of some or all of the Shares by the Company or otherwise directly or indirectly relating in any manner to or affecting the Offer, or (ii) seeking material damages or that otherwise, in the sole judgment of the Company, acting reasonably, has or may have a material adverse effect on the Shares, or the business, income, assets, liabilities, condition or position (financial or otherwise), properties, operations, results of operations or prospects of the Company and its subsidiaries taken as a whole or has impaired or may materially impair the contemplated benefits of the Offer to the Company or otherwise make it inadvisable to proceed with the Offer;
- (b) there shall have been any action or proceeding threatened, pending or taken or approval withheld or any statute, rule, regulation, stay, decree, judgment or order or injunction proposed, sought, enacted, enforced, promulgated, amended, issued or deemed applicable to the Offer or the Company or any of its subsidiaries by or before any court, government or governmental authority or regulatory or administrative agency or any statute, rule or regulation shall become operative or applicable in any jurisdiction that, in the sole judgment of the Company, acting reasonably, might directly or indirectly result in any of the consequences referred to in clauses (i) or (ii) of paragraph (a) above or would or might prohibit, prevent, restrict or delay consummation of the Offer or would or might impair the contemplated benefits of the Offer to the Company;
- (c) there shall have occurred (i) any general suspension of trading in, or limitation on prices for, securities on any securities exchange or in the over-the-counter market in Canada or the United States, (ii) the declaration of a banking moratorium or any suspension of payments in respect of banks in Canada or the United States (whether or not mandatory), (iii) a natural disaster, pandemic or the commencement of a war, armed hostilities, act of terrorism or other international or national calamity or force majeure event, (iv) any limitation (whether or not mandatory) by any government or governmental authority or regulatory or administrative agency or any other event that, in the sole judgment of the Company, acting reasonably, might affect the extension of credit by banks or other lending institutions, (v) any significant decrease, in the sole judgment of the Company, acting reasonably, in the market price of the Shares since the close of business on November 7, 2022, (vi) any change or changes (or any development involving any prospective change or changes) in the general political, market, economic or financial conditions that, in the sole judgment of the Company, acting reasonably, has or may have a material adverse effect on the business, income, assets, liabilities, condition or position (financial or otherwise), properties, operations, results of operations or prospects of the Company and its subsidiaries, taken as a whole or the trading in, or value of, the Shares, (vii) any decline in any of the S&P/TSX Composite Index, the Dow Jones Industrial Average or the S&P 500 Index by an amount in excess of 10%, measured from the close of business on November 7, 2022, (viii) any material change in the short-term or long-term interest rates in Canada or the United States, or (ix) in the case of any of the foregoing existing at the time of the commencement of the Offer, an acceleration or worsening thereof;
- (d) there shall have occurred any change or changes (or any development involving any prospective change or changes) in the business, earnings, assets, liabilities, properties, condition (financial or

otherwise), operations, results of operations or prospects of the Company or any of its subsidiaries that, in the sole judgment of the Company, acting reasonably, has, have or may have, individually or in the aggregate, material adverse effect with respect to the Company and its subsidiaries taken as a whole;

- (e) any take-over bid or tender or exchange offer with respect to some or all of the securities of Advantage, or any merger, amalgamation, arrangement, business combination or acquisition proposal, disposition of assets, or other similar transaction with or involving Advantage or any of its affiliates, other than the Offer, or any solicitation of proxies, other than by management, to seek to control or influence the Board of Directors, shall have been proposed, announced or made by any individual or entity;
- (f) the Company shall have determined, in its sole judgment, acting reasonably, that the Purchase Price for a Share exceeds the fair market value of such Share at the time of the take up of such Share by the Company pursuant to the Offer, determined without reference to the Offer;
- (g) the Company shall have concluded, in its sole judgment, acting reasonably, that the Offer or the take up and payment for any or all of the Shares by the Company is illegal or not in compliance with applicable law or TSX requirements, or that necessary exemptions under applicable securities legislation, including exemptions from the obligation to take up Shares in the event the Offer is extended in certain circumstances, are not available to the Company for the Offer and, if required under any such legislation, the Company shall not have received any necessary exemptions from or waivers of the appropriate courts or securities regulatory authorities in respect of the Offer, or such exemptions or waivers are rescinded or modified in a manner that is not in form and substance satisfactory to the Company;
- (h) any changes shall have occurred or been proposed to the Tax Act or the Code, to the publicly available administrative policies or assessing practices of the CRA or the IRS or to relevant tax jurisprudence that, in the sole judgment of the Company are detrimental to Advantage or its affiliates taken as a whole or any one or more Shareholders, or with respect to making the Offer or taking up and paying for Shares deposited under the Offer;
- (i) the completion of the Offer subjects the Company to any material liability, including material tax liabilities;
- (j) RBC Capital Markets shall have withdrawn or amended the Liquidity Opinion provided by it in connection with the Offer;
- (k) the Company reasonably determines that the completion of the Offer and the purchase of the Shares may cause the Shares to be delisted from the TSX; or
- (l) no Auction Tenders or Purchase Price Tenders will have been made pursuant to the Offer.

The foregoing conditions are for the sole benefit of the Company and may be asserted by the Company in its sole discretion, acting reasonably, regardless of the circumstances (including any action or inaction by the Company) giving rise to any such conditions, or may be waived by the Company, in its sole discretion, in whole or in part at any time, provided that the condition listed in clause (k) above is not waivable by the Company. The failure by the Company at any time to exercise its rights under any of the foregoing conditions shall not be deemed a waiver of any such right; the waiver of any such right with respect to particular facts and other circumstances shall not be deemed a waiver with respect to any other facts and circumstances; and each such right shall be deemed an ongoing right which may be asserted at any time or from time to time. Any determination by the Company concerning the events described in this Section 7 shall be final and binding on all parties.

Any waiver of a condition or the withdrawal of the Offer by Advantage shall be deemed to be effective on the date on which notice of such waiver or withdrawal by the Company is delivered or otherwise communicated to the Depository. Advantage, after giving notice to the Depository of any waiver of a condition or the withdrawal of the Offer, shall immediately make a public announcement of such waiver or withdrawal and provide or cause to be provided notice of such waiver or withdrawal to the TSX and the applicable Canadian securities regulatory authorities. If the Offer is withdrawn, the Company shall not be obligated to take up, accept for purchase or pay for any Shares deposited under the Offer, and the Depository will return all certificates for Deposited Shares, Letters of Transmittal and Notices of Guaranteed Delivery and any related documents to the parties by whom they were deposited.

8. EXTENSION AND VARIATION OF THE OFFER

Subject to applicable law, the Company expressly reserves the right, in its sole discretion, and regardless of whether or not any of the conditions specified in Section 7 of this Offer to Purchase, "Certain Conditions of the Offer" shall have occurred, at any time or from time to time, to extend the period of time during which the Offer is open or to vary the terms and conditions of the Offer by giving written notice, or oral notice to be confirmed in writing, of extension or variation to the Depository and by causing the Depository to provide to all Shareholders, where required by law, as soon as practicable thereafter, a copy of the notice in the manner set forth in Section 12 of this Offer to Purchase, "Notice". Promptly after giving notice of an extension or variation to the Depository, but, in the case of an extension, no later than 9:00 a.m. (Eastern Standard Time) on the next Business Day following the last previously scheduled or announced Expiration Date, the Company will make a public announcement of the extension or variation and provide or cause to be provided notice of such extension or variation to the TSX and the applicable Canadian securities regulatory authorities. Any notice of extension or variation will be deemed to have been given and be effective on the day on which it is delivered or otherwise communicated to the Depository at its principal office in Calgary, Alberta.

Where the terms of the Offer are varied (other than a variation consisting solely of the waiver of a condition of the Offer), the period during which Shares may be deposited pursuant to the Offer shall not expire before ten (10) Business Days (except for any variation increasing or decreasing the percentage of Shares to be purchased, the consideration provided for under the Offer or fees payable to the Dealer Manager of the Offer or any soliciting dealer, in which case the Offer shall not expire before ten (10) Business Days) after the notice of variation has been given to Shareholders, unless otherwise permitted by applicable law. During any such extension or in the event of any variation, all Shares previously deposited and not taken up or withdrawn will remain subject to the Offer and may be accepted for purchase by the Company in accordance with the terms of the Offer, subject to Section 6 of this Offer to Purchase, "Withdrawal Rights". An extension of the Expiration Date or a variation of the Offer does not constitute a waiver by the Company of its rights in Section 7 of this Offer to Purchase, "Certain Conditions of the Offer".

If the Company makes a material change in the terms of the Offer or the information concerning the Offer, the Company will extend the time during which the Offer is open to the extent required under applicable Canadian securities legislation.

The Company has filed an exemptive relief application with securities regulatory authorities in Canada to permit the Company to extend the Offer, in circumstances in which all of the terms and conditions of the Offer have either been satisfied or waived by the Company, without first taking up Shares which have been deposited (and not withdrawn) before the Offer was previously scheduled to expire. If such regulatory relief is not obtained, the Company will not be permitted to extend the Offer in the event the Offer is undersubscribed on the original Expiration Date and all conditions of the Offer have been satisfied and/or waived by the Company, without first taking up all Shares validly deposited under the Offer and not withdrawn.

The Company also expressly reserves the right, in its sole discretion, (a) to terminate the Offer and not take up and pay for any Shares not theretofore taken up and paid for upon the occurrence of any of the conditions specified in Section 7 of this Offer to Purchase, "Certain Conditions of the Offer", and/or (b) at any time or from time to time, to vary the Offer in any respect, including increasing or decreasing the aggregate purchase price for Shares that the Company may purchase or the range of prices it may pay pursuant to the Offer, subject to compliance with applicable Canadian securities legislation.

Any such extension, delay, termination or variation will be followed as promptly as practicable by a public announcement. Without limiting the manner in which the Company may choose to make any public announcement, except as provided by applicable law, the Company shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release through a widely circulated news wire service.

9. TAKING UP AND PAYMENT FOR DEPOSITED SHARES

Upon the terms and provisions of the Offer and subject to and in accordance with applicable securities laws, the Company will take up and pay for Deposited Shares under the Offer in accordance with the terms thereof as soon as practicable after the Expiration Date, but in any event not later than ten (10) days after the Expiration Date, provided that the conditions of the Offer (as the same may be varied) have been satisfied or waived. Any Shares taken up will be paid for as soon as reasonably practicable, but in any event no later than three (3) Business Days after they are taken up in accordance with applicable Canadian securities laws.

For the purpose of the Offer, the Company will be deemed to have taken up and accepted for payment validly tendered Shares having an aggregate Purchase Price not exceeding \$100,000,000 if, as and when the Company gives written notice or other communication confirmed in writing to the Depositary to that effect.

The Company reserves the right, in its sole discretion, to delay taking up or paying for any Shares or to terminate the Offer and not take up or pay for any Shares upon the occurrence of any of the conditions specified in Section 7 of this Offer to Purchase by giving written notice thereof or other communication confirmed in writing to the Depositary. The Company also reserves the right, in its sole discretion and notwithstanding any other condition of the Offer, to delay taking up and paying for Shares in order to comply, in whole or in part, with any applicable law and regulatory relief sought by the Company, as described above.

In the event of proration of Shares deposited pursuant to the Auction Tenders and Purchase Price Tenders, the Company will determine the proration factor and pay for those Deposited Shares accepted for payment as soon as practicable after the Expiration Date. However, the Company does not expect to be able to announce the final results of any such proration until approximately three (3) Business Days after the Expiration Date.

Certificates, if applicable, representing all Shares not purchased under the Offer (including Shares not purchased because of proration, invalid tender, or Shares deposited pursuant to Auction Tenders at Auction Prices in excess of the Purchase Price), or Shares properly withdrawn before the Expiration Date, will be returned (in the case of certificates representing Shares all of which are not purchased) or replaced with a DRS advice representing the balance of Shares not purchased (in the case of certificates representing Shares of which less than all are purchased), promptly after the Expiration Date or termination of the Offer or the date of withdrawal of the Shares, without expense to the Shareholder. In the case of Shares tendered through book-entry transfer pursuant to DRS advices, such Shares will be credited to the appropriate account, without expense to the Shareholder.

The Company will pay for Shares taken up under the Offer by providing the Depositary with sufficient funds (by bank transfer or other means satisfactory to the Depositary) for transmittal to depositing Shareholders. **Under no circumstances will interest accrue or be paid by the Company or the Depositary on the Purchase Price of the Shares purchased by the Company, regardless of any delay in making such payment or otherwise.**

Depositing Shareholders will not be obligated to pay brokerage fees or commissions to the Company or the Depositary. However, Shareholders are cautioned to consult with their own brokers or other intermediaries to determine whether any fees or commissions are payable to their brokers or other intermediaries in connection with a deposit of Shares pursuant to the Offer. Advantage will pay all fees and expenses of the Dealer Manager (in its capacity as such) and the Depositary in connection with the Offer.

The Depositary will act as agent of Persons who have properly deposited Shares under the Offer and have not properly withdrawn them, for the purposes of receiving payment from the Company and transmitting payment to such Persons. Receipt by the Depositary from Advantage of payment for such Shares will be deemed to constitute receipt of payment by Persons depositing Shares.

The settlement with each Shareholder who has deposited Shares under the Offer will be effected by the Depository by forwarding a cheque, representing the cash payment (subject to applicable withholding taxes, if any) for such Shareholder's Shares taken up under the Offer. The cheque will be issued in the name of the Person as specified by properly completing the appropriate box in the Letter of Transmittal. Unless the depositing Shareholder instructs the Depository to hold the cheque for pick-up by checking the appropriate box in the Letter of Transmittal, the cheque will be forwarded by first class mail, postage prepaid, to the payee at the address specified in the Letter of Transmittal. If no such address is specified, the cheque will be sent to the address of the depositing Shareholder as it appears in the registers maintained in respect of the Shares. Cheques mailed in accordance with this paragraph will be deemed to have been delivered at the time of mailing. Alternatively, a Shareholder may request that the payment for such Shareholder's Shares taken up under the Offer be paid by wire payment by properly completing the appropriate box in the Letter of Transmittal. Wire payments will be made net of applicable banking fees. All payments will be made net of any applicable withholding taxes.

All Shares purchased by the Company pursuant to the Offer will be cancelled.

The Purchase Price will be payable in Canadian dollars.

10. PAYMENT IN THE EVENT OF MAIL SERVICE INTERRUPTION

Notwithstanding the provisions of the Offer, cheques in payment for Shares purchased under the Offer and certificates or DRS advices for any Shares to be returned will not be mailed if the Company determines that delivery by mail may be delayed. Persons entitled to cheques or certificates or DRS advices that are not mailed for this reason may take delivery at the office of the Depository at which the deposited certificates or DRS advices for the Shares were delivered until the Company has determined that delivery by mail will no longer be delayed. Advantage will provide notice, in accordance with Section 12 of this Offer to Purchase, of any determination not to mail under this Section 10 as soon as reasonably practicable after such determination is made.

11. LIENS AND DIVIDENDS

Shares acquired pursuant to the Offer shall be acquired by the Company free and clear of all liens, charges, encumbrances, security interests, claims, restrictions and equities whatsoever, together with all rights and benefits arising therefrom, provided that any dividends or distributions that may be paid, issued, distributed, made or transferred on or in respect of such Shares to Shareholders of record on or prior to the date upon which the Shares are taken up and paid for under the Offer shall be for the account of such Shareholders. Each Shareholder of record on that date will be entitled to receive that dividend or distribution whether or not such Shareholder deposits Shares pursuant to the Offer.

12. NOTICE

Without limiting any other lawful means of giving notice, any notice to be given by the Company or the Depository under the Offer will be deemed to have been properly given if it is mailed by first-class mail, postage prepaid, to the registered Shareholders at their respective addresses as shown on the share registers maintained in respect of the Shares and will be deemed to have been received on the first Business Day following the date of mailing. These provisions apply despite (i) any accidental omission to give notice to any one or more Shareholders, and (ii) an interruption of mail service following mailing. In the event of an interruption of mail service following mailing, the Company will use reasonable efforts to disseminate the notice by other means, such as publication. If post offices are not open for deposit of mail, or there is reason to believe there is or could be a disruption in all or any part of the postal service, any notice which the Company or the Depository may give or cause to be given under the Offer will be deemed to have been properly given and to have been received by Shareholders if it is issued by way of a news release and if it is published once in *The Globe and Mail* or the National Post and in a French language daily newspaper of general circulation in the Province of Québec.

13. OTHER TERMS

No broker, dealer or other Person has been authorized to give any information or to make any representation on behalf of the Company other than as contained in the Offer, and, if any such information or representation is given or made, it must not be relied upon as having been authorized by the Company.

It is a term of the Offer that for the purposes of subsection 191(4) of the Tax Act, the "specified amount" in respect of each Share shall be an amount equal to the closing trading price for the Shares on the TSX on the Expiration Date. The Company will publicly announce the specified amount when the Company announces the Purchase Price as promptly as practicable following the Expiration Date.

Shareholders should carefully consider the income tax consequences of accepting the Offer. See Section 13 of the Circular, "Income Tax Considerations".

The Offer and all contracts resulting from the acceptance thereof shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

The Company, in its sole discretion, shall be entitled to make a final and binding determination of all questions relating to the interpretation of the Offer, the validity of any acceptance of the Offer and the validity of any withdrawals of Shares. The Offer is not being made to, and deposits of Shares will not be accepted from or on behalf of, Shareholders residing in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction. Advantage may, in its sole discretion, take such action as it may deem necessary to make the Offer in any such jurisdiction and extend the Offer to Shareholders in any such jurisdiction.

Neither Advantage nor its Board of Directors, in making the decision to present the Offer to Shareholders, makes any recommendation to any Shareholder as to whether to tender or refrain from depositing Shares. Advantage urges Shareholders to consult their own financial, legal, investment and tax advisors and make their own decision whether to deposit Shares to the Offer and, if so, how many Shares to deposit, and at what price or prices.

The accompanying Circular, together with this Offer to Purchase, constitutes the issuer bid circular required under Canadian provincial securities legislation applicable to Advantage with respect to the Offer.

The accompanying Circular contains additional information relating to the Offer.

DATED this 10th day of November, 2022
at Calgary, Alberta.

Advantage Energy Ltd.

(signed) "Michael Belenkie"

Michael Belenkie
President, Chief Executive Officer and a Director

ISSUER BID CIRCULAR

This Circular is being furnished in connection with the Offer by Advantage to purchase for cancellation a number of Shares for an aggregate purchase price not exceeding \$100,000,000 at a Purchase Price of not less than \$11.20 per Share and not more than \$12.90 per Share. Terms defined in the Offer to Purchase and not otherwise defined herein have the same meaning in this Circular. The terms and conditions of the Offer to Purchase, Letter of Transmittal and the Notice of Guaranteed Delivery are incorporated into and form part of this Circular. Reference is made to the Offer to Purchase for details of its terms and conditions.

1. ADVANTAGE ENERGY LTD.

Advantage was formed pursuant to the amalgamation of Advantage Oil & Gas Ltd., 1335703 Alberta Ltd., SET Resources Inc. and Sound ExchangeCo Ltd. under the ABCA on September 5, 2007. On July 9, 2009, the articles of the Company were amended to change the number of issued and outstanding Shares to equal the number of trust units of Advantage Energy Income Fund (the "Trust") outstanding immediately prior to the plan of arrangement pursuant to Section 193 of the ABCA, which closed on July 9, 2009 and pursuant to which, among other things, the Trust was dissolved and the Company became Advantage Oil & Gas Ltd. On May 18, 2021, the Company amended its articles to change its name from Advantage Oil & Gas Ltd. to Advantage Energy Ltd. The head office of Advantage is located at Suite 2200, 440 – 2nd Avenue S.W., Calgary, AB, T2P 5E9.

Advantage is engaged in the business of natural gas, crude oil and NGLs exploitation, development, acquisition and production in the Province of Alberta. Advantage's current exploitation and development program is focused on its liquids-rich natural gas, crude oil and NGLs Montney resources in the Glacier, Valhalla, Pipestone/Wembley and Progress areas of Alberta. Although Advantage has a significant capital development program, it also actively evaluates growth opportunities through crude oil and natural gas asset acquisitions, as well as through corporate acquisitions. Advantage targets acquisitions that support and augment its Montney development and long-term strategy. In 2021, the Company announced the creation of Entropy, a private cleantech company focused on commercializing energy-transition technologies including carbon capture and storage.

Advantage is subject to the information and reporting requirements of Canadian provincial securities laws and the rules of the TSX, and in accordance therewith files periodic reports and other information with securities regulatory authorities in Canada and the TSX relating to its business, financial condition and other matters. Shareholders may access such documents on SEDAR's website at www.sedar.com.

2. AUTHORIZED CAPITAL

The Company's authorized share capital consists of an unlimited number of Shares, non-voting shares, preferred shares and exchangeable shares. As at November 7, 2022, 181,114,976 Shares were issued and outstanding and there were no non-voting shares, preferred shares or exchangeable shares issued and outstanding.

3. PURPOSE AND EFFECT OF THE OFFER

The Board of Directors believes that the purchase of Shares by the Company is in the best interests of the Company and its Shareholders.

The Offer will allow the Company to return up to an additional \$100,000,000 of capital to Shareholders who elect to tender their Shares while at the same time increasing the proportionate Share ownership of Shareholders who elect not to tender.

As of November 7, 2022, there were 181,114,976 Shares issued and outstanding. Accordingly, the Offer is for approximately 4.93% of the total number of issued and outstanding Shares if the Purchase Price is determined to be \$11.20 (which is the minimum price per Share under the Offer) or approximately 4.28% of the total number of issued and outstanding Shares if the Purchase Price is determined to be \$12.90 (which is the maximum price per Share under the Offer). Assuming that the Offer is fully subscribed, the effect of the Offer would be to increase the

proportionate Share ownership of each Shareholder who does not tender any Shares to the Offer by 4.93% if the Purchase Price is determined to be \$11.20 (which is the minimum price per Share under the Offer) or 4.28% if the Purchase Price is determined to be \$12.90 (which is the maximum price per Share under the Offer).

Shares acquired by the Company pursuant to the Offer will be cancelled.

Canadian securities laws prohibit the Company and its affiliates from acquiring or offering to acquire beneficial ownership of any Shares, other than pursuant to the Offer, until at least 20 Business Days after the Expiration Date or termination of the Offer, except, in the case of acquisitions during the period following the Expiration Date, pursuant to certain acquisitions effected in the normal course on a published market or as otherwise permitted by applicable law. Accordingly, the Company has suspended repurchases of any Shares under the NCIB until after expiry or termination of the Offer.

Subject to applicable law, Advantage may in the future purchase additional Shares on the open market, in private transactions, through issuer bids or otherwise. Any such purchases may be on the same terms or on terms that are more or less favourable to Shareholders than the terms of the Offer. Any possible future purchases by the Company will depend on many factors, including the market price of the Shares, the Company's business and financial position, the results of the Offer and general economic and market conditions.

Background to the Offer

Management and the Board of Directors continually evaluate the capital allocation of the Company. Consistent with the Company's balance sheet strength, low capital requirements and strong cash generation, the Company implemented a share repurchase program pursuant to a normal course issuer bid through the facilities of the TSX, in April, 2022. As of November 7, 2022, Advantage had repurchased 12,770,992 Shares pursuant to the NCIB.

At a meeting of the Board of Directors held on October 27, 2022, the Board of Directors reviewed the Company's annual corporate and financing plan. After giving consideration to, among other things, the capital requirements and financial resources of the Company, it was proposed that the Company consider repurchasing certain of its Shares pursuant to a substantial issuer bid. RBC Capital Markets provided advice to the Board of Directors, including with respect to the trading liquidity of the Shares.

At a meeting of the Board of Directors held on November 2, 2022, the Board of Directors reviewed an updated Company annual corporate and financial plan, which highlighted the strong cash generation of the Company and projected free cash flow across a variety of commodity price scenarios. RBC Capital Markets provided advice to the Board of Directors, including with respect to the trading liquidity of the Shares, and potential size of the Offer and price ranges. The Board of Directors, after giving careful consideration to the factors set forth below, unanimously determined that a substantial issuer bid was in the best interests of the Company and its Shareholders and authorized the announcement by the Company of its intention to make a substantial issuer bid, approved the making of such substantial issuer bid (including the terms, conditions and parameters of the Offer) and the delivery of the Circular and Offer to Purchase to Shareholders, subject to the receipt of the Liquidity Opinion, the determination of the specific price range for the Offer and the finalization of the Circular and other documents in respect of the Offer .

Thereafter, pursuant to authority delegated by the Board of Directors, the President and Chief Executive Officer and the Chief Financial Officer of the Company, and Paul Haggis and Norman MacDonald, directors of the Company (collectively, the "**Committee**"), met with RBC Capital Markets to determine the specific price range and remaining final terms of the Offer within the parameters and on the terms established by the Board of Directors, RBC Capital Markets delivered its Liquidity Opinion, and the Committee finalized the Offer to Purchase, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery and authorized delivery of the foregoing materials to the Shareholders.

In evaluating the Offer and determining that it would be in the best interests of the Company, the Board of Directors gave careful consideration to a number of factors, including, without limitation, the following:

- (a) the Offer represented an opportunity for the Company to return up to \$100,000,000 of capital to Shareholders who elect to tender, while increasing the proportionate Share ownership interest of Shareholders who elect not to tender;
- (b) the deposit of Shares under the Offer is optional, the option is available to all Shareholders, and all Shareholders are free to accept or reject the Offer;
- (c) the positive impact that the purchase of Shares would have on the Company's earnings and cash flow calculated on a per Share basis, as well as on the return on equity on the Shares;
- (d) the repurchase of Shares represents an attractive investment and an appropriate and desirable use of available funds;
- (e) the Company's belief that the Offer is a prudent use of the Company's financial resources given its balance sheet strength, low capital requirements and strong cash generation;
- (f) after giving effect to the Offer, the Company will continue to have sufficient financial resources and working capital to conduct its ongoing business and operations and the Offer is not expected to preclude Advantage from pursuing its foreseeable business opportunities or the future growth of the Company's business;
- (g) the advice of the Company's financial advisor, RBC Capital Markets, in respect of the Offer, including regarding the liquidity of the market for the Shares immediately prior to and after completion of the Offer, and the advice of RBC Capital Markets that it would be in a position to render the Liquidity Opinion upon the Company's determination of the specific price range and remaining final terms of the Offer;
- (h) the fact that it is reasonable to conclude that, following the completion of the Offer in accordance with its terms, there will be a market for Shareholders who do not tender to the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer (see "Liquidity of Market" below);
- (i) the Offer provides Shareholders with an opportunity to realize on all or a portion of their investment in the Company should they desire liquidity in quantities and at prices which may otherwise be unavailable in the market and (i) to determine the price at which they are willing to sell their Shares if such Shares are tendered pursuant to an Auction Tender or (ii) tender their Shares without specifying a price if such Shares are deposited pursuant to a Purchase Price Tender and, in each case, to sell their Shares without incurring brokerage commissions which might otherwise be payable on a sale of their Shares in a transaction on the TSX;
- (j) Shareholders wishing to tender Shares may do so pursuant to Auction Tenders or Purchase Price Tenders or by tendering a portion of Shares pursuant to Auction Tenders and another portion of Shares pursuant to Purchase Price Tenders, unless such Shareholder is tendering Shares as an Odd Lot Holder;
- (k) the Offer provides Shareholders who are considering the sale of all or a portion of their Shares with the opportunity to sell such Shares for cash without the usual transaction costs associated with market sales;
- (l) the Offer is not conditional on any minimum number of Shares being deposited;

- (m) Shareholders who do not deposit their Shares under the Offer will realize an increase in their proportionate Share ownership in the Company to the extent that Shares are purchased by the Company pursuant to the Offer; and
- (n) the Offer provides for equal and hence fair treatment of all Shareholders.

The foregoing summary of the factors considered by the Board of Directors is not, and is not intended to be, exhaustive. In view of the variety of factors and the amount of information considered in connection with its determination to proceed with the Offer and the Board of Directors did not find it practical to, and did not, quantify or otherwise attempt to assign any relative weight to each specific factor considered in reaching its conclusion.

Notwithstanding the foregoing considerations, before making an investment decision to accept or reject the Offer, Shareholders should consider and read carefully the risk factors contained in the Company's disclosure documents and any reports, statements or other information that the Company files with the securities regulatory authorities in each of the provinces of Canada, copies of which can be accessed under the Company's issuer profile on SEDAR, including the risks described under "Risk Factors" in the Company's annual information form for the year-ended December 31, 2021. If any of the risks and uncertainties described in such documents actually occurs, the Company's business, business prospects, financial condition, results of operations or cash flows could be adversely affected.

None of Advantage or its Board of Directors, the Dealer Manager or the Depositary makes any recommendation to any Shareholder as to whether to deposit or refrain from depositing Shares under the Offer. Shareholders are urged to evaluate carefully all information in the Offer, consult their own financial, legal, investment and tax advisors and make their own decisions whether to deposit Shares under the Offer, how many Shares to deposit and whether to specify a price and, if so, at what price to deposit such Shares. See Section 13 of the Circular, "Income Tax Considerations".

Liquidity of Market

As at November 7, 2022, there were 181,114,976 Shares issued and outstanding, of which 176,911,154 Shares comprise the public float, which excludes Shares beneficially owned, or over which control or direction is exercised, by "related parties" (as defined under Canadian securities laws) of the Company (which includes directors and senior officers of the Company and any of its subsidiaries as well as any Person that beneficially owns or exercises control or direction, directly or indirectly, over 10% or more of the issued and outstanding Shares) and Shares that are not "freely tradeable" (each as defined in MI 61-101) (the "**Public float**").

The maximum number of Shares that the Company is offering to purchase pursuant to the Offer, if the Purchase Price is determined to be \$11.20 (being the minimum price per Share under the Offer), represents approximately 4.93% of the issued and outstanding Shares as at November 7, 2022. If the Company purchases such maximum number of Shares, there will be approximately 172,186,405 Shares issued and outstanding following completion of the Offer. If the Company purchases such maximum number of Shares and none of the related parties deposit their Shares pursuant to the Offer, the Public float will comprise approximately 167,982,583 Shares.

The minimum number of Shares that the Company is offering to purchase pursuant to the Offer, assuming the Offer is fully subscribed, if the Purchase Price is determined to be \$12.90 (being the maximum price per Share under the Offer), represents approximately 4.28% of the issued and outstanding Shares as at November 7, 2022. If the Company purchases such minimum number of Shares, there will be approximately 173,363,039 Shares issued and outstanding following completion of the Offer. If the Company purchases such minimum number of Shares and none of the related parties deposit their Shares pursuant to the Offer, the Public float will comprise approximately 169,159,217 Shares.

Advantage is relying on the "liquid market exemption" specified in MI 61-101 from the requirement to obtain a formal valuation applicable to the Offer. Accordingly, the valuation requirements of securities regulatory authorities in Canada applicable to issuer bids generally are not applicable in connection with the Offer.

Advantage has determined that there is a "liquid market" (as defined in MI 61-101) in the Shares as of the date of making the Offer because:

- (a) there is a published market for the Shares (the TSX);
- (b) during the 12 months before November 7, 2022 (the last full trading day prior to the date the Offer was publicly announced):
 - i. the number of issued and outstanding Shares was at all times at least 5,000,000 (excluding Shares beneficially owned, or over which control and direction was exercised, by related parties and securities that were not freely tradeable);
 - ii. the aggregate trading volume of Shares on the TSX (the exchange on which the Shares were principally traded) was at least 1,000,000 Shares;
 - iii. there were at least 1,000 trades in the Shares on the TSX; and
 - iv. the aggregate value of the trades in the Shares on the TSX was at least \$15,000,000;
- (c) the market value of the Shares on the TSX, as determined in accordance with MI 61-101, was at least \$75,000,000 for October 2022 (the calendar month preceding the calendar month in which the Offer was announced).

Advantage has also obtained, on a voluntary basis, the Liquidity Opinion of RBC Capital Markets to the effect that, subject to the qualifications, assumptions and restrictions set out therein, a liquid market for the Shares existed as of November 7, 2022, and that it is reasonable to conclude, following the completion of the Offer, there will be a market for holders of Shares who do not tender to the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer. A copy of the Liquidity Opinion of RBC Capital Markets is attached hereto as Schedule A and Shareholders are encouraged to read it in its entirety. The Liquidity Opinion is not a recommendation to any Shareholder as to whether to deposit or refrain from depositing Shares.

Based on the liquid market test set out above and the Liquidity Opinion of RBC Capital Markets, the Company determined that it is reasonable to conclude that, following the completion of the Offer, there will be a market for holders of Shares who do not tender to the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer.

Accordingly, the valuation requirements of securities regulatory authorities in Canada applicable to issuer bids generally are not applicable in connection with the Offer.

For further information, see the tables and information included in Section 4 of the Circular, "Price Range of Shares", Section 5 of the Circular, "Dividend Policy", and Section 6 of the Circular, "Previous Purchases of Shares".

Additional Securities Law Considerations

Advantage is a reporting issuer (or the equivalent thereof) in each of the provinces of Canada, and the Shares are listed on the TSX. Advantage believes that the purchase of Shares pursuant to the Offer will not result in: (i) Advantage ceasing to be a reporting issuer in any jurisdiction in Canada, or (ii) the Shares being delisted from the TSX.

4. PRICE RANGE OF SHARES

The Shares are listed on the TSX under the symbol "AAV". The following tables set forth the reported high and low prices per Share and total trading volume of Shares as reported by the TSX for the periods indicated:

TSX			
Month	High (\$)	Low (\$)	Volume Traded (#)
2022			
November 1 – November 7	12.19	10.33	4,205,840
October	10.97	9.45	11,342,396
September	11.52	9.24	17,248,912
August	12.18	10.25	18,274,529
July	11.12	7.27	18,299,970
June	12.00	7.54	22,843,201
May	11.75	9.51	17,377,084
April	11.34	8.68	27,772,415
March	9.04	6.54	24,595,118
February	7.42	5.98	24,077,449
January	7.94	6.29	15,686,020
2021			
December	7.44	6.00	29,715,612
November	8.37	6.84	18,232,549

On November 2, 2022, the last full trading day prior to the date of announcement of the Company's intention to make the Offer, the closing price of the Shares on the TSX was \$10.73 per Share. On November 7, 2022, the last full trading day prior to the announcement by Advantage of the price range being offered under the Offer, the closing price of the Shares on the TSX was \$11.87 per Share.

Shareholders are urged to obtain current market quotations for the Shares.

5. DIVIDEND POLICY

Neither the Company nor any of its subsidiaries paid any dividends during the years ended December 31, 2021, 2020, and 2019 or to date in the year-ended December 31, 2022 and does not anticipate paying dividends in the immediate future. The amount of future cash dividends, if any, is not assured and will be subject to the discretion of the Board of Directors and the board of directors of Advantage's subsidiaries, as applicable, and may vary depending on a variety of factors, including fluctuations in commodity prices, production levels, capital expenditure requirements, debt service requirements, operating costs, royalty burdens, foreign exchange rates, contractual restrictions (including under the Company's Credit Facilities), financing agreement covenants, solvency tests imposed by corporate law and other factors that the Board of Directors and the board of directors of Advantage's subsidiaries, as applicable, may deem relevant.

6. PREVIOUS PURCHASES OF SHARES

Except for the purchase of Shares pursuant to the Company's NCIB described below, no securities of the Company have been purchased by the Company during the 12 months preceding the date of the Offer.

In April, 2022 the Company announced that it had received approval from the TSX to commence the NCIB, under which the Company would purchase and cancel up to 18,704,019 Shares over a 12-month period starting April 13, 2022 and terminating no later than April 12, 2023. The NCIB was commenced in connection with the Advantage's view that the Shares were trading in a price range which did not adequately reflect their value in relation to the Company's current operations and growth prospects, and that, at such times, the purchase of Shares for cancellation would increase the proportionate interest of, and be advantageous to, all Shareholders.

From April 13, 2022 to October 3, 2022, being the day on which the last Shares were purchased under the NCIB prior to the date of announcement of the Company's intention to make the Offer, the Company purchased for cancellation an aggregate of 12,770,992 Shares for a total consideration of approximately \$134,783,000. All such purchases were completed through the facilities of the TSX and other applicable marketplaces in Canada pursuant to the NCIB. The purchases under the NCIB were completed at the prevailing market price at the time of each purchase and ranged from a daily average price per Share of \$8.59 to \$11.93, with a weighted average price per Share of \$10.55.

Canadian securities laws prohibit the Company and its affiliates from acquiring or offering to acquire beneficial ownership of any Shares, other than pursuant to the Offer, until at least 20 Business Days after the Expiration Date or termination of the Offer, except, in the case of acquisitions during the period following the Expiration Date, pursuant to certain acquisitions effected in the normal course on a published market or as otherwise permitted by applicable law. Accordingly, the Company has suspended repurchases of any Shares under the NCIB until after expiry or termination of the Offer.

7. PREVIOUS SALES OF SECURITIES

Except as described under "Previous Distributions of Shares" below, during the 12 months preceding the date of the Offer, no securities of Advantage were sold by the Company.

8. PREVIOUS DISTRIBUTIONS OF SHARES

The following table sets out the number of Shares that were issued by the Company on an annual basis for the five years preceding the date of the Offer upon the vesting and/or exercise of stock options ("**Options**") and restricted and performance share awards ("**Incentive Awards**"), in each case, which were granted under Advantage's long-term incentive programs:

Year of Distribution	Shares Issued on Exercise/Settlement (#)	Average Price per Issued Share (\$)	Aggregate Value (\$)
2022 (through November 10)	3,056,992	10.17	31,089,609
2021	2,716,179	2.93	7,958,404
2020	1,201,949	1.77	2,127,450
2019	968,707	2.18	2,111,781
2018	239,791	4.09	980,745
2017	1,308,853	8.58	11,227,394

During the 12 months preceding the date of this Offer, Advantage granted an aggregate of 716,668 PSAs and 47,948 DSUs to directors, officers, employees and other service providers of Advantage, as applicable. No Options were granted during the 12 months preceding the date of this Offer. During the five years preceding the date of this Offer, Advantage granted an aggregate of nil Options, 7,448,819 PSAs and 609,811 DSUs to participants under its long-term incentive programs.

9. INTEREST OF DIRECTORS AND OFFICERS

Interest of Directors and Officers

Except as set forth in the Offer, neither the Company nor, to its knowledge, any of its officers or directors, are a party to any contract, arrangement or understanding, formal or informal, with any Shareholder relating, directly or indirectly, to the Offer or with any other Person or company with respect to any securities in relation to the Offer, nor are there any contracts or arrangements made or proposed to be made between the Company and any of its directors or officers and no payments or other benefits are proposed to be made or given by way of compensation for loss of office or as to such directors or officers remaining in or retiring from office if the Offer is successful.

Except as set forth in the Offer, neither the Company nor, to its knowledge, any of its officers or directors have current plans or proposals which relate to, or would result in, any extraordinary corporate transaction involving the Company, such as a "going private transaction", a merger, a reorganization, the sale or transfer of a material amount of the Company's assets or the assets of any of the Company's subsidiaries (although Advantage from time to time may consider various acquisition or divestiture opportunities), any material change in the Company's present Board of Directors or management, any material change in the Company's indebtedness or capitalization, any other material change in its business or corporate structure, any material change in its Articles, or actions that could cause the Shares to be delisted from the TSX or any actions similar to any of the foregoing.

Ownership of Advantage's Securities

To the knowledge of the Company, after reasonable inquiry, the following tables indicate, as at November 1, 2022, the number of securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised, by each director and officer of the Company, and, after reasonable inquiry, each insider of the Company (other than directors and officers) and their respective associates and affiliates, and each Person acting jointly or in concert with the Company in connection with the Offer.

Name	Relationship with the Company	Shares		DSUs		PSAs	
		Number of Shares	% of Outstanding Shares	Number of DSUs	% of Outstanding DSUs	Number of PSAs	% of Outstanding PSAs
Michael Belenkie	President, Chief Executive Officer and Director	530,285	0.3%	-	-	681,538	17%
Craig Blackwood	Chief Financial Officer	837,190	0.5%	-	-	406,990	10%
Neil Bokenfohr	Senior Vice President	1,230,936	0.7%	-	-	474,846	12%
David Stema	Vice President, Marketing and Commercial	280,246	0.2%	-	-	274,007	7%
John Quaife	Vice President, Finance	236,634	0.1%	-	-	192,466	5%
Darren Tisdale	Vice President, Geosciences	80,627	0%	-	-	118,417	3%
Geoff Keyser	Vice President, Corporate Development	21,548	0%	-	-	84,571	2%
Jill T. Angevine	Director	36,000	0%	127,778	19%	-	-
Stephen E. Balog	Director	65,957	0%	138,451	20%	-	-

Name	Relationship with the Company	Shares		DSUs		PSAs	
		Number of Shares	% of Outstanding Shares	Number of DSUs	% of Outstanding DSUs	Number of PSAs	% of Outstanding PSAs
Deirdre M. Choate	Director	52,000	0%	6,527	1%	-	-
Donald M. Clague	Director	80,000	0%	39,722	6%	-	-
Paul G. Haggis	Director	50,835	0%	151,422	22%	-	-
Norman W. MacDonald	Director	100,000	0.1%	10,238	2%	-	-
Andy J. Mah	Director	601,564	0.3%	2,819	0%	678,559	17%
Janine McArdle	Director	-	-	-	-	-	-

As of November 1, 2022, the directors and officers of the Company set forth above, as a group, beneficially owned or exercised control or direction over an aggregate of 4,203,822 Shares, representing approximately 2.3% of the outstanding Shares.

10. ARRANGEMENTS CONCERNING SHARES

Acceptance of the Offer

To the knowledge of the Company, after reasonable inquiry, none of the people named under Section 9 of this Circular "Interest of Directors and Officers – Ownership of Advantage's Securities", will be depositing any Shares pursuant to the Offer.

The intention of the directors and officers of the Company and their respective associates or affiliates as described above may change or, subject to compliance with applicable laws, Shares may be sold on the TSX during the period of the Offer depending on the change in circumstance of such parties.

Commitments to Acquire Shares

Advantage has no agreements, commitments or understandings to purchase Shares other than pursuant to the Offer and the NCIB. To the knowledge of the Company, after reasonable inquiry, no Person or company referred to in this Circular under Section 9 of the Circular "Interest of Directors and Officers – Ownership of Advantage's Securities" has any agreement, commitment or understanding to acquire securities of the Company, provided that directors and officers of the Company may acquire Shares pursuant to the terms of outstanding PSAs. See Section 8 of the Circular, "Previous Distributions of Shares".

For information regarding the Company's restricted and performance award incentive plan, please see the most recent management information circular of the Company, which has been filed and is available under the Company's profile on SEDAR at www.sedar.com.

Benefits from the Offer

Except as described or referred to in the Offer, no Person or company named under Section 9 of the Circular "Interest of Directors and Officers – Ownership of Advantage's Securities" will receive any direct or indirect benefit from accepting or refusing to accept the Offer other than the Purchase Price received for any Shares purchased by the Company in accordance with the terms of the Offer and any benefit available to any Shareholder who does or does not participate in the Offer. See Section 3 of the Circular, "Purpose and Effect of the Offer".

Contracts, Arrangements or Understandings with Shareholders

There are no contracts, arrangements or understandings, formal or informal, made or proposed to be made between the Company and any holder of any securities of the Company in relation to the Offer.

11. MATERIAL CHANGES IN THE AFFAIRS OF THE COMPANY

Except as described or referred to in the Offer or as otherwise publicly disclosed, the Company is not aware of any plans or proposals for material changes in the affairs of the Company, or of any undisclosed material changes, that have occurred since October 27, 2022, the date on which the Company's most recent interim financial report was filed by the Company with the Canadian securities regulatory authorities, which may be accessed on SEDAR's website at www.sedar.com.

12. PRIOR VALUATIONS AND BONA FIDE OFFERS

The Company is relying on the "liquid market exemption" specified in MI 61-101. Accordingly, the valuation requirements of securities regulatory authorities in Canada applicable to issuer bids generally are not applicable in connection with the Offer.

To the knowledge of the directors and officers of the Company, after reasonable inquiry, no "prior valuation" (as defined in MI 61-101) in respect of the Company has been made in the 24 months before the date hereof. No bona fide prior offer that relates to the Shares or is otherwise relevant to the Offer has been received by the Company during the 24 months preceding the date of the Offer.

13. INCOME TAX CONSIDERATIONS

Certain Canadian Federal Income Tax Considerations

The following summary fairly describes certain of the principal Canadian federal income tax considerations pursuant to the Tax Act generally applicable, as at the date hereof, to a disposition of Shares pursuant to the Offer.

This summary is based on the current provisions of the Tax Act, the regulations thereunder, the Proposed Amendments and the Company's understanding of the current administrative policies and assessing practices of the CRA published in writing prior to the date hereof. This summary assumes that the Proposed Amendments will be enacted in the form currently proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policies or assessing practices, whether by judicial, governmental, legislative or administrative decision or action, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is not applicable to a Shareholder: (i) that is a "financial institution", (ii) that is a "specified financial institution", (iii) an interest in which is a "tax shelter investment", (iv) that reports its "Canadian tax results" in a currency other than Canadian dollars, (v) that has entered into a "derivative forward agreement" or a "dividend rental arrangement" in respect of the Shares, (vi) that is a partnership or a trust, as each of those terms is defined in or used for the purposes of the Tax Act. **This summary does not contain all tax considerations applicable to a Shareholder who acquired some or all of such Shareholder's Shares pursuant to the exercise of an Option or Incentive Award (or any other share-based employee compensation arrangement or plan). Such Shareholders should consult their own tax advisors regarding their particular circumstances.**

This summary is of a general nature only and is not exhaustive of all possible tax considerations. This summary is not, and should not be construed as, legal or tax advice to any particular Shareholder and no representations with respect to any tax consequences to any particular Shareholder are made. Accordingly, Shareholders are urged to consult their own tax advisors with respect to their particular circumstances.

Having regard to the deemed dividend tax treatment (including Canadian withholding tax for non-residents of Canada) described below on a disposition of Shares pursuant to the Offer as opposed to capital gains (or capital loss) treatment which would generally apply to a disposition to a buyer other than Advantage, Shareholders who wish to dispose of their Shares should consult their tax advisors regarding the disposition of their Shares in the market (to someone other than Advantage) as opposed to disposing of their Shares pursuant to the Offer, in order that capital gains (or capital loss) treatment apply on the disposition of their Shares.

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition or deemed disposition of Shares must be expressed in Canadian dollars. This summary assumes that at all relevant times the Shares are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the TSX).

Residents of Canada

This portion of the summary is applicable to a Shareholder who, at all relevant times for the purposes of the Tax Act: (i) is or is deemed to be a resident of Canada, (ii) holds his, her or its Shares as capital property, (iii) deals at arm's length with Advantage and is not affiliated with Advantage, and (iii) is not exempt from tax under Part I of the Tax Act (a "**Resident Shareholder**"). Generally, Shares will be considered to be capital property to a Resident Shareholder provided that the Resident Shareholder does not hold the Shares in the course of carrying on a business and has not acquired the Shares in one or more transactions considered to be an adventure or concern in the nature of trade. A Resident Shareholder whose Shares might not otherwise qualify as capital property may, in certain circumstances, make an irrevocable election under subsection 39(4) of the Tax Act to have the Shares and every other "Canadian security", as defined in the Tax Act, owned by such Resident Shareholder in the taxation year of the election and in all subsequent taxation years deemed to be capital property. Resident Shareholders are advised to consult their own tax advisors to determine if this election is appropriate in their particular circumstances.

Deemed Dividend

A Resident Shareholder who disposes of Shares to Advantage pursuant to the Offer will be deemed to receive a taxable dividend equal to the excess of the amount paid by Advantage for the Shares, being the Purchase Price, over the paid-up capital of the Shares for purposes of the Tax Act. Advantage estimates that on the Expiration Date the paid-up capital per Share should not exceed \$2.64 for purposes of the Tax Act. As a result, Advantage expects that a Resident Shareholder who disposes of Shares under the Offer will be deemed to receive a taxable dividend. The exact quantum of the deemed dividend cannot be guaranteed.

Any dividend deemed to be received by a Resident Shareholder who is an individual will be subject to gross-up and dividend tax credit rules applicable to taxable dividends received by Canadian resident individuals from a taxable Canadian corporation, including the enhanced gross-up and dividend tax credit with respect to eligible dividend, if applicable. There may be limitations on the ability of a corporation to designate dividends as eligible dividends. Advantage intends to designate the maximum amount, as permitted without creating taxes for Advantage under the Tax Act, of the deemed dividend as an eligible dividend.

Subject to the application of subsection 55(2) of the Tax Act, as described below, any dividend deemed to be received by a Resident Shareholder that is a corporation will be included in computing such Resident Shareholder's income as a dividend, and will ordinarily be deductible in computing its taxable income subject also to all other limitations under the Tax Act. To the extent that such a deduction is available, private corporations (as defined in the Tax Act) and certain other corporations may be liable to pay refundable tax under Part IV of the Tax Act at a rate of 38^{1/3}% of the amount of the deemed dividend. This additional tax may be refundable in certain circumstances.

Under subsection 55(2) of the Tax Act, a Resident Shareholder that is a corporation may be required to treat all or a portion of any deemed dividend that is deductible in computing taxable income as proceeds of disposition of capital property and not as a dividend where the Resident Shareholder would have realized a capital gain if it disposed of any Share at fair market value immediately before the disposition of Shares to Advantage, the disposition to Advantage resulted in a significant reduction in such capital gain and the dividend exceeds the "safe income" in respect of the particular Share that could reasonably be considered to contribute to such capital gain. Subsection 55(2) of the Tax Act does not apply to the portion of the taxable dividend subject to tax under Part IV of the Tax Act that is not

refunded under the circumstances specified in subsection 55(2) of the Tax Act. The application of subsection 55(2) of the Tax Act involves a number of factual considerations that will differ for each Resident Shareholder and a Resident Shareholder to whom it may be relevant is urged to consult its own tax advisors concerning its application having regard to its particular circumstances.

Capital Gain (Loss)

The amount paid by Advantage under the Offer for the Shares less any amount deemed to be received by the Resident Shareholder as a dividend (after the application of subsection 55(2) of the Tax Act, if applicable, in the case of a corporate Resident Shareholder) will be treated as proceeds of disposition of the Shares. The Resident Shareholder will realize a capital gain (or capital loss) on the disposition of the Shares equal to the amount by which the Resident Shareholder's proceeds of disposition, net of any costs of disposition, exceed (or are less than) the adjusted cost base to the Resident Shareholder of the Shares sold to Advantage pursuant to the Offer.

Generally, a Resident Shareholder will be required to include in computing its income for a taxation year one-half of any capital gain (a "**taxable capital gain**") realized by it in that year. A Resident Shareholder must generally deduct one-half of the amount of any capital loss realized in a taxation year from taxable capital gains realized by the Resident Shareholder in that year, and any excess may generally be applied to reduce taxable capital gains realized by the Resident Shareholder in the three preceding taxation years or in any subsequent taxation year to the extent and under the circumstances specified in the Tax Act.

The amount of a capital loss realized on the disposition of a Share by a Resident Shareholder that is a corporation should, to the extent and under the circumstances specified in the Tax Act, be reduced by the amount of dividends received or deemed to be received on the Shares (including any dividends deemed to be received as a result of the disposition of Shares to Advantage under the Offer). Resident Shareholders who may be affected by these rules are urged to consult with their own tax advisors in this regard.

A Resident Shareholder who is an individual (other than a trust) and has realized a capital loss on the disposition of Shares pursuant to the Offer could have all or a portion of that loss denied under the "superficial loss" rules set out in the Tax Act. In general, these rules apply where such Resident Shareholder or a Person affiliated with such Resident Shareholder has acquired Shares in the period beginning 30 days before the disposition of Shares pursuant to the Offer and ending 30 days after the disposition of Shares pursuant to the Offer, and such acquired Shares are owned by such Resident Shareholder or by a Person affiliated with such Resident Shareholder at the end of such period. Resident Shareholders are urged to consult their own tax advisors with respect to the "superficial loss" rules.

A Resident Shareholder that is a corporation and has realized a capital loss on the disposition of Shares pursuant to the Offer could have all or a portion of that loss denied under the "stop-loss" rules set out in the Tax Act. In general, these rules apply where such Resident Shareholder or a Person affiliated with such Resident Shareholder has acquired Shares in the period beginning 30 days before the disposition of Shares pursuant to the Offer and ending 30 days after the disposition of Shares pursuant to the Offer, and such acquired Shares are owned by such Resident Shareholder or by a Person affiliated with such Resident Shareholder at the end of such period. Resident Shareholders are urged to consult their own tax advisors with respect to the "stop-loss" rules.

A Resident Shareholder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) throughout the year, or, pursuant to Proposed Amendments, a "substantive CCPC", may be liable to pay an additional tax on its "aggregate investment income" for the year, which is defined to include an amount in respect of taxable capital gains. This additional tax may be refundable in certain circumstances.

A Resident Shareholder who is an individual, who realizes a capital gain or who is deemed to receive a dividend on the disposition of Shares pursuant to the Offer may be subject to alternative minimum tax under the Tax Act. Such Resident Shareholders should consult their own tax advisors with respect to the alternative minimum tax rules set out in the Tax Act.

Non-Residents of Canada

This portion of the summary is applicable to a Shareholder who, at all relevant times for purposes of the Tax Act: (i) is not resident or deemed to be resident in Canada; (ii) does not use or hold, and is not deemed to use or hold, his, her or its Shares in connection with carrying on a business in Canada; (iii) deals at arm's length with Advantage and is not affiliated with Advantage; (iv) is not an insurer that carries on an insurance business in Canada and elsewhere; and (v) has not, either alone or in combination with persons with whom the Shareholder does not deal at arm's length and partnerships in which the Shareholder or any such non-arm's length persons hold a membership interest directly or indirectly through one or more partnerships, owned (or had an option to acquire) 25% or more of the issued shares of any class or series of the capital stock of Advantage at any time within a 60-month period preceding the disposition of the Shares under the Offer, and whose Shares are not otherwise deemed to be "taxable Canadian property" (a "**Non-Resident Shareholder**").

Deemed Dividend

A Non-Resident Shareholder who disposes of Shares to Advantage pursuant to the Offer will be deemed to receive a dividend equal to the excess of the amount paid by Advantage for the Shares, being the Purchase Price, over the paid-up capital of the Shares for Canadian income tax purposes. As a result, Advantage expects that Non-Resident Shareholders who disposes of Shares under the Offer will be deemed to receive a dividend. Advantage estimates that on the Expiration Date the paid-up capital per Share should not exceed \$2.64 for purposes of the Tax Act. The exact quantum of the deemed dividend cannot be guaranteed. Any such dividend will be subject to Canadian withholding tax at a rate of 25% or such lower rate as may be provided under the terms of an applicable Canadian tax treaty. For example, a dividend received or deemed to be received by a Non-Resident Shareholder that is a resident of the United States for the purposes of the Canada-United States Income Tax Convention (the "**U.S. Treaty**"), is fully entitled to all the benefits under the U.S. Treaty, and is the beneficial owner of such dividend will generally be subject to withholding tax at a treaty-reduced rate of 15%.

A Non-Resident Shareholder that intends to claim the benefit of a reduced rate of withholding on dividends under an income tax treaty or convention between Canada and such Shareholder's country of residence should complete the Letter of Transmittal and complete a form NR301 "*Declaration of Eligibility for Benefits Under a Tax Treaty for a Non-Resident Taxpayer*" and submit it to the Depository (or, in the case of a Non-Resident Shareholder that is a partnership or hybrid entity, Form NR302 or NR303, as applicable). A Non-Resident Shareholder entitled to the benefits of an income tax treaty or convention may also apply to the CRA for a refund of any excess withholding tax deducted from the deemed dividend and remitted to the CRA by completing CRA form NR7-R "*Application for a Refund of Part XIII Tax Withheld*" no later than 2 years after the end of the year in which the Shares were disposed of pursuant to the Offer. **Non-Resident Shareholders should consult with their tax advisors to determine whether they are eligible for a reduced withholding tax rate on deemed dividends received from the Company under an applicable income tax treaty or convention. No assurances can be given that a Non-Resident Shareholder applying for a refund of any excess withholding tax will receive the refund from the CRA.**

Capital Gain (Loss)

A Non-Resident Shareholder will not be subject to tax under the Tax Act in respect of any capital gain realized or deemed to be realized on the disposition of a Share pursuant to the Offer.

Certain United States Federal Income Tax Considerations to U.S. Shareholders

The following is a general summary of certain material United States federal income tax consequences generally applicable to a beneficial owner of Shares that is a U.S. Shareholder (as defined below) and that properly tenders and sells Shares to the Company pursuant to the Offer. This summary is based on the Code, the Treasury Regulations promulgated thereunder, and judicial and administrative interpretations thereof, all as in effect on the date hereof and all of which are subject to change, possibly with retroactive effect. Changes in these authorities may cause the United States federal income consequences to vary substantially from those described below. The Company has not requested and will not request a ruling from the IRS with respect to any of the United States federal income tax

consequences described below or any part of the Offer. The IRS may disagree with and challenge any of the conclusions reached herein, and a court may sustain such position.

The summary applies only to U.S. Shareholders that hold their Shares as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment) and does not purport to address all aspects of United States federal income taxation that may be relevant to particular U.S. Shareholders in light of their particular circumstances. Specifically, the summary does not address the United States federal income tax consequences to certain types of U.S. Shareholders subject to special treatment under the Code (including, but not limited to, banks and other financial institutions, regulated investment companies, real estate investment trusts, tax-exempt entities, private foundations, charitable remainder trusts, insurance companies, persons holding the Shares as part of a hedging, integrated or conversion transaction, constructive sale, "straddle" or other risk reduction strategy, persons that hold Shares as part of a "wash sale," persons who acquired Shares through the exercise or cancellation of employee stock options or otherwise as compensation for their services, United States expatriates and former citizens or long-term residents of the United States, persons subject to the alternative minimum tax, brokers, dealers or traders in securities or currencies, traders that elect mark-to-market treatment for their securities, investors that are subject to the "applicable financial statement" rules under Section 451(b) of the Code, personal holding companies, "S" corporations, tax-qualified retirement plans, holders whose functional currency is not the United States dollar, and persons that have owned, or are deemed to have owned for United States federal income tax purposes 10% or more of the voting shares of the Company at any time during the five-year period ending on the date on which the Company acquires Shares pursuant to the Offer).

In addition, this summary does not discuss any aspect of United States state and local tax laws or non-United States tax laws that may be applicable to any Shareholder, or any United States federal tax considerations other than United States federal income tax considerations, such as estate and gift tax laws. This summary is applicable to U.S. Shareholders who are residents of the United States for purposes of the U.S. Treaty and who qualify for the full benefits of the U.S. Treaty.

For purposes of this summary, a "**U.S. Shareholder**" is (i) an individual citizen or resident of the United States, as determined for United States federal income tax purposes, (ii) a corporation (or other entity treated as a corporation for United States federal income tax purposes) created or organized under the laws of the United States or any state thereof or the District of Columbia, (iii) an estate, the income of which is subject to United States federal income taxation regardless of its source, or (iv) a trust (A) if a court within the United States is able to exercise primary supervision over its administration and one or more United States persons, as defined under Section 7701(a)(30) of the Code, have authority to control all substantial decisions of the trust or (B) that has a valid election in effect under applicable Treasury Regulations to be treated as a United States person.

The tax treatment of a partner in a partnership, or an owner of another entity treated as a partnership for United States federal income tax purposes, will generally depend on the status of the partner and the activities of the partnership. Partnerships tendering Shares and persons holding beneficial interests in Shares through a partnership are urged to consult their own tax advisors.

THIS SUMMARY IS OF A GENERAL NATURE ONLY. IT IS NOT INTENDED TO CONSTITUTE, AND SHOULD NOT BE CONSTRUED TO CONSTITUTE, LEGAL OR TAX ADVICE TO ANY PARTICULAR U.S. SHAREHOLDER. U.S. SHAREHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE SPECIFIC TAX CONSEQUENCES OF THE OFFER TO THEM IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, INCLUDING TAX RETURN REPORTING REQUIREMENTS, THE APPLICABILITY AND EFFECT OF UNITED STATES FEDERAL, STATE, LOCAL AND ANY NON-UNITED STATES TAX LAWS, AND THE EFFECT OF ANY PROPOSED CHANGES IN APPLICABLE TAX LAWS.

General

A U.S. Shareholder's exchange of Shares for cash pursuant to the Offer generally will be a taxable transaction for United States federal income tax purposes. As discussed below, the United States federal income tax consequences to a U.S. Shareholder may vary depending upon the U.S. Shareholder's particular facts and circumstances. In

particular, whether the exchange is properly treated as a sale or exchange or a distribution will depend on the facts applicable to a U.S. Shareholder's particular situation. Accordingly, U.S. Shareholders are urged to consult their own tax advisors as to the United States federal income tax consequences to them of participating in the Offer.

Treatment as a Sale or Exchange

Under Section 302 of the Code, a transfer of Shares to the Company by a U.S. Shareholder pursuant to the Offer will, as a general rule, be treated as a sale or exchange of the Shares for United States federal income tax purposes only if the receipt of cash pursuant to the Offer (a) is a "substantially disproportionate" redemption with respect to the U.S. Shareholder, (b) results in a "complete redemption" of the U.S. Shareholder's interest in the Company or (c) is "not essentially equivalent to a dividend" with respect to the U.S. Shareholder. These tests (the "**Section 302 Tests**") are explained more fully below.

In determining whether any of the Section 302 Tests is satisfied, a U.S. Shareholder must take into account not only Shares actually owned by the U.S. Shareholder, but also Shares that are constructively owned by the U.S. Shareholder pursuant to Section 318 of the Code. Under Section 318 of the Code, a U.S. Shareholder may constructively own Shares actually owned, and in some cases constructively owned, by certain related individuals and certain entities in which the U.S. Shareholder has an interest or that have an interest in the U.S. Shareholder, as well as any Shares the U.S. Shareholder has a right to acquire by exercise of an option or a warrant, or by the conversion or exchange of a security.

One of the following Section 302 Tests must be satisfied in order for the sale of Shares pursuant to the Offer to be treated as a sale or exchange rather than as a distribution for United States federal income tax purposes. U.S. Shareholders are urged to consult their own tax advisors concerning the application of the Section 302 Tests to their particular circumstances.

- (a) "Substantially Disproportionate" Test – The receipt of cash by a U.S. Shareholder will have the effect of a "substantially disproportionate" distribution by the Company with respect to the U.S. Shareholder if the percentage of the outstanding voting shares of the Company actually and constructively owned by the U.S. Shareholder immediately following the sale of Shares pursuant to the Offer (treating Shares purchased pursuant to the Offer as not outstanding) is less than 80% of the percentage of the outstanding voting shares of the Company actually and constructively owned by the U.S. Shareholder immediately before the exchange (treating Shares purchased by the Company pursuant to the Offer as outstanding).
- (b) "Complete Redemption" Test – The receipt of cash by a U.S. Shareholder will be treated as a complete redemption of a U.S. Shareholder's equity interest in the Company if either (i) all of the Shares actually and constructively owned by the U.S. Shareholder are sold pursuant to the Offer, or (ii) all of the Shares actually owned by the U.S. Shareholder are sold pursuant to the Offer and the U.S. Shareholder is eligible to waive, and effectively waives, the attribution of all shares of the Company constructively owned by the U.S. Shareholder in accordance with the procedures described in Section 302(c)(2) of the Code and the Treasury Regulations promulgated thereunder.
- (c) "Not Essentially Equivalent to a Dividend" Test – The receipt of cash by a U.S. Shareholder will generally be treated as "not essentially equivalent to a dividend" if the U.S. Shareholder's sale of Shares pursuant to the Offer results in a "meaningful reduction" of the U.S. Shareholder's proportionate interest in the Company. Whether the receipt of cash by the U.S. Shareholder will be treated as not essentially equivalent to a dividend will depend on the particular facts and circumstances, including the number of Shares purchased by the Company pursuant to the Offer. However, in certain circumstances, in the case of a U.S. Shareholder holding a small minority interest in the Company's Shares, it is possible that even a small reduction in such interest may be treated as a "meaningful reduction," and thus may satisfy the "not essentially equivalent to a dividend" test. The IRS has ruled that a small reduction by a minority shareholder whose relative stock interest is minimal and who exercises no control over the affairs of the corporation will meet

this test. U.S. Shareholders are urged to consult their own tax advisors concerning the application of the "not essentially equivalent to a dividend" test to their particular circumstances.

Under certain circumstances, it may be possible for a tendering U.S. Shareholder to satisfy one of the Section 302 Tests by contemporaneously selling or otherwise disposing of all or some of the Shares that are actually or constructively owned by the U.S. Shareholder but that are not purchased pursuant to the Offer. Correspondingly, a U.S. Shareholder may fail to satisfy any of the Section 302 Tests because of contemporaneous acquisitions of Shares by the U.S. Shareholder or by a related party whose Shares are constructively owned by the U.S. Shareholder. U.S. Shareholders are urged to consult their own tax advisors regarding the consequences of such sales or acquisitions in their particular circumstances.

The Company cannot predict whether or the extent to which the Offer will be over-subscribed. If the Offer is over-subscribed, the Company's purchase of Shares tendered may be prorated. Thus, even if all the Shares actually and constructively owned by a U.S. Shareholder are tendered, it is possible that not all of the Shares will be purchased by the Company, which in turn may affect the U.S. Shareholder's United States federal income tax consequences, in particular, the U.S. Shareholder's ability to satisfy one of the Section 302 Tests described above.

If any of the Section 302 Tests is satisfied, a tendering U.S. Shareholder will recognize a gain or loss equal to the difference between the amount realized (including any amounts withheld to pay Canadian withholding taxes) by the U.S. Shareholder pursuant to the Offer and the U.S. Shareholder's tax basis in the Shares sold pursuant to the Offer. Generally, a United States Shareholder's tax basis for the shares will be equal to the cost of the shares to the United States Shareholder, decreased (but not below zero) by the amount of any previous distributions treated as a tax-free return of capital. Subject to the discussion of the passive foreign investment company ("PFIC") rules below, the gain or loss will be a capital gain or loss, which will be a long-term capital gain or loss if the Shares have been held for more than one year. Currently, the maximum long-term capital gain rate for non-corporate U.S. Shareholders, including individual U.S. Shareholders, is 20%. Certain limitations apply to the deductibility of capital losses by U.S. Shareholders. A U.S. Shareholder holding more than one block of Shares (generally, those acquired at the same cost in a single transaction) can choose the basis and holding period of the stock redeemed by adequately identifying the tendered Shares. Absent such an identification, the Shares earliest acquired by the U.S. Shareholder among such U.S. Shareholder's total ownership will be those considered tendered pursuant to the Offer. U.S. Shareholders holding more than one block of Shares are urged to consult their own tax advisors regarding the process to adequately identify tendered Shares.

Treatment as a Distribution

If none of the Section 302 Tests is satisfied, the full amount received by the U.S. Shareholder (including any amounts withheld to pay Canadian withholding taxes) with respect to the purchase of Shares pursuant to the Offer will be treated as a distribution by the Company in respect of such U.S. Shareholder's Shares. Subject to the discussion of the PFIC rules below, this distribution will be treated as a dividend to the U.S. Shareholder to the extent of the U.S. Shareholder's share of the Company's current and accumulated earnings and profits, if any, as determined under United States federal income tax principles. Assuming that the Company is not a PFIC in the taxable year in which the dividend is paid or the prior taxable year and subject to certain requirements (including certain holding period requirements), such dividends received by non-corporate U.S. Shareholders, including individual U.S. Shareholders, are generally taxable as "qualified dividend income" at a maximum tax rate of 20%. To the extent that the amount received by a U.S. Shareholder exceeds the U.S. Shareholder's share of the Company's current and accumulated earnings and profits, the excess first will be treated as a tax-free return of capital to the extent of the U.S. Shareholder's tax basis in its Shares and the U.S. Shareholder's tax basis in its Shares will be reduced (but not below zero) by such excess. Any remainder will be treated as a capital gain from the sale of Shares. The Company does not currently expect to calculate its earnings and profits under United States federal income tax principles and cannot provide U.S. Shareholders with such information. Therefore, U.S. Shareholders should expect the entire amount received pursuant to the Offer to be treated as a dividend if such amount is treated as a distribution as described above.

If, with respect to a U.S. Shareholder, the tender and sale of Shares pursuant to the Offer is treated as a distribution by the Company with respect to such U.S. Shareholder's Shares, such U.S. Shareholder's adjusted tax basis in its remaining Shares (after giving effect to the Offer) generally will be increased by such U.S. Shareholder's

adjusted tax basis in the Shares tendered and sold pursuant to the Offer and will be decreased by any portion of such U.S. Shareholder's proceeds from the Offer that are treated as a tax-free return of capital as described above. Any amount received by a corporate U.S. Shareholder that is treated as a dividend generally (i) will not be eligible for the dividends received deduction and (ii) may be subject to the "extraordinary dividend" provisions of Section 1059 of the Code. Corporate U.S. Shareholders are urged to consult their own tax advisors regarding the United States federal income tax consequences of the Offer in relation to their particular circumstances.

No assurance can be given that any of the Section 302 Tests will be satisfied as to any particular U.S. Shareholder, and thus no assurance can be given that any particular U.S. Shareholder will not be treated as having received a dividend for United States federal income tax purposes.

Foreign Exchange Gain or Loss

For U.S. federal income tax purposes, any amount paid in Canadian currency (including amounts withheld to pay Canadian withholding taxes, and including any amounts converted to U.S. dollar by the Depository on a U.S. Shareholder's behalf) will equal the U.S. dollar value of the Canadian currency calculated by reference to the exchange rate in effect on the date such payment is received or deemed received by a U.S. Shareholder regardless of whether they are converted into U.S. dollars at that time. If a U.S. Shareholder converts the Canadian currency received into U.S. dollars at the exchange rate in effect on the date the payment is received, the U.S. Shareholder generally will not be required to recognize a foreign currency gain or loss in respect of this Canadian currency. If the Canadian currency received is not converted into U.S. dollars on the date of receipt, a U.S. Shareholder may recognize a foreign currency gain or loss on a subsequent conversion or other disposition of the Canadian currency. Such gain or loss will be treated as U.S. source ordinary income or loss for U.S. foreign tax credit purposes.

Passive Foreign Investment Company

Special United States federal income tax rules apply to U.S. Shareholders owning stock of a PFIC. A foreign corporation will be considered a PFIC for any taxable year in which (i) 75% or more of its gross income is passive income, or (ii) 50% or more of the value (determined on the basis of a quarterly average) of its assets are considered "passive assets" (generally, assets that generate passive income).

The Company believes that its Shares should not currently be stock of a PFIC for United States federal income tax purposes, but this conclusion depends on complex factual determinations that are made annually and thus there can be no assurance that the Company is not and has not been a PFIC. If the Company were to be treated as a PFIC at any time during a U.S. Shareholder's holding period, a gain realized on the sale or other disposition of its Shares would in general not be treated as a capital gain. Instead, unless a U.S. Shareholder makes, or has made, certain elections with respect to such U.S. Shareholder's Shares, such U.S. Shareholder would be treated as if it had realized such gain and certain "excess distributions" ratably over its holding period for the Shares. If the Company were to be treated as a PFIC, the amounts allocable to the taxable year of the sale or other disposition of the Shares and to any taxable year in such U.S. Shareholder's holding period for the Shares before the Company became a PFIC would be taxable as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate on ordinary income in effect for individuals or corporations, as appropriate for that taxable year, and an interest charge would be imposed on the resulting tax liability. With certain exceptions, a U.S. Shareholder's Shares will be treated as stock in a PFIC if the Company were a PFIC at any time during such U.S. Shareholder's holding period in its Shares. Dividends received by a U.S. Shareholder from the Company will not be eligible for the tax rates applicable to "qualified dividend income" if the Company is treated as a PFIC with respect to such U.S. Shareholder either in the taxable year of the distribution or the preceding taxable year, but instead will be taxable at rates applicable to ordinary income.

THE RULES DEALING WITH PFICS AND ASSOCIATED ELECTIONS ARE VERY COMPLEX AND ARE AFFECTED BY VARIOUS FACTORS IN ADDITION TO THOSE DESCRIBED ABOVE. U.S. SHAREHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE ADVERSE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF OWNING STOCK OF A PFIC AND OF MAKING CERTAIN ELECTIONS DESIGNED TO LESSEN THOSE ADVERSE CONSEQUENCES.

Foreign Tax Credit

A U.S. Shareholder may be subject to Canadian withholding tax on certain of the amounts to be paid to such holder in connection with the Offer. See "Certain Canadian Federal Income Tax Considerations – Non-Residents of Canada," above. The amount subject to Canadian withholding tax may be greater than the amount of gain actually recognized by such holder for United States federal income tax purposes. The ability of a U.S. Shareholder to claim a foreign tax credit with respect to any Canadian taxes withheld on amounts received pursuant to the Offer is subject to complex limitations, including the general limitation that the credit cannot exceed the proportionate share of a U.S. Shareholder's United States federal income tax liability that such U.S. Shareholder's "foreign source" taxable income bears to such U.S. Shareholder's worldwide taxable income. In general, for United States foreign tax credit limitation purposes, amounts that are treated as dividends paid by the Company will be treated as foreign source income, but amounts received by a U.S. Shareholder that are treated as gains from a sale or exchange of Shares will be treated as income from sources within the United States. Accordingly, the ability of a U.S. Shareholder to obtain a foreign tax credit in respect of amounts treated as gains from the sale or exchange of Shares may require that such U.S. Shareholder make an election pursuant to the U.S. Treaty and the Code pursuant to which such gains would be treated as foreign source income for United States federal income tax purposes. The application of this election in connection with the Offer is subject to uncertainty.

Even if a U.S. Shareholder makes such an election, the ability of such holder to obtain a foreign tax credit with respect to Canadian taxes withheld in connection with the Offer will remain subject to a number of complex limitations provided in the Code and Treasury Regulations. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, amounts treated as dividends with respect to the Offer generally will constitute "passive category income." The rules governing the foreign tax credit are complex. U.S. Shareholders are urged to consult their own United States tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Additional Tax on Investment Income

U.S. Shareholders who are individuals, estates or trusts and whose income exceeds certain thresholds will be required to pay (in addition to other United States federal income tax) a 3.8% tax on net investment income, including dividends and gains from the sale or other taxable disposition of the Shares. U.S. Shareholders are urged to consult their own tax advisors regarding whether this tax will apply to them.

Reporting Requirements for Significant Holders

A U.S. Shareholder that is considered a "significant holder" within the meaning of Treasury Regulation Section 1.302-2(b) who exchanges Shares for cash pursuant to the Offer may be required to comply with the reporting requirements of such Treasury Regulation.

Backup Withholding and Information Reporting

Payment of the proceeds from the sale of Shares pursuant to the Offer effected through a non-United States office of a broker generally will not be subject to information reporting or backup withholding. However, a sale pursuant to the Offer effected through a non-United States office of a broker could be subject to information reporting in the same manner as a sale within the United States (and in certain cases may be subject to backup withholding as well) if (i) the broker has certain connections to the United States, (ii) the proceeds or confirmation are sent to the United States or (iii) the sale has certain other specified connections with the United States.

Information reporting requirements generally will apply to the payment of proceeds from the sale of Shares pursuant to the Offer to a non-corporate U.S. Shareholder if the sale is effected in the United States or through a United States office of a broker. Additionally, backup withholding may apply to such payments if such U.S. Shareholder fails to comply with applicable certification requirements or are notified by the IRS that it has failed to report all interest and dividends required to be shown on its federal income tax returns.

A U.S. Shareholder generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed its income tax liability by timely filing a refund claim with the IRS.

14. LEGAL MATTERS AND REGULATORY APPROVALS

Advantage is not aware of any license or regulatory permit that is material to the Company's business that might be adversely affected by the Company's acquisition of Shares pursuant to the Offer or, except as noted below, of any approval or other action by any government or governmental, administrative or regulatory authority or agency in any jurisdiction, that would be required for the acquisition of Shares by the Company pursuant to the Offer and that has not been obtained on or before the date hereof. Should any such approval or other action be required, the Company currently contemplates that such approval will be sought or other action will be taken. Advantage cannot predict whether it may determine that it must delay the acceptance for payment of Shares deposited pursuant to the Offer pending the outcome of any such matter.

There can be no assurance that any such approval or other action, if needed, would be obtained or would be obtained without substantial conditions or that the failure to obtain any such approval or other action might not result in adverse consequences to the Company's business.

The Company is relying on the "liquid market exemption" specified in MI 61-101. Accordingly, the valuation requirements of securities regulatory authorities in Canada applicable to issuer bids generally are not applicable in connection with the Offer.

The Company has filed an exemptive relief application with securities regulatory authorities in Canada to permit the Company to extend the Offer, in circumstances in which all of the terms and conditions of the Offer have either been satisfied and/or waived by the Company, without first taking up Shares which have been deposited (and not withdrawn) before the Offer was previously scheduled to expire. See Section 8 of the Offer to Purchase, "Extension and Variation of the Offer".

15. SOURCE OF FUNDS

The Company expects to fund the purchase of Shares pursuant to the Offer, including all related fees and expenses, with available cash on hand or by drawing on existing Credit Facilities. The Offer is not conditional on the receipt of financing.

Advantage is currently party to a credit agreement with a syndicate of lenders (the "**Credit Agreement**") which provides for credit facilities in the aggregate amount of \$350,000,000 (the "**Credit Facilities**"), comprised of a \$30,000,000 extendible revolving operating facility and a \$320,000,000 extendible revolving syndicated facility. The Credit Facilities revolve for a two (2) year period and, with the consent of lenders holding at least 66 $\frac{2}{3}$ % of the commitment amounts under the Credit Facilities, may be extended for a period of up to two (2) years. The current maturity date of the Credit Facilities is June 10, 2024. The available lending limit under the Credit Facilities is based on the lenders' assessment of Advantage's reserves and future commodity prices and is reviewed semi-annually. As at the date of this Circular, the borrowing base was \$350,000,000. The next borrowing base review is scheduled for on or before November 30, 2022. The Company's obligations under the Credit Facilities are secured by a floating charge debenture granting a first priority charge and security interest over all of the Company's assets and property.

Pursuant to the terms of the Credit Agreement, Advantage is restricted from making or agreeing to make dividends or other distributions to its shareholders (including the Offer) unless the following conditions are met: (i) the consolidated debt to EBITDA ratio set out in the most recent compliance certificate delivered to the lenders, on a *pro forma* basis, after giving effect to such payment (and any other such payments not accounted for in such compliance certificate, if any) must not be greater than 1.50:1.00; (ii) the principal amount drawn under the Credit Facilities must not exceed 70% of the commitment amounts under the Credit Facilities, after giving effect to such payment; and (iii) there must be no borrowing base shortfall, default or event of default under the Credit Agreement.

The Credit Agreement contains customary terms and conditions for credit facilities of this nature, including customary representations and warranties, covenants, events of default and drawdown conditions (which include, among other things, accuracy of representations and warranties and no existing defaults). There are no financial covenants under the Credit Facilities. If an event of default occurs and is continuing under the Credit Facilities, the administrative agent under the Credit Facilities will be entitled to declare all advances under such Credit Facilities to be immediately due and payable and cancel all commitments of the lenders to make further advances under such Credit Facilities. Advantage was in compliance with the covenants pursuant to the Credit Facilities as at and for the year ended December 31, 2021 and as at the date of this Circular.

In the event Advantage draws under the Credit Facilities to fund any portion of the purchase of Shares pursuant to the Offer, such advances will be repaid from cash flows generated from operations.

16. DEALER MANAGER

RBC Capital Markets has been retained to serve as Dealer Manager in connection with the Offer. The Dealer Manager may communicate with investment dealers, stock brokers, commercial banks, trust companies and dealers with respect to the Offer. RBC Capital Markets has also been retained as financial advisor in connection with the Offer and to provide the Liquidity Opinion.

The Dealer Manager and its affiliates has provided, and may in the future provide, various investment banking, commercial banking and other services to the Company for which it has received, or the Company expects it will receive, customary compensation from the Company.

In the ordinary course of business, including in its trading and brokerage operations and in a fiduciary capacity, the Dealer Manager and its affiliates may hold positions, both long and short, for their own accounts and for those of their customers, in the Company's securities. The Dealer Manager may from time to time hold Shares in its proprietary accounts, and, to the extent it owns Shares in these accounts at the time of the Offer, the Dealer Manager may tender the Shares pursuant to the Offer.

17. DEPOSITARY

Advantage has appointed Computershare Investor Services Inc. to act as a depositary for, among other things: (a) the receipt of certificates representing Shares, if applicable, and related Letters of Transmittal deposited under the Offer, (b) the receipt of Notices of Guaranteed Delivery delivered pursuant to the procedures for guaranteed delivery set forth in Section 5 of the Offer to Purchase, "Procedure for Depositing Shares", (c) the receipt from the Company of cash to be paid in consideration of the Shares acquired by the Company under the Offer, as agent for the depositing Shareholders, and (d) the transmittal of such cash to the depositing Shareholders, as agent for the depositing Shareholders. The Depositary may contact Shareholders by mail, telephone or facsimile and may request brokers, dealers and other nominee Shareholders to forward materials relating to the Offer to beneficial owners. The Depositary is not an affiliate of the Company.

18. FEES AND EXPENSES

RBC Capital Markets has been retained by the Company to serve as Dealer Manager and financial advisor in connection with the Offer and to deliver the Liquidity Opinion in connection with the Offer to the Board of Directors for which it will receive a fee from Advantage for its services. Advantage has agreed to reimburse RBC Capital Markets for certain reasonable out-of-pocket expenses incurred in connection with the Offer and to indemnify RBC Capital Markets against certain liabilities to which it may become subject as a result of its engagement. None of the fees payable to RBC Capital Markets are contingent upon the conclusions reached by RBC Capital Markets in the Liquidity Opinion.

Advantage has retained Computershare Investor Services Inc. to act as the Depositary in connection with the Offer. The Depositary will receive reasonable and customary compensation for its services, will be reimbursed for

certain reasonable out-of-pocket expenses and will be indemnified against certain liabilities and expenses in connection with the Offer, including certain liabilities under Canadian provincial securities laws.

Advantage will not pay any fees or commissions to any broker or dealer or any other Person for soliciting deposits of Shares pursuant to the Offer. Brokers, dealers, commercial banks and trust companies will, upon request, be reimbursed by the Company for reasonable and necessary costs and expenses incurred by them in forwarding materials to their customers.

Advantage is expected to incur expenses of approximately \$850,000 in connection with the Offer, which includes filing fees, advisory fees, the fees of RBC Capital Markets, the Transfer Agent, the Depositary, legal, translation and printing fees.

19. WITHDRAWAL RIGHTS

The withdrawal rights of Shareholders are described in Section 6 of the Offer to Purchase, "Withdrawal Rights" and are incorporated into and form part of this Circular.

20. FINANCIAL STATEMENTS

The most recent interim financial statements of the Company can be found on SEDAR or will be sent without charge to any Shareholder requesting them.

21. CANADIAN STATUTORY RIGHTS

Securities legislation in the provinces and territories of Canada provides Shareholders with, in addition to any other rights they may have at law, one or more rights of rescission, price revision or to damages, if there is a misrepresentation in a circular or notice that is required to be delivered to the Shareholders. However, such rights must be exercised within prescribed time limits. Shareholders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult a lawyer.

APPROVAL AND CERTIFICATE

November 10, 2022

The Board of Directors of Advantage Energy Ltd. has approved the contents of the Offer to Purchase and the accompanying Issuer Bid Circular dated November 10, 2022, and the delivery thereto to Shareholders. The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

(signed) "Michael Belenkie"

Michael Belenkie
President and Chief Executive Officer
and a Director

(signed) "Craig Blackwood"

Craig Blackwood
Chief Financial Officer

On behalf of the Board of Directors:

(signed) "Paul Haggis"

Paul Haggis
Director

(signed) "Norman MacDonald"

Norman MacDonald
Director

CONSENT OF RBC DOMINION SECURITIES INC.

TO: The Board of Directors of Advantage Energy Ltd.

We consent to the inclusion of our liquidity opinion dated November 7, 2022 as Schedule A to the Circular dated November 10, 2022, which schedule is incorporated by reference in the Circular and consent to the inclusion of our name and reference to our liquidity opinion in the sections titled "Purpose and Effect of the Offer – Background to the Offer", "Purpose and Effect of the Offer – Liquidity of Market", "Dealer Manager" and "Fees and Expenses" of the Circular. Our liquidity opinion was given as at November 7, 2022 and remains subject to the assumptions, qualifications and limitations contained therein. In providing our consent, we do not intend that any Person other than the directors of Advantage Energy Ltd. will be entitled to rely upon our opinion.

November 10, 2022

(signed) "RBC Dominion Securities Inc."

RBC Dominion Securities Inc.

(This page has been left blank intentionally.)

SCHEDULE A
LIQUIDITY OPINION OF RBC DOMINION SECURITIES INC.

See Attached.



November 7, 2022

The Board of Directors
Advantage Energy Ltd.
2200, 440 – 2nd Avenue SW
Calgary, Alberta
T2P 5E9

To the Board:

RBC Dominion Securities Inc. (“RBC”, “we” or “us”), a member company of RBC Capital Markets, understands that Advantage Energy Ltd. (the “Company”) is proposing to make a substantial issuer bid (the “Substantial Issuer Bid”) to acquire up to \$100,000,000 in value of the common shares (the “Shares”) of the Company by way of a modified Dutch Auction at a price not less than \$11.20 per Share and not more than \$12.90 per Share. RBC also understands that the terms and conditions of the Substantial Issuer Bid will be set forth in an offer to purchase and issuer bid circular to be mailed to the holders of the Shares in connection with the Substantial Issuer Bid (the “Offer to Purchase”). The terms used herein which are used or defined in the Offer to Purchase and not otherwise defined herein will have the same meaning as used in the Offer to Purchase.

The Company has retained RBC to provide advice and assistance to the Board of Directors (the “Board”) of the Company in evaluating the Substantial Issuer Bid, including the preparation and delivery to the Board of RBC’s opinion (the “Opinion”) as to whether, as of the date hereof, (i) a liquid market for the Shares exists, and (ii) it is reasonable to conclude that, following the completion of the Substantial Issuer Bid, there will be a market for holders of the Shares who do not tender to the Substantial Issuer Bid that is not materially less liquid than the market that existed at the time of the making of the Substantial Issuer Bid. The Board has, on a voluntary basis, obtained the Opinion from RBC notwithstanding that such opinion is not required pursuant to Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). In addition, RBC has been retained by the Company to act as dealer manager (“Dealer Manager”) in connection with the Substantial Issuer Bid.

Engagement

RBC was formally engaged by the Company through an agreement between the Company and RBC (the “Engagement Agreement”) dated as of October 14, 2022. The terms of the Engagement Agreement provide that RBC is to be paid a fee for its services as financial advisor and Dealer Manager, including fees that are contingent on the outcome of the Substantial Issuer Bid. In addition, RBC is to be reimbursed for its reasonable out-of-pocket expenses and to be indemnified by the Company in certain circumstances. RBC consents to the inclusion of the Opinion in its entirety and a summary thereof in the Offer to Purchase and to the filing thereof, as necessary, by the Company with the securities commissions or similar regulatory authorities in each province of Canada and in the United States.

RBC acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the Shares or other securities of the Company, or any of its associates or affiliates and, from time to time, may have executed or may execute transactions on behalf of such

companies or clients for which it received or may receive compensation. As an investment dealer, RBC conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to the Company, the Shares or the Substantial Issuer Bid.

Credentials of RBC Capital Markets

RBC is one of Canada's largest investment banking firms, with operations in all facets of corporate and government finance, corporate banking, mergers and acquisitions, equity and fixed income sales and trading and investment research. RBC Capital Markets also has significant operations in the United States and internationally. The Opinion expressed herein represents the opinion of RBC and the form and content herein have been approved for release by a committee of its managing directors, each of whom is experienced in merger, acquisition, divestiture and opinion matters.

Scope of Review

In connection with our Opinion, we have reviewed and relied upon or carried out, among other things, the following:

1. the most recent draft of the Offer to Purchase (the "Draft Offer to Purchase"), dated November 7, 2022;
2. the trading activity, volumes, and price history of the Shares on the Toronto Stock Exchange and other alternative trading venues;
3. the profile of the distribution and ownership of the Shares, to the extent publicly disclosed or provided to us by the Company;
4. the number of Shares proposed to be purchased under the Substantial Issuer Bid relative to the total number of Shares issued and outstanding;
5. public information with respect to the Company and the Shares;
6. the definition of "liquid market" as outlined in MI 61-101 and certain other parameters in MI 61-101;
7. certain precedent issuer bids that were considered relevant;
8. discussions with senior management and legal counsel of the Company; and
9. such other corporate, industry, and financial market information, investigations and analyses as RBC considered necessary or appropriate in the circumstances.

Assumptions and Limitations

With the Board's approval and as provided for in the Engagement Agreement, RBC has relied upon the completeness, accuracy, and fair representation of all of the financial and other information, data, advice, opinions, or representations obtained by it from public sources, senior management of the Company, and their consultants and advisors (collectively, the "Information"). The Opinion is conditional upon such completeness, accuracy, and fair presentation of such Information. Subject to the exercise of professional judgment and except as expressly described herein, we have not attempted to verify independently the completeness, accuracy, or fair representation of any of the Information.

Senior officers of the Company have represented to RBC in a certificate delivered as of the date hereof, among other things, that (i) the Information provided orally by, or in the presence of, any officer or employee of the Company or in writing by the Company, any of its affiliates (as such term is defined in National Instrument 62-104 *Take-Over Bids and Issuer Bids* of the Canadian Securities Administrators) or any of their respective agents or advisors, for the purpose of preparing the Opinion was, at the date provided to RBC, and is at the date hereof, true and correct in all material respects, and did not and does not contain any untrue statement of a material fact, and did not and does not omit to state any material fact necessary to make such Information, or any statement contained therein, not misleading in light of the circumstances in which it was provided to RBC, and (ii) since the dates on which the Information was provided to RBC, except as disclosed in writing to RBC, there has been no material

change or change in material facts, financial or otherwise, which might reasonably be considered material to the Company.

In preparing the Opinion, RBC has made several assumptions, including that all of the conditions required to implement the Substantial Issuer Bid will be met, that there will be no significant change in the holdings of the Shares other than as a result of the Substantial Issuer Bid and that the disclosure provided or incorporated by reference in the Draft Offer to Purchase with respect to the Company, its subsidiaries and affiliates and the Substantial Issuer Bid is accurate in all material respects.

The Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as at the date hereof and conditions affecting the Company and the Shares at the date hereof.

The Opinion has been provided for the use of the Board and may not be used by any other person or relied upon by any other person other than the Board without the express prior written consent of RBC. The Opinion is given as of the date hereof and RBC disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion which may come or be brought to RBC's attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Opinion after the date hereof, RBC reserves the right to change, modify, or withdraw the Opinion.

RBC believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Opinion. The preparation of an opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. The Opinion is not to be construed as a recommendation to any holder of Shares as to whether to tender their Shares to the Substantial Issuer Bid, or as an opinion as to the fairness, from a financial point of view, of the consideration offered to holders of Shares pursuant to the Substantial Issuer Bid or as a formal valuation of the Shares or of any of the Company's other securities or assets.

For purposes of the Opinion, the phrase "liquid market" has the meaning ascribed thereto in MI 61-101.

Conclusion

Based upon and subject to the foregoing, RBC is of the opinion that, as of the date hereof, (i) a liquid market for the Shares exists, and (ii) it is reasonable to conclude that, following the completion of the Substantial Issuer Bid, there will be a market for holders of the Shares who do not tender to the Substantial Issuer Bid that is not materially less liquid than the market that existed at the time of the making of the Substantial Issuer Bid.

Yours very truly,

RBC Dominion Securities Inc.

RBC DOMINION SECURITIES INC.

The Letter of Transmittal, certificates for Shares, if applicable, any other required documents and, if applicable, the Notice of Guaranteed Delivery, must be sent or delivered by each depositing Shareholder or the depositing Shareholder's investment dealer, stock broker, bank, trust company or other nominee to the Depository at its address specified below.

Office of the Depository, for the Offer:



COMPUTERSHARE INVESTOR SERVICES INC.

By Regular Mail

Computershare Investor Services Inc.
P.O. Box 7021
31 Adelaide Street East
Toronto, ON M5C 3H2
Attention: Corporate Actions

By Registered Mail, Hand or Courier

100 University Avenue
8th Floor
Toronto, ON M5J 2Y1
Attention: Corporate Actions

For inquiries only:
Toll Free (within North America): 1 (800) 564-6253
Telephone (outside North America): 1 (514) 982-7555
Email: corporateactions@computershare.com

Any questions or requests for assistance regarding the Offer may be directed to the Depository at the addresses and telephone numbers and email specified above. Shareholders also may contact their investment dealer, stock broker, bank, trust company or other nominee for assistance concerning the Offer. Additional copies of the Offer to Purchase, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained from the Depository. Manually executed photocopies of the Letter of Transmittal will be accepted.

The Dealer Manager for the Offer is:

RBC Dominion Securities Inc.

Email: advantagesib@rbccm.com