



2024 First Quarter Report

For the three months ended March 31, 2024 and 2023

MESSAGE TO SHAREHOLDERS

Advantage Announces First Quarter 2024 Financial and Operating Results

Advantage Energy Ltd. (“Advantage” or the “Corporation”) is pleased to report 2024 first quarter financial and operating results.

Advantage continued to execute on its three-year plan in the first quarter, delivering exceptional well results and expanding our Tier 1 drilling inventory. Since we exited 2023 with net debt below our target range, we were able to enhance shareholder returns in a period of weak commodity pricing with opportunistic, counter-cyclical share repurchases.

2024 First Quarter Financial Highlights

- Net income of \$23.2 million or \$0.14/share
- Cash provided by operating activities of \$67.4 million
- Adjusted funds flow (“AFF”)^(a) of \$65.4 million or \$0.41/share (\$67.0 million Advantage^(b))
- Cash used in investing activities was \$79.4 million while net capital expenditures^(a) were \$80.1 million (\$76.2 million Advantage^(b))
- Net debt^(a) increased to \$280.0 million (\$233.1 million Advantage^(b))
- Repurchased 2.4 million shares (1.5% of the outstanding shares at December 31, 2023) at an average share price of \$8.86, returning \$21.3 million to shareholders.

2024 First Quarter Operating Highlights

- First quarter average production of 66,020 boe/d (357.4 mmcf/d natural gas, 6,452 bbls/d liquids), an increase of 14% (18% on a per-share basis) over the first quarter of 2023.
- Liquids production of 6,452 bbls/d (2,630 bbls/d oil, 1,231 bbls/d condensate, and 2,591 bbls/d NGLs), an increase of 12% (17% on a per-share basis) over the first quarter of 2023.
- Production through the Glacier Gas Plant achieved design capacity of 425 mmcf/d for sustained periods during the quarter. Advantage’s operated infrastructure remained reliable through extremely cold weather in January, though third-party outages impacted production modestly.
- At Glacier, the most recent two wells delivered a total IP30 of 30.2 mmcf/d. Glacier well performance has continued to exceed expectations, and as a result, three drilled and completed wells are currently shut in due to the plant being at capacity.
- Currently drilling a three-well liquids-focused pad at Wembley targeting two D4 wells and one D3 well.

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

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

Marketing Update

Advantage has hedged approximately 22% of its forecast natural gas production for summer 2024 and has modest hedges through 2025. Advantage only has approximately 8% exposure to AECO this summer through a combination of fixed price hedges and physical market diversification.

Looking Forward

Elevated North American gas supplies and an abnormally warm winter have resulted in bottom-decile North American natural gas prices, which are expected to continue through the summer. Supply/demand balances are likely to improve substantially by year-end 2024, driving strong contango in the futures curve.

In order to adjust to rapidly changing market dynamics, Advantage continuously reviews its capital plan. Each well pad is evaluated for expected shareholder returns at forward pricing, ensuring all capital spending maximizes AFF per share. Significant discretion remains in our 2024 capital program. Additionally, since our well performance continues to exceed expectations, further capital reductions may be possible without impacting our production targets. Development of our Progress plant remains on track with commissioning anticipated mid-year 2025.

To maximize shareholder value, Advantage remains focused on growing AFF per share^(a) while maintaining a net debt^(a) target of \$200 million to \$250 million. Advantage's three-year plan is to deliver compounding AFF per share growth via disciplined capital allocation, with annual spending between \$220 million and \$300 million and production growth capped at 10%. Based on current futures pricing, Advantage estimates capital spending to be approximately 75% of AFF for 2024 and 2025, and all free cash flow will be used for share repurchases.

With modern, low emissions-intensity assets, decades of top-tier inventory, and the Glacier carbon capture and sequestration asset, the Corporation continues to proudly deliver clean, reliable, sustainable energy, contributing to a reduction in global emissions by displacing high-carbon fuels. Advantage wishes to thank our employees, Board of Directors and our shareholders for their ongoing support.



CONSOLIDATED MANAGEMENT'S DISCUSSION & ANALYSIS

For the three months ended March 31, 2024 and 2023

CONSOLIDATED MANAGEMENT'S DISCUSSION & ANALYSIS

The following Management's Discussion and Analysis ("MD&A"), dated as of April 25, 2024, provides a detailed explanation of the consolidated financial and operating results of Advantage Energy Ltd. ("Advantage", the "Corporation", "us", "we" or "our") for the three months ended March 31, 2024 and should be read in conjunction with the unaudited condensed consolidated financial statements for the three months ended March 31, 2024 and the audited consolidated financial statements for the year ended December 31, 2023 (together, the "consolidated financial statements"). The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), representing generally accepted accounting principles ("GAAP") for publicly accountable enterprises in Canada. All references in the MD&A and consolidated financial statements are to Canadian dollars unless otherwise indicated.

This MD&A contains specified financial measures such as non-GAAP financial measures, non-GAAP ratios, capital management measures, supplementary financial measures and forward-looking information. Readers are advised to read this MD&A in conjunction with both the "Specified Financial Measures" and "Forward-Looking Information and Other Advisories" sections found at the end of this MD&A.

Financial Highlights

(\$000, except as otherwise indicated)	Three months ended March 31	
	2024	2023
Financial Statement Highlights		
Natural gas and liquids sales	135,897	145,999
Net income and comprehensive income ⁽³⁾	23,163	29,719
per basic share ⁽²⁾⁽³⁾	0.14	0.18
per diluted share ⁽²⁾⁽³⁾	0.14	0.17
Basic weighted average shares (000)	160,444	167,311
Diluted weighted average shares (000)	164,129	174,328
Cash provided by operating activities	67,374	105,955
Cash provided by (used in) financing activities	11,883	(58,359)
Cash used in investing activities	(79,427)	(85,590)
Other Financial Highlights		
Adjusted funds flow ⁽¹⁾	65,393	96,833
per boe ⁽¹⁾	10.88	18.50
per basic share ⁽¹⁾⁽²⁾	0.41	0.58
per diluted share ⁽¹⁾⁽²⁾	0.40	0.56
Net capital expenditures ⁽¹⁾	80,134	116,700
Free cash flow (negative) ⁽¹⁾	(14,741)	(19,867)
Working capital surplus (deficit) ⁽¹⁾	10,408	(12,449)
Bank indebtedness	238,578	167,260
Net debt ⁽¹⁾	279,963	204,709

⁽¹⁾ Specified financial measure which is not a standardized measure under IFRS and may not be comparable to similar specified financial measures used by other entities. Please see "Specified Financial Measures" for the composition of such specified financial measure, an explanation of how such specified financial measure provides useful information to a reader and the purposes for which Management of Advantage uses the specified financial measure, and/or where required, a reconciliation of the specified financial measure to the most directly comparable IFRS measure.

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

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

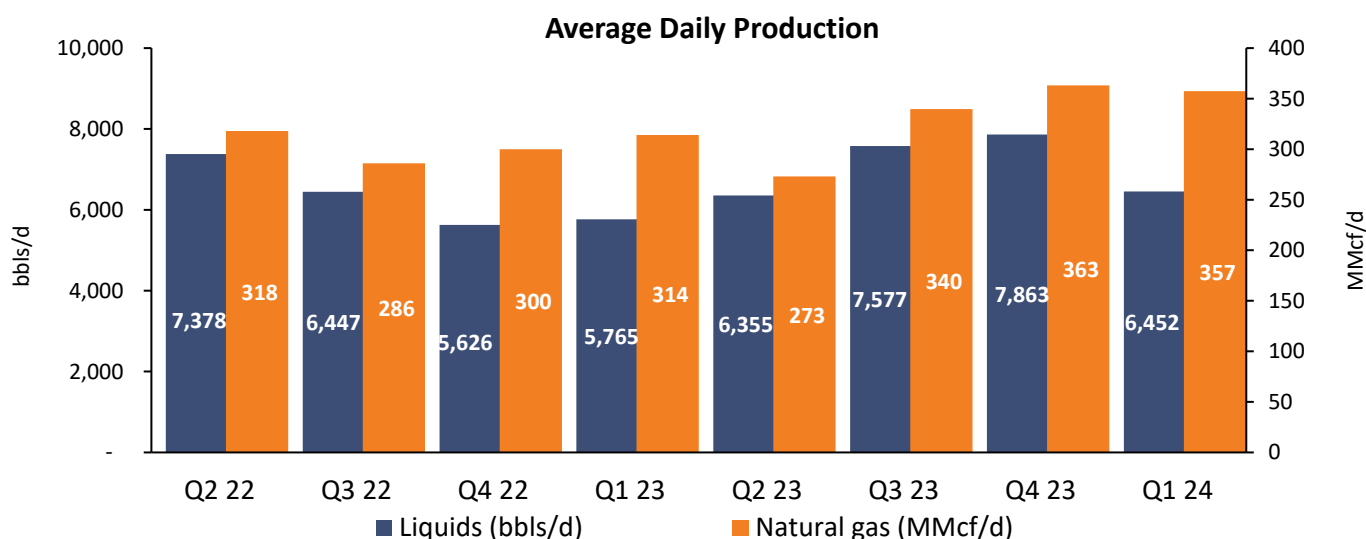
Operating Highlights

	Three months ended	
	March 31	
	2024	2023
Operating		
Production		
Crude oil (bbls/d)	2,630	1,731
Condensate (bbls/d)	1,231	1,157
NGLs (bbls/d)	2,591	2,877
Total liquids (bbls/d)	6,452	5,765
Natural gas (Mcf/d)	357,410	314,273
Total production (boe/d)	66,020	58,144
Average realized prices (including realized derivatives)		
Natural gas (\$/Mcf)	2.86	4.42
Liquids (\$/bbl)	80.21	77.77
Operating Netback (\$/boe) ⁽¹⁾		
Natural gas and liquids sales	22.62	27.90
Realized gains on derivatives	0.70	3.44
Processing and other income	0.36	0.35
Royalty expense	(1.52)	(3.19)
Operating expense	(4.17)	(3.44)
Transportation expense	(4.23)	(4.33)
Operating netback	13.76	20.73

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Production

Average Daily Production	Three months ended		% Change
	2024	2023	
Crude oil (bbls/d)	2,630	1,731	52
Condensate (bbls/d)	1,231	1,157	6
NGLs (bbls/d)	2,591	2,877	(10)
Total liquids (bbls/d)	6,452	5,765	12
Natural gas (Mcf/d)	357,410	314,273	14
Total production (boe/d)	66,020	58,144	14
Liquids (% of total production)	10	10	
Natural gas (% of total production)	90	90	



For the three months ended March 31, 2024, Advantage realized total production averaging 66,020 boe/d, increasing 14% compared to the same period of the prior year.

Natural gas production for the three months ended March 31, 2024, averaged 357 MMcf/d, an increase of 14% compared to the same period of the prior year. Advantage's natural gas production increased as a result of continued development at Glacier, with 3.0 net wells brought on production in the quarter (see "Cash Used in Investing Activities and Net Capital Expenditures"), accompanying 8.0 net wells that were brought on production in the fourth quarter of 2023. The increase was partially offset by unplanned downtime due to extremely cold weather in January.

Liquids production for the three months ended March 31, 2024, averaged 6,452 bbls/d, an increase of 12% compared to the same period of the prior year. Liquids production increased as a result of our liquids development focus whereby additional Wembley wells were brought onstream throughout 2023 (see "Cash Used in Investing Activities and Net Capital Expenditures"). The increase in liquids production was partially offset by unscheduled third-party outages and cold weather.

Advantage expects total annual production to be between 65,000 and 68,000 boe/d in 2024 based on the Corporation's planned 2024 capital program.

Commodity Prices and Marketing

Average Realized Prices ⁽²⁾	Three months ended		% Change
	2024	March 31 2023	
Natural gas			
Excluding derivatives (\$/Mcf)	2.73	3.74	(27)
Including derivatives (\$/Mcf)	2.86	4.42	(35)
Liquids			
Crude oil (\$/bbl)	91.89	95.81	(4)
Condensate (\$/bbl)	94.30	102.55	(8)
NGLs (\$/bbl)	61.65	56.95	8
Total liquids (\$/bbl)	80.21	77.77	3
Average Benchmark Prices			
Natural gas ⁽¹⁾			
AECO daily (\$/Mcf)	2.51	3.23	(22)
AECO monthly (\$/Mcf)	2.04	4.35	(53)
Empress daily (\$/Mcf)	2.59	3.30	(22)
Henry Hub (\$US/MMbtu)	2.43	3.43	(29)
Emerson daily (\$US/MMbtu)	2.30	2.67	(14)
Dawn daily (\$US/MMbtu)	2.26	2.73	(17)
Chicago Citygate (\$US/MMbtu)	2.85	2.64	8
Ventura (\$US/MMbtu)	3.40	2.78	22
Liquids			
WTI (\$US/bbl)	76.95	76.16	1
MSW Edmonton (\$/bbl)	92.15	99.09	(7)
Average Exchange rate (\$US/\$CAD)	0.7414	0.7395	-

⁽¹⁾ GJ converted to Mcf on the basis of 1 Mcf = 1.055056 GJ and 1 Mcf = 1 MMbtu.

⁽²⁾ Average realized prices in this table are considered specified financial measures which may not be comparable to similar specified financial measures used by other entities. Please see "Specified Financial Measures".

Liquids

Advantage's realized liquids price for the three months ended March 31, 2024, was \$80.21/bbl, an increase of 3% compared to the same period of the prior year. Realized crude oil, condensate and NGL prices are comparable to the same period of the prior year. The price that Advantage receives for crude oil and condensate production is largely driven by global supply and demand and the Edmonton light sweet oil and condensate price differentials. Approximately 77% of our liquids production is comprised of crude oil, condensate and pentanes, which generally attracts higher market prices than other NGLs.

Natural gas

Advantage's realized natural gas price excluding derivatives for the three months ended March 31, 2024, was \$2.73/Mcf, a 27% decrease compared to the same period of the prior year. This decrease was attributed to lower natural gas benchmark prices in markets where Advantage physically delivers natural gas and has market diversification exposure, apart from the Chicago and Ventura markets where benchmark prices were higher due to price spikes associated with cold weather. North American natural gas benchmark prices have decreased in the first quarter of 2024 largely due to strong North American natural gas production accompanied by a mild winter resulting in elevated gas inventories. We expect the high supply and inventory levels to persist through the 2024 summer resulting in continued weak natural gas prices, particularly in Alberta. Advantage has approximately 8% of its

Commodity Prices and Marketing (continued)

natural gas production exposed to AECO natural gas prices this summer as a result of its market diversification and risk management activities (see "Financial Risk Management").

Advantage's natural gas exposure consists of the AECO, Empress, Emerson, Dawn, Chicago and Ventura markets. Additionally, the Corporation delivers 25,000 MMBtu/d under a long-term natural gas supply agreement whereby Advantage receives a PJM electricity-based spark-spread price, less Alliance tolls. Advantage incurs additional transportation expense to deliver production beyond AECO to the Empress, Emerson, Dawn and Chicago markets (see "Transportation Expense"). Our Ventura and a portion of our Chicago contracts are netback arrangements where the Corporation incurs a fixed price differential with the net amount recorded to revenue.

The following table outlines the Corporation's 2024 forward-looking natural gas market exposure, and three months ended March 31, 2024, actual natural gas market exposure, excluding hedging.

Sales Markets	Three months ended March 31, 2024		Forward-looking 2024 ⁽²⁾	
	Production (MMcf/d) ⁽¹⁾	Percentage of Natural Gas Production (%)	Effective production (MMcf/d) ⁽¹⁾	Percentage of Natural Gas Production (%)
AECO	57.5	16%	92.9	26%
AECO Other ⁽⁴⁾	55.4	16%	36.8	10%
Empress	80.1	22%	80.1	22%
Emerson	43.1	12%	43.1	12%
Dawn	52.7	15%	52.7	15%
Chicago	28.6	8%	15.9	4%
Ventura	15.0	4%	12.5	3%
PJM power price ⁽⁵⁾	25.0	7%	25.0	7%
Total	357.4	100%	359.1⁽³⁾	100%

⁽¹⁾ All volumes contracted converted to Mcf on the basis of 1 Mcf = 1.055056 GJ and 1 Mcf = 1 MMBtu.

⁽²⁾ Natural gas market exposure based on contracts in-place at March 31, 2024.

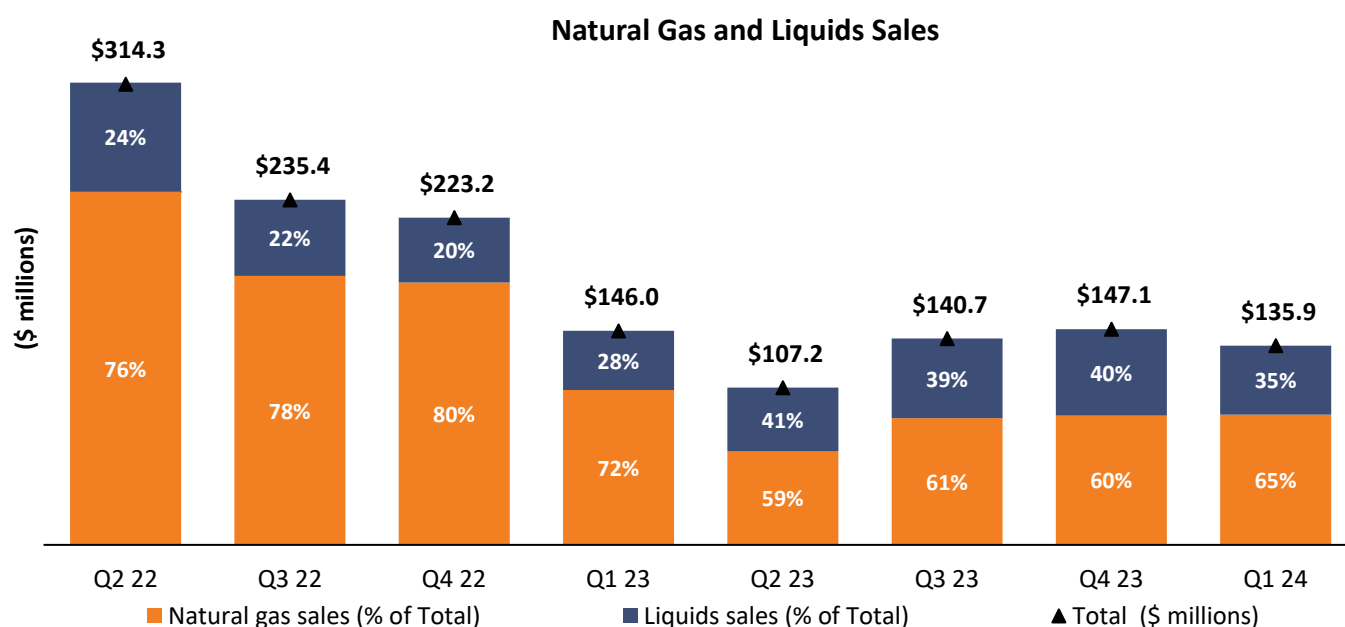
⁽³⁾ Represents the midpoint of our 2024 guidance for natural gas production volumes (see New Release dated November 30, 2023).

⁽⁴⁾ Transactions that are priced at AECO but may include either a premium or discount to AECO as negotiated with counterparties.

⁽⁵⁾ Sales are based upon a spark-spread price, providing Advantage exposure to PJM power prices, back-stopped with a natural gas price collar.

Natural Gas and Liquids Sales

(\$000, except as otherwise indicated)	Three months ended		% Change
	March 31		
	2024	2023	
Crude oil	21,992	14,927	47
Condensate	10,564	10,679	(1)
NGLs	14,536	14,745	(1)
Liquids	47,091	40,351	17
Natural gas	88,805	105,648	(16)
Natural gas and liquids sales	135,897	145,999	(7)
per boe	22.62	27.90	(19)



Natural gas and liquids sales for the three months ended March 31, 2024, decreased by \$10.1 million or 7% compared to the same period of 2023.

For the three months ended March 31, 2024, natural gas sales decreased by \$16.8 million or 16%, compared to the corresponding period in 2023, due to a 27% decrease in realized natural gas prices (see "Commodity Prices and Marketing"), partially offset by a 14% increase in natural gas production (see "Production"). First quarter liquids sales increased by \$6.7 million or 17%, due to a 12% increase in liquids production (see "Production"), and a 3% increase in realized liquids prices (see "Commodity Prices and Marketing").

Financial Risk Management

The Corporation's financial results and condition are impacted primarily by the prices received for natural gas, crude oil, condensate and NGLs production. Natural gas, crude oil, condensate and NGLs prices can fluctuate widely and are determined by supply and demand factors, including available access to transportation, weather, general economic conditions in consuming and producing regions and political factors. Additionally, certain commodity prices are transacted and denominated in US dollars. Advantage has been proactive in commodity risk management to reduce the volatility of cash provided by operating activities supporting our Montney development by diversifying sales to different physical markets and entering into financial commodity and foreign exchange derivative contracts. Advantage's Credit Facilities (as defined herein) allow us to enter derivative contracts on up to 75% of total estimated production over the first three years and up to 50% over the fourth and fifth years. In addition, the Credit Facilities allow us to enter basis swap arrangements to any natural gas price point in North America for up to 100,000 MMBtu/d with a maximum term of seven years. Basis swap arrangements are excluded from hedged production limits.

The Corporation enters into financial risk management derivative contracts to manage the exposure to commodity price risk, foreign exchange risk and interest rate risk. A summary of realized and unrealized derivative gains and losses for the three months ended March 31, 2024, and 2023 are as follows:

	Three months ended	
	March 31	
	2024	2023
Realized gains (losses) on derivatives		
Natural gas	4,663	19,381
Foreign exchange	90	(1,356)
Natural gas embedded derivative	(547)	-
Total	4,206	18,025
Unrealized gains (losses) on derivatives		
Natural gas	(9,161)	(8,263)
Foreign exchange	(847)	1,529
Natural gas embedded derivative	16,414	(9,279)
Unsecured debentures	(182)	(4,582)
Total	6,224	(20,595)
Gains (losses) on derivatives		
Natural gas	(4,498)	11,118
Foreign exchange	(757)	173
Natural gas embedded derivative	15,867	(9,279)
Unsecured debentures	(182)	(4,582)
Total	10,430	(2,570)

Financial Risk Management (continued)

Natural gas

For the three months ended March 31, 2024, Advantage realized gains on natural gas derivatives of \$4.7 million due to the settlement of contracts with average derivative contract prices that were above average market prices.

For the three months ended March 31, 2024, Advantage recognized an unrealized loss on natural gas derivatives of \$9.2 million resulting from changes in the fair value of outstanding natural gas derivative contracts and the settlement of contracts. The change in the fair value of our outstanding natural gas derivative contracts was significantly impacted by the decreased asset valuation of outstanding contracts due to the tightening of the AECO/Henry Hub Basis differential.

Foreign exchange

For the three months ended March 31, 2024, Advantage realized a gain on foreign exchange derivatives of \$0.1 million while recognizing an unrealized loss of \$0.8 million. The \$0.8 million unrealized loss is a result of the decreased asset valuation of the foreign exchange derivatives contracts due to a weakening of the Canadian dollar.

Natural gas embedded derivative

Advantage has a long-term natural gas supply agreement under which Advantage will supply 25,000 MMbtu/d of natural gas for a 10-year period, that commenced in April 2023. Commercial terms of the agreement are based upon a spark-spread price, providing Advantage exposure to PJM electricity prices, back-stopped with a natural gas price collar. The contract contains an embedded derivative as a result of the spark-spread price and the natural gas price collar. The Corporation defined the host contract as a natural gas sales arrangement with a fixed price of US\$2.50/MMbtu. The Corporation will have realized gains (losses) on the embedded derivative when the realized settlement price differs from US\$2.50/MMbtu, resulting in a realized loss of \$0.5 million for the three months ended March 31, 2024 (three months ended March 31, 2023 – nil). The Corporation will have unrealized gains (losses) on the embedded derivative based on movements in the forward curve for PJM electricity prices. For the three months ended March 31, 2024 the Corporation recognized an unrealized gain on the natural gas embedded derivative of \$16.4 million due to strengthening future PJM electricity prices with an increased asset position of the derivative compared to the fourth quarter of 2023.

Unsecured debentures derivative

The Corporation's subsidiary Entropy Inc. ("Entropy") issued unsecured debentures that have exchange features that meet the definition of a derivative liability, as the exchange features allow the unsecured debentures to be potentially exchanged for a variable number of Entropy common shares (see "Unsecured Debentures"). The Corporation will record unrealized gains (losses) as the valuation of the conversion option changes. For the three months ended March 31, 2024, the Entropy unsecured debentures derivative liability was comparable to the fourth quarter of 2023, resulting in an unrealized loss of \$0.2 million.

Financial Risk Management (continued)

The fair value of derivative assets and liabilities is the estimated value to settle the outstanding contracts as at a point in time. As such, unrealized derivative gains and losses do not impact adjusted funds flow and the actual gains and losses realized on eventual cash settlement can vary materially due to subsequent fluctuations in commodity prices, foreign exchange rates and interest rates as compared to the valuation assumptions. Remaining derivative contracts will settle between April 1, 2024 and March 31, 2027, apart from the natural gas embedded derivative which is expected to be settled between the years 2024 and 2033.

As at March 31, 2024 and April 25, 2024, the Corporation had the following commodity and foreign exchange derivative contracts in place:

Description of Derivative	Term	Volume	Price
Natural gas - Henry Hub NYMEX			
Fixed price swap	April 2024 to December 2024	20,000 Mcf/d	US \$3.41/Mcf
Natural gas - AECO/Henry Hub Basis Differential			
Basis swap	April 2024 to December 2024	40,000 Mcf/d	Henry Hub less US \$1.19/Mcf
Natural gas - AECO			
Fixed price swap	April 2024 to October 2024	56,869 Mcf/d	CAD \$2.60/Mcf
Fixed price swap	November 2024 to December 2024	47,391 Mcf/d	CAD \$3.39/Mcf
Fixed price swap	January 2025 to March 2025	71,086 Mcf/d	CAD \$3.37/Mcf ⁽¹⁾
Fixed price swap	April 2025 to October 2025	49,760 Mcf/d	CAD \$3.00/Mcf
Fixed price swap	November 2025 to March 2026	61,608 Mcf/d	CAD \$4.00/Mcf ⁽¹⁾
Fixed price swap	April 2026 to October 2026	9,478 Mcf/d	CAD \$3.67/Mcf ⁽¹⁾
Fixed price swap	November 2026 to March 2027	4,739 Mcf/d	CAD \$4.19/Mcf ⁽¹⁾

Description of Derivative	Term	Notional Amount	Rate
Forward rate - CAD/USD			
Average rate currency swap	April 2024 to August 2024	US \$ 2,000,000/month	1.3558
Average rate currency swap	April 2024 to September 2024	US \$ 1,000,000/month	1.3650

(1) Contains contracts entered into subsequent to March 31, 2024.

Processing and other income

	Three months ended		% Change
	March 31		
	2024	2023	
Processing income (\$000)	1,809	1,820	(1)
Other Income (\$000)	375	-	nm
Total processing and othe income (\$000)	2,184	1,820	20
per boe	0.36	0.35	3

Advantage earns processing income from contracts whereby the Corporation charges third-parties to utilize excess capacity at it's Glacier Gas Plant and Progress battery. The Corporation's subsidiary, Entropy, earns other income for work performed completing front end engineering and design studies.

Royalty Expense

	Three months ended		% Change
	March 31		
	2024	2023	
Royalty expense (\$000)	9,135	16,702	(45)
per boe	1.52	3.19	(52)
Royalty rate (%) ⁽¹⁾	6.7	11.4	(4.7)

⁽¹⁾ Percentage of natural gas and liquids sales.

Advantage pays royalties to the owners of mineral rights from which we have mineral leases. The Corporation has mineral leases with provincial governments, individuals and other companies. Our current average royalty rates are determined by various royalty regimes that incorporate factors including well depths, completion data, well production rates, and commodity prices. Royalties also include the impact of Gas Cost Allowance ("GCA") which is a reduction of royalties payable to the Alberta Provincial Government (the "Crown") to recognize capital and operating expenditures incurred by Advantage in the gathering and processing of the Crown's share of our natural gas production.

Royalty expense for the three months ended March 31, 2024, decreased 45% compared to the prior year due to the lower natural gas prices when compared to 2023 resulting in a lower royalty rate paid on natural gas and liquids sales.

Advantage expects royalty rates to range from 7% to 9% in 2024.

Operating Expense

	Three months ended		% Change
	March 31		
	2024	2023	
Operating expense (\$000)	25,082	18,003	39
per boe	4.17	3.44	21

Operating expense for the three months ended March 31, 2024, increased by \$7.1 million or 39%. The higher operating expense was attributed to a 14% increase in total production, additional third-party processing fees associated with 47% higher production at Wembley, maintaining production during extremely cold weather, increased costs associated with running carbon capture equipment on Glacier Phase 1b, and inflation impacts. Operating expense per boe increased by 21% driven by the increase in operating costs partially offset by production growth.

Advantage expects 2024 annual operating expense per boe to be approximately \$3.85/boe.

Transportation Expense

	Three months ended		% Change
	March 31		
	2024	2023	
Natural gas (\$000)	22,032	20,472	8
Liquids (\$000)	3,365	2,175	55
Total transportation expense (\$000)	25,397	22,647	12
per boe	4.23	4.33	(2)

Transportation expense represents the cost of transporting our natural gas and liquids production to the sales points, including associated fuel costs. Transportation expense for the three months ended March 31, 2024, increased by \$2.8 million or 12%. The increase in transportation expense is a result of the Corporation incurring pipeline tolls associated with the delivery of incremental natural gas to the Chicago market, additional liquids transportation associated with the new Key Access Pipeline System (“KAPS”), and higher liquids production.

Advantage expects 2024 annual transportation expense per boe to be approximately \$3.95/boe.

Operating Netback

	Three months ended			
	March 31			
	2024		2023	
	\$000	per boe	\$000	per boe
Natural gas and liquids sales	135,897	22.62	145,999	27.90
Realized gains on derivatives	4,206	0.70	18,025	3.44
Processing and other income	2,184	0.36	1,820	0.35
Royalty expense	(9,135)	(1.52)	(16,702)	(3.19)
Operating expense	(25,082)	(4.17)	(18,003)	(3.44)
Transportation expense	(25,397)	(4.23)	(22,647)	(4.33)
Operating netback ⁽¹⁾	82,673	13.76	108,492	20.73

⁽¹⁾ Specified financial measure which may not be comparable to similar specified financial measures used by other entities. Please see "Specified Financial Measures".

For the three months ended March 31, 2024, Advantage's operating netback was \$13.76/boe, a decrease of \$6.97/boe or 34%. The decrease in operating netback per boe was primarily due to the decrease in natural gas and liquids sales as a result of lower natural gas benchmark prices (see "Commodity Prices and Marketing"), and lower realized gains on derivatives as compared to the prior year (see "Financial Risk Management"). This decrease was partially offset by a decrease in royalties per boe due to lower royalty rates (see "Royalty Expense").

General and Administrative Expense

	Three months ended		
	March 31		%
	2024	2023	Change
General and administrative (\$000)	11,290	6,752	67
Capitalized (\$000)	(1,936)	(1,453)	33
General and administrative expenses (\$000)	9,354	5,299	77
per boe	1.56	1.01	54
Employees at March 31	66	55	20

General and administrative ("G&A") expense for the three months ended March 31, 2024, increased by \$4.0 million, or 77%. The Corporation's G&A expense increased due to the settlement of certain Performance Share Units with cash and an increase in employees, including hires to resource the Entropy business. Total G&A expense incurred by Entropy for the three months ended March 31, 2024 was \$2.3 million (March 31, 2023 - \$1.0 million).

Share-based Compensation

	Three months ended		% Change
	March 31		
	2024	2023	
Share-based compensation (\$000)	95	2,448	(96)
Capitalized (\$000)	-	(630)	nm
Share-based compensation expense (\$000)	95	1,818	(95)
per boe	0.02	0.35	(94)

Advantage's long-term compensation plan for staff consists of a cash-based performance award incentive plan (see "General and Administrative Expense") and a share-based Restricted and Performance Award Incentive Plan. Under Advantage's Restricted and Performance Award Incentive Plan, service providers of Advantage are granted Performance Share Units that cliff vest after three years from grant date. Capitalized share-based compensation is attributable to staff involved with the development of capital projects. Advantage's share-based compensation for the three months ended March 31, 2024 decreased \$1.7 million or 95%, due to the effect of realizing a lower performance multiplier than estimated for the settlement of Performance Share Units, accompanied by revising performance multiplier estimates for outstanding Performance Share Units.

Finance Expense

	Three months ended		% Change
	March 31		
	2024	2023	
Cash finance expense (\$000)	7,044	6,073	16
per boe	1.17	1.16	1
Paid-in-kind interest expense (\$000)	682	-	nm
Accretion expense (\$000)	731	431	70
Total finance expense (\$000)	8,457	6,504	30
per boe	1.41	1.24	14

Advantage realized higher cash finance expense during the three months ended March 31, 2024, as a result of increased average outstanding bank indebtedness and higher interest rates when compared to the same period in 2023 (see "Bank Indebtedness, Credit Facilities and Working Capital"). Advantage's bank indebtedness interest rates are primarily based on short-term bankers' acceptance rates plus a stamping fee and determined by net debt to the trailing four quarters Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") ratio as calculated pursuant to our Credit Facilities.

As at March 31, 2024, Entropy's unsecured debentures have an outstanding aggregate principal amount of \$51.8 million. The unsecured debentures bear an annual interest rate of 8% that Entropy can elect to pay in cash or pay-in-kind. Any paid-in-kind interest is added to the aggregate principal amount of the unsecured debenture. The unsecured debentures issued by Entropy are non-recourse to Advantage. For the three months ended March 31, 2024, Entropy incurred interest of \$0.7 million after capitalization, which was paid-in-kind (March 31, 2023 - \$0.5 million paid-in-cash) (see "Unsecured Debentures").

Depreciation and Amortization Expense

	Three months ended		% Change
	March 31		
	2024	2023	
Depreciation and amortization expense (\$000)	41,129	33,704	22
per boe	6.85	6.44	6

The increase in depreciation expense during the three months ended March 31, 2024 is attributable to an increased net book value associated with the Corporation's property, plant, and equipment accompanied by increased production (see "Production"). Depreciation and amortization expense per boe for the three months ended March 31, 2024, increased compared to the prior year due to an increase in the Corporation's natural gas and liquids depletable base.

Taxes

	Three months ended		% Change
	March 31		
	2024	2023	
Income tax expense (\$000)	7,747	11,171	(31)
Effective tax rate (%)	25.3	27.7	(2.5)

Deferred income taxes arise from differences between the accounting and tax bases of our assets and liabilities. For the three months ended March 31, 2024, the Corporation recognized a deferred income tax expense of \$7.7 million. The expense for the three months ended March 31, 2024, is a result of generating income before taxes and non-controlling interest of \$30.7 million. The decrease in the effective tax rate is due to the Corporation having minimal share-based compensation expense for the three months ended March 31, 2024 when compared to the same period of 2023. As at March 31, 2024, the Corporation had a deferred income tax liability of \$244.8 million.

Net Income and Comprehensive Income attributable to Advantage shareholders

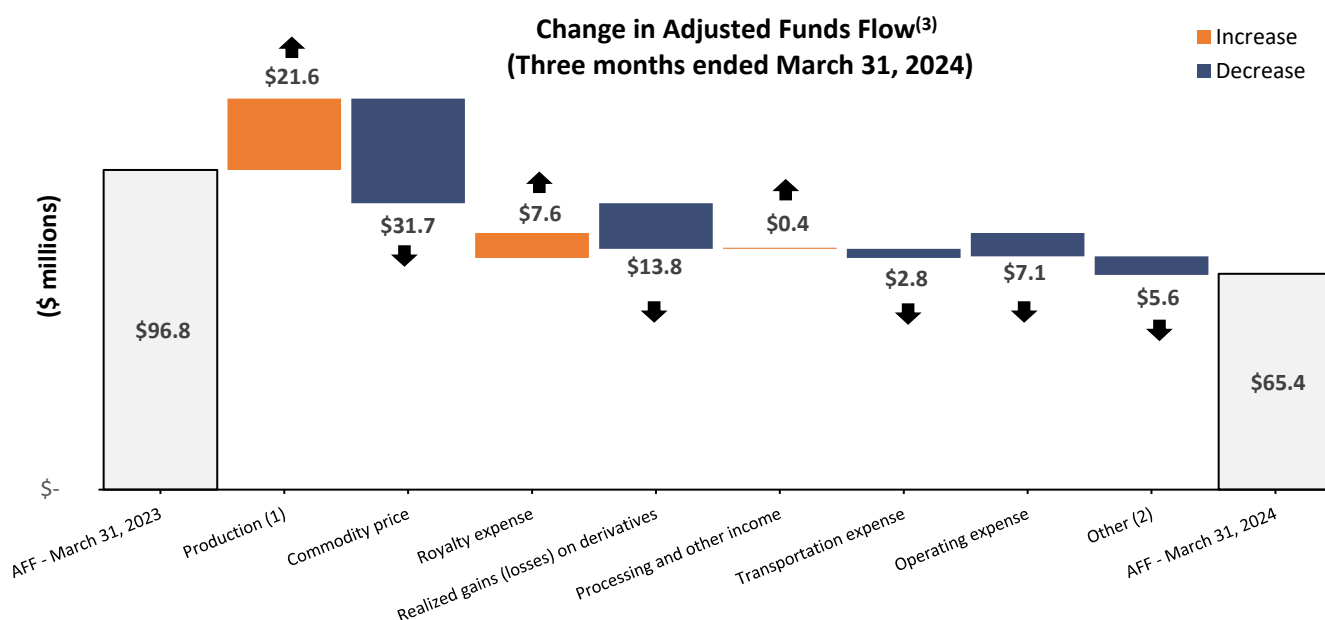
	Three months ended		% Change
	March 31		
	2024	2023	
Net income and comprehensive income attributable to Advantage shareholders (\$000)	23,163	29,719	(22)
per share - basic	0.14	0.18	(22)
per share - diluted	0.14	0.17	(18)

Advantage recognized net income attributable to Advantage shareholders of \$23.2 million for the three months ended March 31, 2024. Net income and comprehensive income attributable to Advantage shareholders was lower when compared to 2023 largely due to both lower realized natural gas pricing (see "Commodity Prices and Marketing") and lower realized gains on derivatives (see "Financial Risk Management"), partially offset by higher production (see "Production").

Cash Provided by Operating Activities and Adjusted Funds Flow ("AFF")

(\$000, except as otherwise indicated)	Three months ended	
	2024	2023
Cash provided by operating activities	67,374	105,955
Expenditures on decommissioning liability	67	453
Changes in non-cash working capital	(2,048)	(9,575)
Adjusted funds flow ⁽¹⁾	65,393	96,833
Adjusted funds flow per boe ⁽¹⁾	10.88	18.50
Adjusted funds flow per basic share ⁽¹⁾	0.41	0.58
Adjusted funds flow per diluted share ⁽¹⁾	0.40	0.56

⁽¹⁾ Specified financial measure which may not be comparable to similar specified financial measures used by other entities. Please see "Specified Financial Measures".



⁽¹⁾ The change in natural gas and liquids sales related to the change in production is determined by multiplying the prior period realized price by current period production.

⁽²⁾ Other includes net sales of purchased natural gas, G&A expense, finance expense (excluding accretion of decommissioning liability and unsecured debentures), foreign exchange gain and settlement of Performance Share Units in cash.

⁽³⁾ Specified financial measure which may not be comparable to similar specified financial measures used by other entities. Please see "Specified Financial Measures".

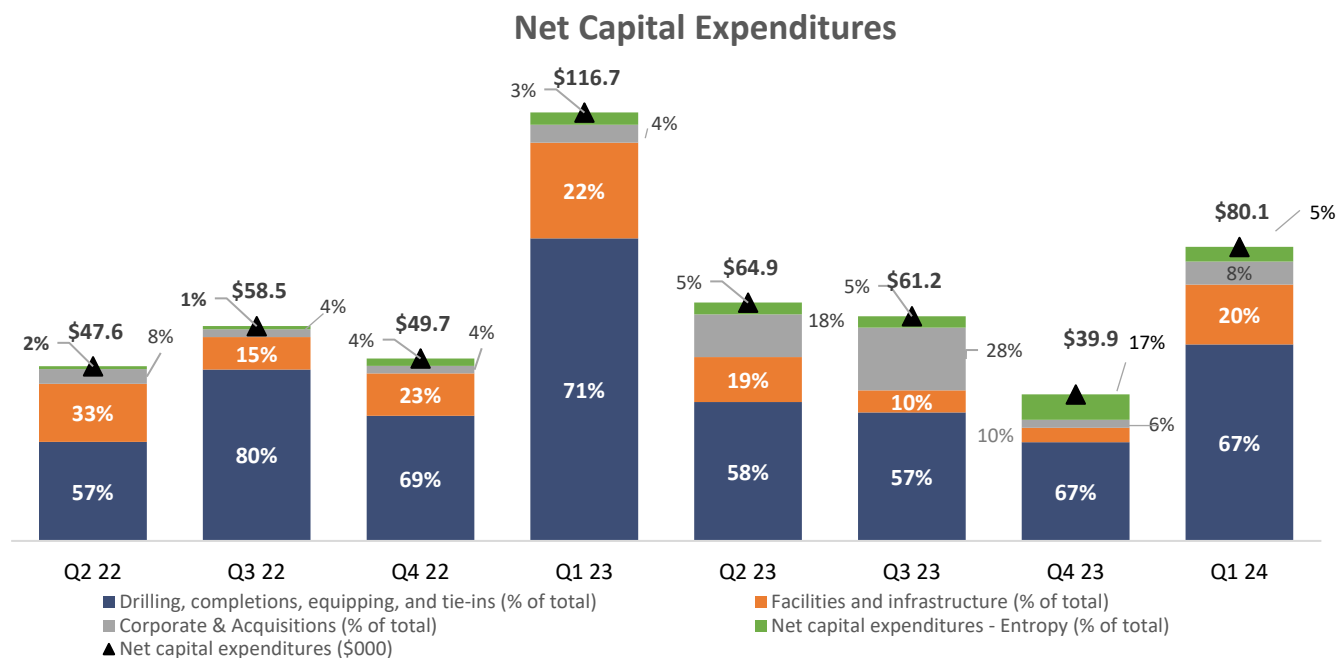
For the three months ended March 31, 2024, Advantage realized cash provided by operating activities of \$67.4 million, a decrease of \$38.6 million when compared to the same period of 2023. After adjusting for non-cash changes in working capital and expenditures on decommissioning liability, the Corporation realized adjusted funds flow of \$65.4 million, a decrease of \$31.4 million when compared to the same period of 2023. Adjusted funds flow of \$65.4 million for the three months ended March 31, 2024 includes \$67.0 million attributable to Advantage and \$1.6 million of net expenses attributable to Entropy. The decrease in cash provided by operating activities and adjusted funds flow were largely due to the decrease in natural gas and liquids sales as a result of lower natural gas prices (see "Commodity Prices and Marketing"), partially offset by higher total production (see "Production") and lower royalty expenses (see "Royalty Expense").

Cash Used in Investing Activities and Net Capital Expenditures

(\$000)	Three months ended	
	March 31	
	2024	2023
Drilling, completions, equipping, and tie-ins	53,546	82,421
Facilities and infrastructure	16,296	26,042
Corporate ⁽²⁾	6,334	4,881
Net capital expenditures – Advantage⁽¹⁾	76,176	113,344
Carbon capture and storage facilities	3,418	2,874
Intangible assets	540	482
Net capital expenditures – Entropy⁽¹⁾	3,958	3,356
Net capital expenditures ⁽¹⁾	80,134	116,700
Changes in non-cash working capital	(707)	(31,110)
Cash used in investing activities	79,427	85,590

(1) Specified financial measure which may not be comparable to similar specified financial measures used by other entities. Please see "Specified Financial Measures".

(2) Corporate includes workovers, turnaround cost, seismic, capitalized G&A, and office furniture and equipment.



Cash Used in Investing Activities and Net Capital Expenditures (continued)

Advantage

Advantage invested \$76.2 million on property, plant, and equipment during the three months ended March 31, 2024, a 33% reduction as compared to the same period of the prior year.

The following table summarizes wells drilled, completed and on production for the three months ended March 31, 2024:

(# of wells)	Three months ended March 31, 2024		
	Drilled Gross (Net)	Completed Gross (Net)	On production Gross (Net)
Glacier	5 (4.8)	9 (9.0)	3 (3.0)
Valhalla	-	-	-
Wembley	-	-	-
Progress	-	-	-
	5 (4.8)	9 (9.0)	3 (3.0)

Glacier

The first quarter of 2024 was an active quarter at our Glacier property with 5 gross (4.8 net) wells drilled, 9 gross (9 net) wells completed, and 3 gross (3.0 net) wells placed on production. Raw gas handling capacity at the Glacier Gas Plant remained at a maximum of 425 MMcf/d with a number of optimization projects completed during the quarter to reinforce our low operating cost structure.

Well performance continues to be strong with 2 of the 3 wells placed on production in the quarter achieving average well peak IP30 rates of 15.1 MMcf/d raw natural gas despite being choked back to minimize erosional risks and impacts on existing nearby wells. Of all Alberta Montney gas wells drilled in 2023, Advantage had 13 of the top 16 gas producing wells, based on IP90 rates.

Operation of the Glacier Gas Plant Phase 1b integrated CCS project designed to reduce emissions by 16,000 tonnes per annum of CO₂e, operated through the first quarter of 2024 after being commissioned in late 2023.

Valhalla

No new well activity at Valhalla took place in the first quarter of 2024. However, the two wells drilled in 2023, achieved significant average well IP30 production rates of 1,936 boe/d (7.5 MMcf/d natural gas, 499 bbls/d condensate and 180 bbls/d NGLs). The last six wells placed on production in Valhalla have averaged IP30 production rates of 1,431 boe/d (5.7 MMcf/d natural gas, 354 bbls/d condensate and 121 bbls/d NGLs) despite the wells being choked back to minimize erosional risks. All Valhalla production flows through Advantage-owned infrastructure to our Glacier Gas Plant. Strong well results support Management's view that our Valhalla asset will continue to play a pivotal role in the Corporation's liquids-rich gas development plan.

Cash Used in Investing Activities and Net Capital Expenditures (continued)

Wembley

At Wembley, drilling activity began late in the first quarter of 2024 with the first well on a three-well pad being spud. Drilling will continue through breakup with production from the pad anticipated in the third quarter of 2024. Average IP30 production rates from the last seven wells placed on production was 1,549 boe/d (3.7 MMcf/d natural gas, 605 bbls/d crude oil and 328 bbls/d NGLs). The Wembley asset is connected to two major third-party gas processing facilities and utilizes existing capacity in our 100% owned Wembley compressor site and liquids handling hub.

Progress

Planning, engineering design and procurement of equipment for the first phase of the 150 MMcf/d Progress gas plant continued during the first quarter of 2024. Commissioning is currently on-schedule for mid-year 2025.

Entropy

Net capital expenditures incurred by Entropy are funded through the issuance of unsecured debentures to investors that have provided Entropy access to an aggregate of up to \$500 million in committed capital, of which \$50 million has been drawn as at March 31, 2024.

Entropy invested \$4.0 in net capital expenditures during the three months ended March 31, 2024. Expenditures in Entropy were mainly incurred in completing the Glacier Phase 1b project, accompanied with front end engineering and design for the Glacier Phase 2 project.

Commitments and Contractual Obligations

The Corporation has commitments and contractual obligations in the normal course of operations. Such commitments include operating costs for office leases, natural gas processing costs associated with third-party facilities, and transportation costs for delivery of our natural gas and liquids (crude oil, condensate and NGLs) production to sales points. Transportation commitments are required to ensure our production is delivered to sales markets and Advantage actively manages our portfolio in conjunction with our future development plans ensuring we are properly diversified to multiple markets. Of our total transportation commitments, \$234 million is required for delivery of natural gas and liquids production to Alberta markets, while Advantage has proactively committed to \$204 million in additional transportation to diversify natural gas production to the Dawn, Empress, Emerson, and Chicago markets, with the objective of reducing price volatility and achieving higher operating netbacks (see "Transportation Expense"). Contractual obligations comprise those liabilities to third-parties incurred for the purpose of financing Advantage's business and development, including our bank indebtedness.

The following table is a summary of the Corporation's remaining commitments and contractual obligations. Advantage has no guarantees or off-balance sheet arrangements other than as disclosed.

(\$ millions)	Payments due by period						
	Total	2024 (9 months)	2025	2026	2027	2028	Beyond
Building operating cost ⁽¹⁾	2.2	0.5	0.6	0.6	0.5	-	-
Processing	43.2	7.5	9.5	7.0	7.0	7.0	5.2
Transportation	474.0	60.3	79.5	66.0	54.3	29.8	184.1
Total commitments	519.4	68.3	89.6	73.6	61.8	36.8	189.3
Performance Awards	5.8	-	1.7	2.0	2.1	-	-
Lease liability	3.1	0.6	0.8	0.8	0.5	0.2	0.2
Financing liability	146.7	9.8	13.0	13.0	13.0	13.1	84.8
Bank indebtedness ⁽²⁾							
- principal	240.0	-	240.0	-	-	-	-
- interest	24.6	14.8	9.8	-	-	-	-
Unsecured debentures ⁽³⁾	51.8	-	-	-	-	-	51.8
Total contractual obligations	472.0	25.2	265.3	15.8	15.6	13.3	136.8
Total future payments	991.4	93.5	354.9	89.4	77.4	50.1	326.1

⁽¹⁾ Excludes fixed lease payments which are included in the Corporation's lease liability.

⁽²⁾ As at March 31, 2024 the Corporation's bank indebtedness was governed by the Credit Facilities, which have a two-year term with a syndicate of financial institutions. The Credit Facilities are revolving and extendible for a further 364-day period upon an annual review and at the option of the syndicate. If not extended, the Credit Facilities will mature with any outstanding principal payable at the end of the two-year term (see "Bank Indebtedness, Credit Facilities and Working Capital").

⁽³⁾ The unsecured debentures are a liability of Entropy and are non-recourse to Advantage. The principal balance of unsecured debenture bears an annual interest rate of 8%, which can be paid-in-kind or cash, at the discretion of Entropy (see "Unsecured Debentures").

Liquidity and Capital Resources

The following table is a summary of the Corporation's capitalization structure:

(\$000, except as otherwise indicated)	March 31 2024	December 31 2023
Bank indebtedness	238,578	212,854
Aggregate principal balance of unsecured debentures ⁽¹⁾	51,793	40,807
Working capital surplus ⁽²⁾	(10,408)	(18,651)
Net debt ⁽²⁾	279,963	235,010
Shares outstanding	159,826,736	162,225,180
Shares closing market price (\$/share)	9.88	8.53
Market capitalization	1,579,088	1,383,781
Total capitalization	1,859,051	1,618,791
Debt to trailing adjusted funds flow ⁽²⁾	0.8	0.7

⁽¹⁾ The unsecured debentures are a liability of Entropy and are non-recourse to Advantage. The principal balance of unsecured debenture bears an annual interest rate of 8%, which can be paid-in-kind or cash, at the discretion of Entropy (see "Unsecured Debentures").

⁽²⁾ Specified financial measure which may not be comparable to similar specified financial measures used by other entities. Please see "Specified Financial Measures".

As at March 31, 2024, the Corporation had net debt of \$280.0 million, consisting of \$233.1 million with Advantage and \$46.9 million with Entropy. Advantage's net debt of \$233.1 million was within our net debt target of \$200 million to \$250 million. Advantage has a \$350 million Credit Facility of which \$97.0 million or 28% was available after deducting outstanding letters of credit of \$13.0 million (see "Bank Indebtedness, Credit Facilities and Working Capital"). The Corporation's Credit Facility and adjusted funds flow were utilized to fund Advantage's net capital expenditures of \$76.2 million and repurchase and cancel 2.4 million common shares for \$21.3 million (see "Shareholders' Equity"). Entropy's net capital expenditures of \$4.0 million is separately funded through the issuance of unsecured debentures to investors that have provided Entropy access to an aggregate of up to \$500 million in committed capital, of which \$50 million has been drawn as at March 31, 2024. Unsecured debentures issued by Entropy are non-recourse to Advantage.

Advantage monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The capital structure of the Corporation is composed of working capital, bank indebtedness, unsecured debentures issued by Entropy, and share capital. Advantage may manage its capital structure by issuing new common shares, repurchasing outstanding common shares, obtaining additional financing through bank indebtedness, refinancing current debt, issuing other financial or equity-based instruments, declaring a dividend, or adjusting capital spending. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis. Management of the Corporation's capital structure is facilitated through its financial and operational forecasting processes. Selected forecast information is frequently provided to the Board of Directors. This continual financial assessment process further enables the Corporation to mitigate risks. The Corporation continues to satisfy all liabilities and commitments as they come due.

Bank Indebtedness, Credit Facilities and Working Capital

As at March 31, 2024, Advantage had bank indebtedness outstanding of \$238.6 million, an increase of \$25.7 million since December 31, 2023. Advantage's Credit Facilities have a borrowing base of \$350 million that is collateralized by a \$1 billion floating charge demand debenture covering all assets of the Corporation and has no financial covenants (the "Credit Facilities"). Under the Credit Facilities, the Corporation must ensure at all times that its Liability Management Rating ("LMR") as determined by the Alberta Energy Regulator ("AER") is not less than 2.0. The borrowing base for the Credit Facilities is determined by the banking syndicate through an evaluation of our reserve estimates based upon their independent commodity price assumptions. Revisions or changes in the reserve estimates and commodity prices can have either a positive or a negative impact on the borrowing base. In May 2023, the Credit Facilities were renewed with no changes to the borrowing base. The Credit Facilities have a tenor of two years with a maturity date in June 2025 and is subject to an annual review and extension by the lenders. During the revolving period, a review of the maximum borrowing amount occurs annually during or before the month of May and semi-annually during or before the month of November. There can be no assurance that the Credit Facilities will be renewed at the current borrowing base level at that time. During the term, no principal payments are required until the revolving period matures in June 2025 in the event of a reduction, or the Credit Facilities not being renewed. The Corporation had letters of credit of \$13.0 million outstanding at March 31, 2024 (December 31, 2023 - \$12.9 million). The Credit Facilities do not contain any financial covenants, but the Corporation is subject to various affirmative and negative covenants under its Credit Facilities. The Corporation was in compliance with all covenants as at March 31, 2024 and December 31, 2023.

The Corporation had a working capital surplus of \$10.4 million as at March 31, 2024, as compared to a working capital surplus at December 31, 2023 of \$18.7 million, largely due to the decrease in trade and other receivables related to lower commodity prices, and the timing of net capital expenditures and related payments. Our working capital includes cash and cash equivalents, trade and other receivables, prepaid expenses and deposits, and trade and other accrued liabilities. Working capital varies primarily due to the timing of such items, the current level of business activity including our capital expenditure program, commodity price volatility, and seasonal fluctuations. We do not anticipate any problems in meeting future obligations as they become due as they can be satisfied with cash provided by operating activities and our available Credit Facilities.

Unsecured Debentures

The Corporation's subsidiary Entropy has entered into two investment agreements with investors who provided capital commitments of \$300 million and \$200 million (the "Investment Agreements"). In connection with the Investment Agreements, Entropy will issue unsecured debentures to fund carbon capture and storage projects that reach final investment decision as certain predetermined return thresholds are met. Under the terms of the Investment Agreements, Entropy and the investors have options that provide for the unsecured debentures to be exchanged for common shares at an exchange price of \$10.00 per share and \$12.75 per share, respectively, subject to adjustment in certain circumstances. The investors have the option to exchange the outstanding unsecured debentures for common shares at any time while Entropy may commence a mandatory exchange of unsecured debentures for common shares in advance of an Initial Public Offering ("IPO"). The unsecured debentures have a term of 10 years, if not exchanged for common shares, which are to be repaid at the end of the term in the amount greater of the principal amount and the investor's pro rata share of the fair market value of Entropy. Each unsecured debenture issued by Entropy bears an interest rate of 8% per annum that Entropy can elect to pay in cash or pay-in-kind, due on a quarterly basis. Any paid-in-kind interest is added to the aggregate principal, subject to certain limitations. As at March 31, 2024, Entropy's unsecured debentures have an outstanding aggregate principal balance of \$51.8 million (December 31, 2023 - \$40.8 million).

During the three months ended March 31, 2024, Entropy issued unsecured debentures for gross proceeds of \$10.0 million (March 31, 2023 - nil) and incurred \$1.2 million of issuance costs (March 31, 2023 - nil). For the three months ended March 31, 2024, Entropy incurred interest of \$1.0 million which was paid-in-kind (March 31, 2023 - \$0.5 million paid in cash).

Other Liabilities

The Corporation has a 15-year take-or-pay volume commitment with a 12.5% working interest partner due to expire in 2035 for 53,125 Mcf/d capacity at a fee of \$0.673/Mcf. The volume commitment agreement is treated as a financing transaction with an effective interest rate of 9.1%. For the three months ended March 31, 2024, the Corporation made cash payments of \$3.3 million (March 31, 2023 - \$3.1 million) under the take-or-pay volume commitment agreement.

As at March 31, 2024, Advantage had a decommissioning liability of \$57.8 million (December 31, 2023 - \$62.2 million) for the future abandonment and reclamation of the Corporation's natural gas and liquids properties. The decommissioning liability includes assumptions in respect of actual costs to abandon and reclaim wells and facilities, the time frame in which such costs will be incurred, annual inflation factors and discount rates. The total estimated undiscounted, uninflated cash flows required to settle the Corporation's decommissioning liability was \$83.0 million (December 31, 2023 - \$82.6 million), with 57% of these costs to be incurred beyond 2050. Actual spending on decommissioning for the three months ended March 31, 2024 was \$0.1 million (year ended December 31, 2023 - \$4.0 million). Advantage continues to maintain an LMR of 28.1, demonstrating that the Corporation has no issues addressing its abandonment, remediation, and reclamation obligations.

Non-controlling interest ("NCI")

Advantage owns 92% of the common shares of Entropy and therefore consolidates 100% of Entropy while recognizing a non-controlling interest in shareholders' equity that represents the carrying value of the 8% common shares held by outside interests.

For the three months ended March 31, 2024, the net loss and comprehensive loss attributed to non-controlling interest was \$0.3 million (March 31, 2023 - \$0.6 million).

Shareholders' Equity

On April 6, 2023, the Toronto Stock Exchange ("TSX") approved the Corporation renewing its normal course issuer bid ("NCIB"). Pursuant to the NCIB, Advantage may purchase for cancellation, from time to time, as it considers advisable, up to a maximum of 16,201,997 common shares of the Corporation. The NCIB commenced on April 13, 2023 and terminated on April 12, 2024. The Corporation intends on renewing the NCIB subsequent to April 25, 2024, subject to receiving the approval of its board of directors and the TSX.

For the three months ended March 31, 2024, the Corporation purchased 2.4 million common shares for cancellation under its NCIB at an average price of \$8.86 per common share for a total of \$21.3 million. Since initiating our buyback program in April 2022, Advantage has repurchased approximately 19.5% of its outstanding common shares.

As at March 31, 2024, a total of 2.5 million Performance Share Units were outstanding under the Corporation's Restricted and Performance Award Incentive Plan, which represents 1.6% of Advantage's total outstanding common shares. Subsequent to March 31, 2024, the Corporation issued 1.2 million common shares as a result of the vesting of Performance Share Units on March 28, 2024.

As at April 25, 2024, Advantage had 161.1 million common shares outstanding.

Quarterly Performance

	2024		2023			2022		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
(\$'000, except as otherwise indicated)								
Financial Statement Highlights								
Natural gas and liquids sales	135,897	147,137	140,724	107,240	145,999	223,200	235,392	314,297
Net income and comprehensive income ⁽⁴⁾	23,163	41,026	28,314	2,538	29,719	113,962	40,792	164,334
per basic share ⁽²⁾	0.14	0.25	0.17	0.02	0.18	0.63	0.22	0.86
per diluted share ⁽³⁾	0.14	0.24	0.16	0.01	0.17	0.61	0.21	0.83
Basic weighted average shares (000)	160,444	163,939	167,702	167,268	167,311	180,248	186,717	190,415
Diluted weighted average shares (000)	164,129	168,441	172,182	171,815	174,328	187,095	193,559	197,256
Cash provided by operating activities	67,374	89,048	90,376	37,966	105,955	112,558	123,224	157,439
Cash provided by (used in) financing activities	11,883	(52,120)	(3,562)	43,778	(58,359)	(49,718)	(71,048)	(37,556)
Cash used in investing activities	(79,427)	(58,846)	(49,886)	(88,439)	(85,590)	(69,060)	(42,822)	(80,720)
Other Financial Highlights								
Adjusted funds flow ⁽¹⁾	65,393	82,494	81,862	52,381	96,833	124,205	96,651	187,056
per boe ⁽¹⁾	10.88	13.11	13.86	11.10	18.50	24.29	19.39	34.05
per basic share ⁽¹⁾⁽²⁾	0.41	0.50	0.49	0.31	0.58	0.69	0.52	0.98
per diluted share ⁽¹⁾⁽³⁾	0.40	0.49	0.48	0.30	0.56	0.66	0.50	0.95
Net capital expenditures ⁽¹⁾	80,134	39,938	61,234	64,924	116,700	46,838	58,519	47,570
Free cash flow ⁽¹⁾	(14,741)	42,556	20,628	(12,543)	(19,867)	77,367	38,132	139,486
Working capital surplus (deficit) ⁽¹⁾	10,408	18,651	29,816	12,949	(12,449)	71,564	46,960	77,858
Bank indebtedness	238,578	212,854	226,127	226,442	167,260	177,200	113,804	106,776
Net debt ⁽¹⁾	279,963	235,010	236,311	238,493	204,709	130,636	91,844	53,918
Operating Highlights								
Production								
Crude oil (bbls/d)	2,630	3,254	3,035	2,801	1,731	1,854	2,168	2,858
Condensate (bbls/d)	1,231	1,264	1,368	871	1,157	1,092	1,049	1,128
NGUs (bbls/d)	2,591	3,345	3,174	2,683	2,877	2,680	3,230	3,392
Total liquids production (bbls/d)	6,452	7,863	7,577	6,355	5,765	5,626	6,447	7,378
Natural gas (mcf/d)	357,410	363,124	339,709	272,919	314,273	299,684	286,328	317,976
Total production (boe/d)	66,020	68,384	64,195	51,842	58,144	55,573	54,168	60,374
Average prices (including realized derivatives)								
Natural gas (\$/mcf)	2.86	2.84	2.95	2.81	4.42	5.65	4.61	6.75
Liquids (\$/bbl)	80.21	81.55	77.91	75.36	77.77	86.39	87.89	107.83
Operating Netback (\$/boe)								
Natural gas and liquids sales	22.62	23.39	23.83	22.73	27.90	43.66	47.23	57.21
Realized gains (losses) on derivatives	0.70	0.98	1.02	1.07	3.44	(4.76)	(12.58)	(8.50)
Processing and other income	0.36	0.39	0.39	0.22	0.35	0.60	0.46	0.41
Net sales of purchased natural gas	-	-	-	(0.05)	-	-	-	-
Royalty expense	(1.52)	(1.64)	(1.55)	(1.33)	(3.19)	(5.31)	(5.80)	(6.17)
Operating expense	(4.17)	(3.61)	(3.85)	(4.44)	(3.44)	(3.39)	(3.72)	(2.75)
Transportation expense	(4.23)	(4.08)	(3.70)	(4.34)	(4.33)	(4.43)	(4.48)	(4.44)
Operating netback ⁽¹⁾	13.76	15.43	16.14	13.86	20.73	26.37	21.11	35.76

(1) Specified financial measure which may not be comparable to similar specified financial measures used by other entities. Please see "Specified Financial Measures".

(2) Based on basic weighted average shares outstanding.

(3) Based on diluted weighted average shares outstanding.

(4) Net income and comprehensive income attributable to Advantage Shareholders.

The table above highlights the Corporation's performance for the first quarter of 2024 and for the preceding seven quarters. In 2022 the Corporation saw a large increase in both natural gas and liquids sales and adjusted funds flow due to higher natural gas and liquids benchmark prices and higher production due to the Corporation's drilling program. Adjusted funds flow was the highest in the second quarter of 2022 coinciding with high natural gas and liquids benchmark prices. Adjusted funds flow declined in the third and fourth quarter of 2022 due to lower natural gas and liquids benchmark prices. Natural gas and liquids sales and adjusted funds flow continued to decrease in the first and second quarter of 2023 due to lower natural gas and liquids benchmark prices as well as the planned turnaround at the Glacier Gas Plant in the second quarter.

Quarterly Performance (continued)

Natural gas and liquids sales and adjusted funds flow increased in the third and fourth quarter of 2023 due to higher production from the Corporation's drilling program. In the first quarter of 2024 natural gas and liquids sales and adjusted funds flow declined with lower commodity prices from an unseasonably mild winter and high North American storage levels. The Corporation has steadily increased total production over the preceding seven quarters from 60,374 boe/d in the second quarter of 2022 to 66,020 boe/d in the first quarter of 2024. Cash provided by operating activities experienced greater fluctuations than adjusted funds flow due to changes in non-cash working capital, which primarily resulted from the amount and timing of trade payable settlements and accounts receivable collections.

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires Management to make certain judgments and estimates. Changes in these judgments and estimates could have a material impact on the Corporation's financial results and financial condition.

Management relies on the estimate of reserves as prepared by the Corporation's independent qualified reserves evaluator. The process of estimating reserves is critical to several accounting estimates. The process of estimating reserves is complex and requires significant judgments and decisions based on available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development and production activities becomes available and as economic conditions impact natural gas and liquids prices, operating expense, royalty burden changes, and future development costs. Reserve estimates impact net income (loss) and comprehensive income (loss) through depreciation, impairment and impairment reversals of natural gas and liquids properties. After tax discounted cashflows are used to ensure the carrying amount of the Corporation's natural gas and liquids properties are recoverable. The discount rate used is subject to judgement and may impact the carrying value of the Corporation's property, plant and equipment. The reserve estimates are also used to assess the borrowing base for the Credit Facilities. Revision or changes in the reserve estimates can have either a positive or a negative impact on asset values, net income (loss), comprehensive income (loss) and the borrowing base of the Corporation.

The Corporation's assets are required to be aggregated into cash generating units ("CGUs") for the purpose of calculating impairment based on their ability to generate largely independent cash inflows. Factors considered in the classification include the integration between assets, shared infrastructures, the existence of common sales points, geography, geologic structure, and the manner in which Management monitors and makes decisions about its operations. The classification of assets and allocation of corporate assets into CGUs requires significant judgment and may impact the carrying value of the Corporation's assets in future periods.

Critical Accounting Estimates (continued)

Management's process of determining the provision for deferred income taxes and the provision for decommissioning liability costs and related accretion expense are based on estimates. Estimates used in the determination of deferred income taxes provisions are significant and can include expected future tax rates, expectations regarding the realization or settlement of the carrying amount of assets and liabilities and other relevant assumptions. Estimates used in the determination of decommissioning liability cost provisions and accretion expense are significant and can include proved and probable reserves, future production rates, future commodity prices, future costs, future interest rates and other relevant assumptions. Revisions or changes in any of these estimates can have either a positive or a negative impact on asset and liability values, net income (loss) and comprehensive income (loss).

In accordance with IFRS, derivative assets and liabilities are recorded at their fair values at the reporting date, with gains and losses recognized directly into comprehensive income (loss). The fair value of derivatives outstanding is an estimate based on pricing models, estimates, assumptions and market data available at that time. As such, the recognized amounts are non-cash items and the actual gains or losses realized on eventual cash settlement can vary materially due to subsequent fluctuations in commodity prices as compared to the valuation assumptions. For embedded derivatives, Management assesses and determines the definition of the host contract and the separate embedded derivative. The judgements made in determining the host contract can influence the fair value of the embedded derivative.

In determining the fair value of unsecured debentures, judgments are required related to the choice of a pricing model, the estimation of share price, share price volatility, timing and probability of an IPO, credit spread, interest rates, and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could result in a significant impact on the Corporation's future operating results.

Changes in Accounting Policies

On January 1, 2024, the Corporation adopted the amendments to *IAS 1 Presentation of Financial Statements*, which addresses the classification of liabilities with covenants as current or non-current in the Statements of Financial Position. As a result of the amendment, the Entropy's unsecured debentures, which were previously reported as non-current liabilities, have been reclassified to current liabilities.

Accounting Pronouncements not yet adopted

A description of additional accounting standards and interpretations that will be adopted in future periods can be found in the notes to the Consolidated Financial Statements for the three months ended March 31, 2024.

Environmental Reporting

Environmental regulations impacting climate-related matters continue to evolve and may have additional disclosure requirements in the future. The International Sustainability Standards Board published the new IFRS sustainability disclosure standards, IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*, with the aim to develop an environment sustainability disclosure framework that is accepted globally. In addition, the Canadian Securities Administrators have proposed National Instrument 51-107 – *Disclosure of Climate-related Matters*, with additional climate-related disclosure requirements for certain reporting issuers in Canada. If the Corporation is unable to meet future sustainability reporting requirements of regulators or current and future expectations of stakeholders, its business and ability to attract and retain skilled employees, obtain regulatory permits, licenses, registrations, approvals and authorizations from various government authorities, and

Environmental Reporting (continued)

raise capital may be adversely affected. The cost to comply with these standards, and others that may be developed or evolved over time, has not yet been quantified.

Evaluation of Disclosure Controls and Procedures

Advantage's Chief Executive Officer and Chief Financial Officer have designed disclosure controls and procedures ("DC&P"), or caused it to be designed under their supervision, to provide reasonable assurance that material information relating to the Corporation is made known to them by others, particularly during the period in which the annual filings are being prepared, and information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

Evaluation of Internal Controls over Financial Reporting

Advantage's Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining internal control over financial reporting ("ICFR"). They have designed ICFR, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The control framework Advantage's officers used to design the Corporation's ICFR is the Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations. Management of Advantage, including our Chief Executive Officer and Chief Financial Officer, evaluate the effectiveness of the Corporation's ICFR annually.

Advantage's Chief Executive Officer and Chief Financial Officer are required to disclose any change in the ICFR that occurred during our most recent interim period that has materially affected, or is reasonably likely to materially affect, the Corporation's ICFR. No material changes in the ICFR were identified during the interim period ended March 31, 2024, that have materially affected, or are reasonably likely to materially affect, our ICFR.

It should be noted that while the Chief Executive Officer and Chief Financial Officer believe that the Corporation's design of DC&P and ICFR provide a reasonable level of assurance that they are effective, they do not expect that the control system will prevent all errors and fraud. A control system, no matter how well conceived or operated, does not provide absolute, but rather is designed to provide reasonable assurance that the objective of the control system is met. The Corporation's ICFR may not prevent or detect all misstatements because of inherent limitations. Additionally, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with the Corporation's policies and procedures.

Specified Financial Measures

Throughout this MD&A and in other documents disclosed by the Corporation, Advantage discloses certain measures to analyze financial performance, financial position, and cash flow. These non-GAAP and other financial measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other entities. The non-GAAP and other financial measures should not be considered to be more meaningful than GAAP measures which are determined in accordance with IFRS, such as net income (loss) and comprehensive income (loss), cash provided by operating activities, and cash used in investing activities, as indicators of Advantage's performance.

Non-GAAP Financial Measures

Adjusted Funds Flow

The Corporation considers adjusted funds flow to be a useful measure of Advantage's ability to generate cash from the production of natural gas and liquids, which may be used to settle outstanding debt and obligations, support future capital expenditures plans, or return capital to shareholders. Changes in non-cash working capital are excluded from adjusted funds flow as they may vary significantly between periods and are not considered to be indicative of the Corporation's operating performance as they are a function of the timeliness of collecting receivables and paying payables. Expenditures on decommissioning liabilities are excluded from the calculation as the amount and timing of these expenditures are unrelated to current production and are partially discretionary due to the nature of our low liability. A reconciliation of the most directly comparable financial measure has been provided below:

(\$000)	Three months ended	
	March 31	
	2024	2023
Cash provided by operating activities	67,374	105,955
Expenditures on decommissioning liability	67	453
Changes in non-cash working capital	(2,048)	(9,575)
Adjusted funds flow	65,393	96,833

Net Capital Expenditures

Net capital expenditures include total capital expenditures related to property, plant and equipment, exploration and evaluation assets and intangible assets. Management considers this measure reflective of actual capital activity for the period as it excludes changes in working capital related to other periods and excludes cash receipts on government grants. A reconciliation of the most directly comparable financial measure has been provided below:

(\$000)	Three months ended	
	March 31	
	2024	2023
Cash used in investing activities	79,427	85,590
Changes in non-cash working capital	707	31,110
Net capital expenditures	80,134	116,700

Specified Financial Measures (continued)

Non-GAAP Financial Measures (continued)

Free Cash Flow (negative)

Advantage computes free cash flow as adjusted funds flow less net capital expenditures. Advantage uses free cash flow as an indicator of the efficiency and liquidity of Advantage's business by measuring its cash available after net capital expenditures to settle outstanding debt and obligations and potentially return capital to shareholders by paying dividends or buying back common shares. A reconciliation of the most directly comparable financial measure has been provided below:

(\$000)	Three months ended March 31	
	2024	2023
Cash provided by operating activities	67,374	105,955
Cash used in investing activities	(79,427)	(85,590)
Changes in non-cash working capital	(2,755)	(40,685)
Expenditures on decommissioning liability	67	453
Free cash flow (negative)	(14,741)	(19,867)

Operating Netback

Operating netback is comprised of natural gas and liquids sales, realized gains (losses) on derivatives, processing and other income, net sales of purchased natural gas, net of expenses resulting from field operations, including royalty expense, operating expense and transportation expense. Operating netback provides Management and users with a measure to compare the profitability of field operations between companies, development areas and specific wells. The composition of operating netback is as follows:

(\$000)	Three months ended March 31	
	2024	2023
Natural gas and liquids sales	135,897	145,999
Realized gains on derivatives	4,206	18,025
Processing and other income	2,184	1,820
Royalty expense	(9,135)	(16,702)
Operating expense	(25,082)	(18,003)
Transportation expense	(25,397)	(22,647)
Operating netback	82,673	108,492

Specified Financial Measures (continued)

Non-GAAP Ratios

Adjusted Funds Flow per Share

Adjusted funds flow per share is derived by dividing adjusted funds flow by the basic weighted average shares outstanding of the Corporation. Management believes that adjusted funds flow per share provides investors an indicator of funds generated from the business that could be allocated to each shareholder's equity position.

(\$000, except as otherwise indicated)	Three months ended March 31	
	2024	2023
Adjusted funds flow	65,393	96,833
Weighted average shares outstanding (000)	160,444	167,311
Diluted weighted average shares outstanding (000)	164,129	174,328
Adjusted funds flow per basic share (\$/share)	0.41	0.58
Adjusted funds flow per diluted share (\$/share)	0.40	0.56

Adjusted Funds Flow per BOE

Adjusted funds flow per boe is derived by dividing adjusted funds flow by the total production in boe for the reporting period. Adjusted funds flow per boe is a useful ratio that allows users to compare the Corporation's adjusted funds flow against other competitor corporations with different rates of production.

(\$000, except as otherwise indicated)	Three months ended March 31	
	2024	2023
Adjusted funds flow	65,393	96,833
Total production (boe/d)	66,020	58,144
Days in period	91	90
Total production (000 boe)	6,008	5,233
Adjusted funds flow per BOE (\$/boe)	10.88	18.50

Operating netback per BOE

Operating netback per boe is derived by dividing each component of the operating netback by the total production in boe for the reporting period. Operating netback per boe provides Management and users with a measure to compare the profitability of field operations between companies, development areas and specific wells against other competitor corporations with different rates of production.

(\$000, except as otherwise indicated)	Three months ended March 31	
	2024	2023
Operating netback	82,673	108,492
Total production (boe/d)	66,020	58,144
Days in period	91	90
Total production (000 boe)	6,008	5,233
Operating netback per BOE (\$/boe)	13.76	20.73

Specified Financial Measures (continued)

Non-GAAP Ratios (continued)

Payout Ratio

Payout ratio is calculated by dividing net capital expenditures by adjusted funds flow. Advantage uses payout ratio as an indicator of the efficiency and liquidity of Advantage's business by measuring its cash available after net capital expenditures to settle outstanding debt and obligations and potentially return capital to shareholders by paying dividends or buying back common shares.

(\$000, except as otherwise indicated)	Three months ended March 31	
	2024	2023
Net capital expenditures	80,134	116,700
Adjusted funds flow	65,393	96,833
Payout ratio	1.2	1.2

Debt to Trailing Adjusted Funds Flow Ratio

Debt to trailing adjusted funds flow is a coverage ratio that provides Management and users the ability to determine how long it would take the Corporation to repay its bank indebtedness, including working capital, if Advantage devoted all its adjusted funds flow to debt repayment. Debt to trailing adjusted funds flow is calculated by taking bank indebtedness, inclusive of working capital, that has been advanced under the Credit Facilities, and dividing it by adjusted fund flow (for the trailing four quarters) that can be used to satisfy such borrowings under the Credit Facilities.

(\$000, except as otherwise indicated)	March 31	December 31
	2024	2023
Bank indebtedness	238,578	212,854
Working capital surplus pertaining to the Credit Facility	(5,451)	(16,912)
Debt	233,127	195,942
Adjusted funds flow pertaining to the Credit Facility (prior four quarters)	289,028	319,323
Debt to trailing adjusted funds flow	0.8	0.7

Capital Management Measures

Working capital

Working capital is a capital management financial measure that provides Management and users with a measure of the Corporation's short-term operating liquidity. By excluding short term derivatives, Management and users can determine if the Corporation's energy operations are sufficient to cover the short-term operating requirements. Working capital is not a standardized measure and therefore may not be comparable with the calculation of similar measures by other entities.

A summary of working capital as at March 31, 2024 and December 31, 2023 is as follows:

	March 31	December 31
	2024	2023
Cash and cash equivalents	19,091	19,261
Trade and other receivables	51,499	53,378
Prepaid expenses and deposits	14,641	16,618
Trade and other accrued liabilities	(74,823)	(70,606)
Bank indebtedness	10,408	18,651

Capital Management Measures (continued)

Net Debt

Net debt is a capital management financial measure that provides Management and users with a measure to assess the Corporation's liquidity. Net debt is not a standardized measure and therefore may not be comparable with the calculation of similar measures by other entities.

Previously, the Corporation included the Entropy unsecured debentures, excluding the unsecured debentures derivative liability, in the composition of net debt. Effective March 31, 2024, the Corporation revised the composition of net debt to include the aggregate principal balance of unsecured debentures, which provides users the balance that is either due at the end of the term, or that may be converted into common shares of Entropy. Comparative figures have been restated to reflect the reclassification.

A summary of the reconciliation of net debt as at March 31, 2024 and December 31, 2023 is as follows:

	March 31 2024	December 31 2023
Bank indebtedness	238,578	212,854
Aggregate principal balance of unsecured debentures	51,793	40,807
Working capital surplus	(10,408)	(18,651)
Net debt	279,963	235,010

Supplementary Financial Measures

Average Realized Prices

The Corporation discloses multiple average realized prices within the MD&A (see "Commodity Prices and Marketing"). The determination of these prices are as follows:

"*Natural gas excluding derivatives*" is comprised of natural gas sales, as determined in accordance with IFRS, divided by the Corporation's natural gas production.

"*Natural gas including derivatives*" is comprised of natural gas sales, including realized gains (losses) on natural gas derivatives, as determined in accordance with IFRS, divided by the Corporation's natural gas production.

"*Crude Oil*" is comprised of crude oil sales, as determined in accordance with IFRS, divided by the Corporation's crude oil production.

"*Condensate*" is comprised of condensate sales, as determined in accordance with IFRS, divided by the Corporation's condensate production.

"*NGLs*" is comprised of NGLs sales, as determined in accordance with IFRS, divided by the Corporation's NGLs production.

"*Total liquids excluding derivatives*" is comprised of crude oil, condensate and NGLs sales, as determined in accordance with IFRS, divided by the Corporation's crude oil, condensate and NGLs production.

"*Total liquids including derivatives*" is comprised of crude oil, condensate and NGLs sales, including realized gains (losses) on crude oil derivatives as determined in accordance with IFRS, divided by the Corporation's crude oil, condensate and NGLs production.

Specified Financial Measures (continued)

Supplementary Financial Measures (continued)

Dollars per BOE figures

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

- Cash finance expense per boe
- Depreciation and amortization expense per boe
- Finance expense per boe
- General and administrative expense per boe
- Natural gas and liquids sales per boe
- Operating expense per boe
- Realized gains (losses) on derivatives per boe
- Royalty expense per boe
- Net sales of purchased natural gas per boe
- Processing and other income per boe
- Share-based compensation expense per boe
- Transportation expense per boe

Sustaining Capital

Sustaining capital is management's estimate of the net capital expenditures required to drill, complete, equip and tie-in new wells to existing infrastructure thereby offsetting the corporate decline rate and maintain production at existing levels.

Conversion Ratio

The term "boe" or barrels of oil equivalent and "Mcf" or thousand cubic feet equivalent may be misleading, particularly if used in isolation. A boe or Mcfe conversion ratio of six thousand cubic feet of natural gas equivalent to one barrel of oil (6 Mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Abbreviations

Terms and abbreviations that are used in this MD&A that are not otherwise defined herein are provided below:

bbl(s)	- barrel(s)
bbls/d	- barrels per day
boe	- barrels of oil equivalent (6 Mcf = 1 bbl)
boe/d	- barrels of oil equivalent per day
GJ	- gigajoules
Mcf	- thousand cubic feet
Mcf/d	- thousand cubic feet per day
Mcfe	- thousand cubic feet equivalent (1 bbl = 6 Mcf)
Mcfe/d	- thousand cubic feet equivalent per day
MMbtu	- million British thermal units
MMbtu/d	- million British thermal units per day
MMcf	- million cubic feet
MMcf/d	- million cubic feet per day
Crude oil	- Light Crude Oil and Medium Crude Oil as defined in National Instrument 51-101
"NGLs" & "condensate"	- Natural Gas Liquids as defined in National Instrument 51-101
Natural gas	- Conventional Natural Gas as defined in National Instrument 51-101
Liquids	- Total of crude oil, condensate and NGLs
AECO	- a notional market point on TransCanada Pipeline Limited's NGTL system where the purchase and sale of natural gas is transacted
MSW	- price for mixed sweet crude oil at Edmonton, Alberta
NGTL	- NOVA Gas Transmission Ltd.
WTI	- West Texas Intermediate, price paid in U.S. dollars at Cushing, Oklahoma, for crude oil of standard grade
CCS	- Carbon Capture and Storage
CCUS	- Carbon Capture Utilization and Storage
IP30	- average initial production rate over 30 consecutive days
IP90	- average initial production rate over 90 consecutive days
nm	- not meaningful information

Forward-Looking Information and Other Advisories

This MD&A contains certain forward-looking statements and forward-looking information (collectively, "forward-looking statements"), which are based on our current internal expectations, estimates, projections, assumptions and beliefs. These forward-looking statements relate to future events or our future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "would" and similar or related expressions. These statements are not guarantees of future performance.

In particular, forward-looking statements in this MD&A include, but are not limited to, statements about our strategy, plans, objectives, priorities and focus and the benefits to be derived therefrom; Advantage's anticipated 2024 average production; Advantage's expectations that high supply and inventory levels will persist through the 2024 summer resulting in continued weak natural gas prices; the Corporation's forecasted 2024 natural gas market exposure including the anticipated effective production rate; the terms of the Corporation's derivative contracts, including their purposes, the timing of settlement of such contracts and the anticipated benefits to be derived therefrom; Advantage's anticipated annual royalty rates, operating expense per boe and transportation expense per boe in 2024; the anticipated benefits to be derived from the Corporation's optimization projects completed during the first quarter of 2024 at Glacier; the anticipated benefits to be derived from the Glacier Phase 1b CCS project; Management's expectations that the Corporation's Valhalla asset will play a pivotal role in the Corporation's liquids-rich gas development plan; Advantage's expectations that drilling will continue at Wembley through breakup and the anticipated timing of production from the pad; the anticipated timing of the commissioning of first phase of the Progress gas plant; the Corporation's future commitments and contractual obligations and the anticipated payments in connection therewith and the anticipated timing thereof; the Corporation's ability to ensure that it is properly diversified to multiple markets; the Corporation's ability to satisfy all liabilities and commitments and meet future obligations as they become due and the means for satisfying such future obligations; Advantage's net debt target; the Corporation's strategy for managing its capital structure, including by issuing new common shares, repurchasing outstanding common shares, obtaining additional financing through bank indebtedness, refinancing current debt, issuing other financial or equity-based instruments, declaring a dividend or adjusting capital spending; the terms of the Corporation's Credit Facilities, including the timing of the next review of the Credit Facilities and the Corporation's expectations regarding the extension of the Credit Facilities at each annual review; the terms of Entropy's unsecured debentures; the anticipated undiscounted, uninflated cash flows required to settle the Corporation's decommissioning liability and the anticipated timing that such costs will be incurred; the Corporation's intentions to renew its NCIB and the anticipated timing thereof; the statements under "critical accounting estimates" in this MD&A; and other matters.

These forward-looking statements involve substantial known and unknown risks and uncertainties, many of which are beyond our control, including, but not limited to, risks related to changes in general economic conditions (including as a result of demand and supply effects resulting from the actions of OPEC and non-OPEC countries) which will, among other things, impact demand for and market prices of the Corporation's products, market and business conditions; continued volatility in market prices for oil and natural gas; the impact of significant declines in market prices for oil and natural gas; stock market volatility; changes to legislation and regulations and how they are interpreted and enforced; our ability to comply with current and future environmental or other laws; actions by governmental or regulatory authorities including increasing taxes, regulatory approvals, changes in investment or other regulations; changes in tax laws, royalty regimes and incentive programs relating to the oil and gas industry; the effect of acquisitions; our success at acquisition, exploitation and development of reserves; unexpected drilling results; failure to achieve production targets on timelines anticipated or at all; changes in commodity prices, currency exchange rates, capital expenditures, reserves or reserves estimates and debt service requirements; the occurrence

Forward-Looking Information and Other Advisories (continued)

of unexpected events involved in the exploration for, and the operation and development of, oil and gas properties; hazards such as fire, explosion, blowouts, cratering, and spills, each of which could result in substantial damage to wells, production facilities, other property and the environment or in personal injury; changes or fluctuations in production levels; individual well productivity; delays in anticipated timing of drilling and completion of wells; lack of available capacity on pipelines; delays in timing of facility installation; performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information; the failure to extend the Credit Facilities at each annual review; competition from other producers; the lack of availability of qualified personnel or management; ability to access sufficient capital from internal and external sources; credit risk; the risk that Advantage's average production in 2024 may be less than anticipated; the risk that the Corporation's Valhalla asset may not play a pivotal role in the Corporation's liquids-rich gas development plan; the risk that the Corporation may not be properly diversified to multiple markets; the risk that the Corporation may not satisfy all of its liabilities and commitments and meet future obligations as they become due; the risk that the undiscounted, uninflated cash flows required to settle the Corporation's decommissioning liability may be greater than expected; the risk that Advantage's annual royalty rates in 2024 may be less than anticipated; the risk that Advantage's operating expense per boe and transportation expense per boe in 2024 may be greater than anticipated; the risk that the Corporation's optimization projects completed during the first quarter of 2024 at Glacier may not lead to the benefits anticipated; the risk that the Glacier Phase 1b CCS project may not lead to the benefits anticipated; the risk that drilling may not continue at Wembley through breakup; the risk that production at Wembley may not occur when anticipated; the risk that the commissioning of first phase of the Progress gas plant may not occur when anticipated, or at all; the risk that Advantage's net debt in 2024 may be greater than anticipated; the risk that the Corporation may not renew its NCIB when anticipated, or at all, or receive the required approvals for such renewal; and the risks and uncertainties described in the Corporation's Annual Information Form which is available at www.sedar.com and www.advantageog.com. Readers are also referred to risk factors described in other documents Advantage files with Canadian securities authorities.

With respect to forward-looking statements contained in this MD&A, in addition to other assumptions identified herein, Advantage has made assumptions regarding, but not limited to: current and future prices of oil and natural gas; that the current commodity price and foreign exchange environment will continue or improve; conditions in general economic and financial markets; effects of regulation by governmental agencies; receipt of required stakeholder and regulatory approvals; royalty regimes; future exchange rates; royalty rates; future operating costs; availability of skilled labour; availability of drilling and related equipment; timing and amount of capital expenditures; the ability to efficiently integrate assets acquired through acquisitions; the impact of increasing competition; the price of crude oil and natural gas; that the Corporation will have sufficient cash flow, debt or equity sources or other financial resources required to fund its capital and operating expenditures and requirements as needed; that the Corporation's conduct and results of operations will be consistent with its expectations; that the Corporation will have the ability to develop the Corporation's crude oil and natural gas properties in the manner currently contemplated; availability of pipeline capacity; that current or, where applicable, proposed assumed industry conditions, laws and regulations will continue in effect or as anticipated as described herein; that the Corporation's cash provided by operating activities and available Credit Facilities will be able to satisfy all of the Corporation's liabilities, commitments and future obligations as they become due; that the Corporation will have sufficient financial resources to purchase its shares under NCIBs in the future; that the Corporation will receive the requisite approvals from the TSX and its board of directors to renew its NCIB; and that the estimates of the Corporation's production, reserves and resources volumes and the assumptions related thereto (including commodity prices and development costs) are accurate in all material respects.

Forward-Looking Information and Other Advisories (continued)

Management has included the above summary of assumptions and risks related to forward-looking information provided in this MD&A in order to provide shareholders with a more complete perspective on Advantage's future operations and such information may not be appropriate for other purposes. Advantage's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Advantage will derive there from. Readers are cautioned that the foregoing lists of factors are not exhaustive. These forward-looking statements are made as of the date of this MD&A and Advantage disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

The future acquisition by the Corporation of the Corporation's common shares pursuant to its NCIB and future NCIBs, if any, and the level thereof is uncertain. Any decision to renew the Corporation's NCIB and to acquire common shares of the Corporation pursuant to the NCIB will be subject to the discretion of the board of directors of the Corporation and may depend on a variety of factors, including, without limitation, the Corporation's business performance, financial condition, financial requirements, growth plans, expected capital requirements and other conditions existing at such future time including, without limitation, contractual restrictions and satisfaction of the solvency tests imposed on the Corporation under applicable corporate law. There can be no assurance of the number of common shares of the Corporation that the Corporation will acquire pursuant to its NCIB or future NCIBs, if any, in the future.

This MD&A contains information that may be considered a financial outlook under applicable securities laws about the Corporation's potential financial position, including, but not limited to: the terms of the Corporation's derivative contracts; Advantage's anticipated annual royalty rates, operating expense per boe and transportation expense per boe in 2024; the Corporation's future commitments and contractual obligations; Advantage's net debt target; and the anticipated undiscounted, uninflated cash flows required to settle the Corporation's decommissioning liability, all of which are subject to numerous assumptions, risk factors, limitations and qualifications, including those set forth in the above paragraphs. The actual results of operations of the Corporation and the resulting financial results will vary from the amounts set forth in this MD&A and such variations may be material. This information has been provided for illustration only and with respect to future periods are based on budgets and forecasts that are speculative and are subject to a variety of contingencies and may not be appropriate for other purposes. Accordingly, these estimates are not to be relied upon as indicative of future results. Except as required by applicable securities laws, the Corporation undertakes no obligation to update such financial outlook. The financial outlook contained in this MD&A was made as of the date of this MD&A and was provided for the purpose of providing further information about the Corporation's potential future business operations. Readers are cautioned that the financial outlook contained in this MD&A is not conclusive and is subject to change.

This MD&A contains metrics commonly used in the oil and natural gas industry which have been prepared by management such as "operating netback". These terms do not have standard meaning and may not be comparable to similar measures presented by other companies and, therefore, should not be used to make such comparisons. Management uses these oil and natural gas metrics for its own performance measurements, and to provide shareholders with measures to compare Advantage's operations overtime. Readers are cautioned that the information provided by these metrics, or that can be derived from metrics presented in the MD&A, should not be relied upon for investment or other purposes. Refer above to "Specified Financial Measures" section of this MD&A for additional disclosure on "operating netback".

References in this MD&A to short-term production rates, such as IP30 and IP90, are useful in confirming the presence of hydrocarbons, however such rates are not determinative of the rates at which such wells will commence

Forward-Looking Information and Other Advisories (continued)

production and decline thereafter and are not indicative of long-term performance or of ultimate recovery. Additionally, such rates may also include recovered "load oil" fluids used in well completion stimulation. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production of Advantage.

References to natural gas, crude oil and condensate and NGLs production in the MD&A refer to conventional natural gas, light crude oil and medium crude oil and natural gas liquids, respectively, product types as defined in National Instrument 51-101.

Additional Information

Additional information relating to Advantage can be found on SEDAR+ at www.sedarplus.ca and the Corporation's website at www.advantageog.com. Such other information includes the annual information form, the management information circular, press releases, material change reports, material contracts and agreements, and other financial reports. The annual information form will be of particular interest for current and potential shareholders as it discusses a variety of subject matter including the nature of the business, description of our operations, general and recent business developments, risk factors, reserves data and other oil and gas information.

April 25, 2024



CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

Advantage Energy Ltd.

Consolidated Statements of Financial Position

(unaudited, expressed in thousands of Canadian dollars)

	Notes	March 31 2024	December 31 2023
ASSETS			
Current assets			
Cash and cash equivalents	3	19,091	19,261
Trade and other receivables		51,499	53,378
Prepaid expenses and deposits		14,641	16,618
Derivative asset	7	27,615	31,200
Total current assets		112,846	120,457
Non-current assets			
Derivative asset	7	94,956	80,048
Inventory	4	4,561	3,958
Intangible assets	5	5,857	5,363
Natural gas and liquids properties	6	2,123,956	2,089,202
Total non-current assets		2,229,330	2,178,571
Total assets		2,342,176	2,299,028
LIABILITIES			
Current liabilities			
Trade and other accrued liabilities		74,823	70,606
Derivative liability	7	4,760	964
Financing liability	9	4,909	4,813
Unsecured debentures	10	56,488	46,263
Provisions and other liabilities	11	15,743	20,054
Total current liabilities		156,723	142,700
Non-current liabilities			
Derivative liability	7	1,121	-
Bank indebtedness	8	238,578	212,854
Financing liability	9	86,832	88,084
Provisions and other liabilities	11	57,138	61,937
Deferred income tax liability		244,804	237,057
Total non-current liabilities		628,473	599,932
Total liabilities		785,196	742,632
SHAREHOLDERS' EQUITY			
Share capital	12	1,923,261	1,952,241
Contributed surplus		193,691	187,034
Deficit		(559,817)	(582,980)
Total shareholders' equity attributable to Advantage shareholders		1,557,135	1,556,295
Non-controlling interest	13	(155)	101
Total shareholders' equity		1,556,980	1,556,396
Total liabilities and shareholders' equity		2,342,176	2,299,028

Commitments (note 18)

See accompanying Notes to the Condensed Consolidated Financial Statements

Advantage Energy Ltd.

Consolidated Statements of Comprehensive Income (Loss)

(unaudited, expressed in thousands of Canadian dollars, except per share amounts)

	Notes	Three months ended March 31	
		2024	2023
Revenues			
Natural gas and liquids sales	16(a)	135,897	145,999
Processing and other income	16(b)	2,184	1,820
Royalty expense		(9,135)	(16,702)
Natural gas and liquids revenue		128,946	131,117
Gains (losses) on derivatives	7	10,430	(2,570)
Total revenues		139,376	128,547
Expenses			
Operating expense		25,082	18,003
Transportation expense		25,397	22,647
General and administrative expense		9,354	5,299
Share-based compensation expense	14(b)	95	1,818
Depreciation and amortization expense	5,6	41,129	33,704
Finance expense		8,457	6,504
Foreign exchange (gain) loss		(189)	287
Inventory revaluation gain	4	(603)	-
Total expenses		108,722	88,262
Income before taxes and non-controlling interest		30,654	40,285
Income tax expense		(7,747)	(11,171)
Net income and comprehensive income before non-controlling interest		22,907	29,114
Net income (loss) and comprehensive income (loss) attributable to:			
Advantage shareholders		23,163	29,719
Non-controlling interest	13	(256)	(605)
		22,907	29,114
Net income per share attributable to Advantage shareholders			
Basic	15	0.14	0.18
Diluted	15	0.14	0.17

See accompanying Notes to the Condensed Consolidated Financial Statements

Advantage Energy Ltd.

Consolidated Statements of Changes in Shareholders' Equity

(unaudited, expressed in thousands of Canadian dollars)

	Share capital	Contributed surplus	Deficit	Non- controlling interest	Total shareholders' equity
Balance, December 31, 2023	1,952,241	187,034	(582,980)	101	1,556,396
Net income (loss) and comprehensive income (loss)	-	-	23,163	(256)	22,907
Share-based compensation (note 14(b))	-	95	-	-	95
Settled Performance Share Units (note 14(a))	20	(1,091)	-	-	(1,071)
Common shares repurchased (note 12 (b))	(29,000)	7,653	-	-	(21,347)
Balance, March 31, 2024	1,923,261	193,691	(559,817)	(155)	1,556,980

	Share capital	Contributed surplus	Deficit	Non- controlling interest	Total shareholders' equity
Balance, December 31, 2022	2,105,013	142,817	(684,577)	1,425	1,564,678
Net income (loss) and comprehensive income (loss)	-	-	29,719	(605)	29,114
Share-based compensation (note 14(b))	-	2,448	-	-	2,448
Settled Performance Share Units (note 14 (a))	10	(10)	-	-	-
Common shares repurchased (note 12 (b))	(66,213)	18,930	-	-	(47,283)
Balance, March 31, 2023	2,038,810	164,185	(654,858)	820	1,548,957

See accompanying Notes to the Condensed Consolidated Financial Statements

Advantage Energy Ltd.

Consolidated Statements of Cash Flows

(unaudited, expressed in thousands of Canadian dollars)

		Three months ended	
		March 31	
	Notes	2024	2023
Operating Activities			
Income before taxes and non-controlling interest		30,654	40,285
Add (deduct) items not requiring cash:			
Unrealized (gains) losses on derivatives	7	(6,224)	20,595
Share-based compensation expense	14(b)	95	1,818
Depreciation and amortization expense	5,6	41,129	33,704
Accretion of decommissioning liability	11(c)	519	317
Accretion of unsecured debentures	10	212	114
Interest paid-in-kind	6,10	682	-
Inventory revaluation	4	(603)	-
Expenditures on decommissioning liability	11(c)	(67)	(453)
Settlement of Performance Share Units	14(a)	(1,071)	-
Changes in non-cash working capital	17	2,048	9,575
Cash provided by operating activities		67,374	105,955
Financing Activities			
Common shares repurchased	12(b)	(21,347)	(47,283)
Increase (decrease) in bank indebtedness	8	25,724	(9,940)
Proceeds from unsecured debentures	10	10,000	-
Transaction costs on unsecured debentures	10	(1,155)	-
Principal repayment of lease liability	11(b)	(183)	(119)
Principal repayment of financing liability	9	(1,156)	(1,017)
Cash provided by (used) in financing activities		11,883	(58,359)
Investing Activities			
Property, plant and equipment additions	6	(79,594)	(116,218)
Intangible assets additions	5	(540)	(482)
Changes in non-cash working capital	17	707	31,110
Cash used in investing activities		(79,427)	(85,590)
Decrease in cash and cash equivalents		(170)	(37,994)
Cash and cash equivalents, beginning of year		19,261	48,940
Cash and cash equivalents, end of period		19,091	10,946
Cash interest paid		7,015	6,050
Cash income taxes paid		-	-

See accompanying Notes to the Condensed Consolidated Financial Statements

Advantage Energy Ltd.

Notes to the Condensed Consolidated Financial Statements

March 31, 2024 (unaudited)

All tabular amounts expressed in thousands of Canadian dollars, except as otherwise indicated.

1. Business and structure of Advantage Energy Ltd.

Advantage Energy Ltd. and its subsidiaries (together “Advantage” or the “Corporation”) is an energy producer with a significant position in the Montney resource play located in Western Canada. Additionally, the Corporation provides carbon capture and storage solutions to emitters of carbon dioxide through its subsidiary, Entropy Inc. (“Entropy”). Advantage is domiciled and incorporated in Canada under the Business Corporations Act (Alberta). Advantage’s head office address is 2200, 440 – 2nd Avenue SW, Calgary, Alberta, Canada. The Corporation’s common shares are listed on the Toronto Stock Exchange under the symbol “AAV”.

2. Basis of preparation

(a) Statement of compliance

The Corporation prepares its condensed consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) applicable to interim periods, including IAS 34, Interim Financial Reporting. The Corporation has consistently applied the same accounting policies as those set out in the audited consolidated financial statements for the year ended December 31, 2023, except as noted below. Certain disclosures included in the notes to the annual consolidated financial statements have been condensed in the following note disclosures or have been disclosed on an annual basis only. Accordingly, these condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2023, which have been prepared in accordance with IFRS Accounting Standards. Certain information provided for the prior period has been reclassified to conform to the presentation adopted for the period ended March 31, 2024.

The accounting policies applied in these condensed consolidated financial statements are based on IFRS Accounting Standards issued and outstanding as of April 25, 2024, the date the Board of Directors approved the statements.

(b) Basis of measurement

The condensed consolidated financial statements have been prepared on the historical cost basis, except as detailed in the Corporation’s accounting policies in the audited consolidated financial statements for the year ended December 31, 2023.

The methods used to measure fair values of derivative instruments are discussed in note 7.

(c) Functional and presentation currency

These condensed consolidated financial statements are presented in Canadian dollars, which is the Corporation’s functional currency.

2. Basis of preparation (continued)

(d) Basis of consolidation

These condensed consolidated financial statements include the accounts of the Corporation and all subsidiaries over which it has control, including Entropy, a private Canadian corporation of which Advantage owns 92% of the outstanding common shares (note 13). All inter-corporate balances, income and expenses resulting from inter-corporate transactions are eliminated.

(e) New accounting policies

Amendments to IAS 1, Presentation of Financial Statements

On January 1, 2024, the Corporation adopted the amendments to *IAS 1 Presentation of Financial Statements*, which addresses the classification of liabilities with covenants as current or non-current in the Statements of Financial Position. As a result of the amendment, the Corporation's unsecured debentures, which were previously reported as non-current liabilities, have been reclassified to current liabilities.

3. Cash and cash equivalents

	March 31 2024	December 31 2023
Cash at financial institutions	19,091	19,261

Cash at financial institutions earn interest at floating rates based on daily deposit rates. As at March 31, 2024 cash at financial institutions included US\$1.0 million (December 31, 2023 - US\$5.2 million). The Corporation only deposits cash with major financial institutions of high-quality credit ratings. Included in cash and cash equivalents as at March 31, 2024 is \$8.2 million held by Entropy (December 31, 2023 - \$5.3 million).

4. Inventory

Balance at December 31, 2022	-
Additions	4,842
Revaluation	(884)
Balance at December 31, 2023	3,958
Revaluation	603
Balance at March 31, 2024	4,561

Inventory consists of linefill, the Corporation's share of purchased condensate and NGL barrels used to fill a pipeline. Inventory is recorded at historical cost and is subsequently valued at the lower of weighted average cost or net realizable value.

5. Intangible assets

Cost

Balance at December 31, 2022	4,011
Additions	1,465
Balance at December 31, 2023	5,476
Additions	540
Balance at March 31, 2024	6,016

Accumulated amortization

Balance at December 31, 2022	-
Amortization	113
Balance at December 31, 2023	113
Amortization	46
Balance at March 31, 2024	159

Net book value

At December 31, 2023	5,363
At March 31, 2024	5,857

6. Natural gas and liquids properties

Cost	Right-of-use assets	Exploration and evaluation assets	Property, plant and equipment	Total
Balance at December 31, 2022	2,977	15,791	3,198,459	3,217,227
Additions	412	9,181	272,150	281,743
Capitalized share-based compensation (note 14(b))	-	-	2,242	2,242
Capitalized interest paid-in-kind (note 10)	-	-	303	303
Changes in decommissioning liability (note 11(c))	-	-	13,911	13,911
Transfers	-	(8,570)	8,570	-
Lease expiries	-	(441)	-	(441)
Expired right-of-use assets	(136)	-	-	(136)
Balance at December 31, 2023	3,253	15,961	3,495,635	3,514,849
Additions	769	-	79,594	80,363
Capitalized interest paid-in-kind (note 10)	-	-	304	304
Changes in decommissioning liability (note 11(c))	-	-	(4,830)	(4,830)
Expired right-of-use assets	(73)	-	-	(73)
Balance at March 31, 2024	3,949	15,961	3,570,703	3,590,613
Accumulated depreciation				
Balance at December 31, 2022	1,133	-	1,275,866	1,276,999
Depreciation	526	-	148,258	148,784
Expired right-of-use assets	(136)	-	-	(136)
Balance at December 31, 2023	1,523	-	1,424,124	1,425,647
Depreciation	182	-	40,901	41,083
Expired right-of-use assets	(73)	-	-	(73)
Balance at March 31, 2024	1,632	-	1,465,025	1,466,657
Net book value				
At December 31, 2023	1,730	15,961	2,071,511	2,089,202
At March 31, 2024	2,317	15,961	2,105,678	2,123,956

During the three months ended March 31, 2024, Advantage capitalized general and administrative expenditures directly related to development activities of \$1.9 million, included in additions (year ended December 31, 2023 - \$5.3 million).

During the three months ended March 31, 2024, Entropy capitalized borrowing cost that was paid-in-kind, directly related to funding CCS development activities of \$0.3 million (year ended December 31, 2023 - \$0.2 million paid in cash included in additions and \$0.3 million paid-in-kind).

Included in additions to property, plant and equipment is \$3.4 million in additions incurred by Entropy (year ended December 31, 2023 - \$15.1 million).

Advantage included future development costs of \$2.0 billion (December 31, 2023 - \$2.1 billion) in natural gas and liquids properties costs subject to depreciation.

6. Natural gas and liquids properties (continued)

For the three months ended March 31, 2024, the Corporation evaluated its natural gas and liquids properties for indicators of any potential impairment. As a result of this assessment, no indicators were identified, and no impairment test was performed.

7. Financial risk management

Financial assets and liabilities recorded or disclosed at fair value in the statements of financial position are categorized based on the level associated with the inputs used to measure their fair value.

Fair value is determined following a three-level hierarchy:

Level 1: Quoted prices in active markets for identical assets and liabilities. The Corporation does not have any financial assets or liabilities that require Level 1 inputs.

Level 2: Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly. Such inputs can be corroborated with other observable inputs for substantially the complete term of the contract.

Derivative assets and liabilities are categorized as Level 2 in the fair value hierarchy and measured at fair value on a recurring basis. For derivative assets and liabilities, pricing inputs include quoted forward prices for commodities, foreign exchange rates, interest rates, volatility, and risk-free rate discounting, all of which can be observed or corroborated in the marketplace. The actual gains and losses realized on eventual cash settlement can vary materially due to subsequent fluctuations as compared to the valuation assumptions.

Level 3: Fair value is determined using inputs that are not observable.

The Corporation's natural gas embedded derivative is categorized as Level 3 in the fair value hierarchy as the volatility derived from historic PJM electricity prices and the long-term portion of the PJM electricity forward price are unobservable inputs.

The Corporation's unsecured debentures – derivative liability is categorized as Level 3 in the fair value hierarchy as multiple inputs such as volatility, probability of a future change of control event and share price are unobservable inputs.

7. Financial risk management (continued)

The Corporation enters into financial risk management derivative contracts to manage the Corporation's exposure to commodity price risk, foreign exchange risk and interest rate risk. The table below summarizes the realized gains (losses) and unrealized gains (losses) on derivatives recognized in net income (loss).

	Three months ended March 31	
	2024	2023
Realized gains (losses) on derivatives		
Natural gas	4,663	19,381
Foreign exchange	90	(1,356)
Natural gas embedded derivative	(547)	-
Total	4,206	18,025
Unrealized gains (losses) on derivatives		
Natural gas	(9,161)	(8,263)
Foreign exchange	(847)	1,529
Natural gas embedded derivative	16,414	(9,279)
Unsecured debenture derivative	(182)	(4,582)
Total	6,224	(20,595)
Gains (losses) on derivatives		
Natural gas	(4,498)	11,118
Foreign exchange	(757)	173
Natural gas embedded derivative	15,867	(9,279)
Unsecured debenture derivative	(182)	(4,582)
Total	10,430	(2,570)

7. Financial risk management (continued)

The fair value of financial risk management derivatives has been allocated to current and non-current assets and liabilities based on the expected timing of cash settlements. The following table summarizes the estimated fair market value of the Corporation's outstanding derivative contracts.

	March 31 2024	December 31 2023
Derivative type		
Natural gas derivative asset	13,547	22,708
Foreign exchange derivative asset	46	893
Natural gas embedded derivative asset	103,097	86,683
Unsecured debentures derivative liability (note 10)	(25,288)	(18,444)
Net derivative asset	91,402	91,840
Consolidated statement of financial position classification		
Current derivative asset	27,615	31,200
Non-current derivative asset	94,956	80,048
Current derivative liability	(4,760)	(964)
Non-current derivative liability	(1,121)	-
Unsecured debentures derivative liability (note 10)	(25,288)	(18,444)
Net derivative asset	91,402	91,840

7. Financial risk management (continued)

(a) Commodity price risk

The Corporation's commodity derivative contracts are classified as Level 2 within the fair value hierarchy. As at March 31, 2024 and April 25, 2024, the Corporation had the following commodity derivative contracts in place:

Description of Derivative	Term	Volume	Price
Natural gas - Henry Hub NYMEX			
Fixed price swap	April 2024 to December 2024	20,000 Mcf/d	US \$3.41/Mcf
Natural gas - AECO/Henry Hub Basis Differential			
Basis swap	April 2024 to December 2024	40,000 Mcf/d	Henry Hub less US \$1.19/Mcf
Natural gas - AECO			
Fixed price swap	April 2024 to October 2024	56,869 Mcf/d	CAD \$2.60/Mcf
Fixed price swap	November 2024 to December 2024	47,391 Mcf/d	CAD \$3.39/Mcf
Fixed price swap	January 2025 to March 2025	71,086 Mcf/d	CAD \$3.37/Mcf ⁽¹⁾
Fixed price swap	April 2025 to October 2025	49,760 Mcf/d	CAD \$3.00/Mcf
Fixed price swap	November 2025 to March 2026	61,608 Mcf/d	CAD \$4.00/Mcf ⁽¹⁾
Fixed price swap	April 2026 to October 2026	9,478 Mcf/d	CAD \$3.67/Mcf ⁽¹⁾
Fixed price swap	November 2026 to March 2027	4,739 Mcf/d	CAD \$4.19/Mcf ⁽¹⁾

⁽¹⁾ Contains contracts entered into subsequent to March 31, 2024

7. Financial risk management (continued)

(a) Commodity price risk (continued)

Natural Gas - Embedded Derivative

Commencing in 2023, Advantage began selling natural gas under a long-term natural gas supply agreement, delivering 25,000 MMBtu/d of natural gas for a 10-year period. Commercial terms of the agreement are based upon a spark-spread pricing formula, providing Advantage exposure to PJM electricity prices, back-stopped with a natural gas price collar. The contract contains an embedded derivative as a result of the spark-spread pricing formula and the natural gas price collar. The Corporation defined the host contract as a natural gas sales arrangement with a fixed price of US \$2.50/MMbtu. The Corporation will realize derivative gains or losses when the price received under the contract deviates from US \$2.50/MMbtu. As at March 31, 2024 the fair value of the natural gas embedded derivative resulted in an asset of \$103.1 million (December 31, 2023 – \$86.7 million asset).

The below table provides the impact to the valuation of the natural gas embedded derivative by adjusting the following inputs:

<u>\$ millions</u>	<u>Increase</u>	<u>(Decrease)</u>
10% change in PJM electricity price	12.6	(13.3)
1% change in implied inflation rate	0.1	(0.1)

(b) Foreign exchange risk

The Corporation's foreign exchange derivative contracts are classified as Level 2 within the fair value hierarchy. As at March 31, 2024, the Corporation had the following foreign exchange derivative contracts in place:

<u>Description of Derivative</u>	<u>Term</u>	<u>Notional Amount</u>	<u>Rate</u>
Forward rate - CAD/USD			
Average rate currency swap	April 2024 to August 2024	US \$ 2,000,000/month	1.3558
Average rate currency swap	April 2024 to September 2024	US \$1,000,000/month	1.3650

7. Financial risk management (continued)

(c) Capital management

Working capital

Working capital is a capital management financial measure that provides Management and users with a measure of the Corporation's short-term operating liquidity. By excluding current derivatives, financing liability, provisions and other liabilities and unsecured debentures, Management and users can determine if the Corporation's energy operations are sufficient to cover the short-term operating requirements. Working capital is not a standardized measure and therefore may not be comparable with the calculation of similar measures by other entities.

A summary of working capital as at March 31, 2024 and December 31, 2023 is as follows:

	March 31 2024	December 31 2023
Cash and cash equivalents	19,091	19,261
Trade and other receivables	51,499	53,378
Prepaid expenses and deposits	14,641	16,618
Trade and other accrued liabilities	(74,823)	(70,606)
Working capital surplus	10,408	18,651

Net Debt

Net debt is a capital management financial measure that provides Management and users with a measure to assess the Corporation's liquidity. Net debt is not a standardized measure and therefore may not be comparable with the calculation of similar measures by other entities.

A summary of the reconciliation of net debt as at March 31, 2024 and December 31, 2023 is as follows:

	March 31 2024	December 31 2023
Bank indebtedness (note 8)	238,578	212,854
Aggregate principal balance of unsecured debentures (note 10)	51,793	40,807
Working capital surplus	(10,408)	(18,651)
Net debt	279,963	235,010

Advantage's capital structure as at March 31, 2024 and December 31, 2023 is as follows:

	March 31 2024	December 31 2023
Net debt	279,963	235,010
Shares outstanding (note 12(b))	159,826,736	162,225,180
Share closing market price (\$/share)	9.88	8.53
Market Capitalization	1,579,088	1,383,781
Total Capitalization	1,859,051	1,618,791

8. Bank indebtedness

	March 31 2024	December 31 2023
Revolving credit facility	240,000	215,000
Discount on bankers' acceptance and other fees	(1,422)	(2,146)
Balance, end of period	238,578	212,854

The Credit Facilities have a borrowing base of \$350 million, comprised of a \$30 million extendible revolving operating loan facility from one financial institution and a \$320 million extendible revolving loan facility from a syndicate of financial institutions. The Credit Facility has a tenor of two years with a maturity date in June 2025 and is subject to an annual review and extension by the lenders. The Corporation had letters of credit of \$13.0 million outstanding at March 31, 2024 (December 31, 2023 – \$12.9 million). The Corporation did not have any financial covenants at March 31, 2024 and December 31, 2023.

9. Financing Liability

The Corporation has a 15-year take-or-pay volume commitment with a 12.5% working interest partner in the Corporation's Glacier Gas Plant, with a term due to expire in 2035. The volume commitment agreement is treated as a financing transaction with an effective interest rate associated with the financing transaction of 9.1%.

A reconciliation of the financing liability is provided below:

	Three months ended March 31, 2024	Year ended December 31, 2023
Balance, beginning of the year	92,897	94,705
Additions	-	2,500
Interest expense	2,097	8,452
Financing payments	(3,253)	(12,760)
Balance, end of period	91,741	92,897
Current financing liability	4,909	4,813
Non-current financing liability	86,832	88,084

10. Unsecured debentures

During the three months ended March 31, 2024, Entropy issued unsecured debentures for gross proceeds of \$10.0 million and incurred \$1.2 million of issuance costs. For the three months ended March 31, 2024, Entropy incurred interest of \$1.0 million which was paid-in-kind (March 31, 2023 - \$0.5 million paid in cash).

The exchange features of the unsecured debentures meet the definition of a derivative liability, as the exchange features allow the unsecured debentures to be potentially exchanged for a variable amount of common shares in certain situations, and as such does not meet the fixed-for-fixed criteria for equity classification. The unsecured debenture - derivative liability is classified as Level 3 within the fair value hierarchy. The balance of unsecured debentures are classified as a current liability due to the investors having the potential right to convert the unsecured debentures into a variable number of Entropy common shares.

The following table provides a summary of the outstanding aggregate principal balance of Entropy's unsecured debentures:

	Three months ended March 31, 2024	Year ended December 31, 2023
Aggregate principal balance, beginning of the year	40,807	25,000
Unsecured debentures issued	10,000	15,000
Interest paid-in-kind	986	807
Aggregate principal balance, end of period	51,793	40,807

The following tables disclose the components associated with the unsecured debentures at initial recognition. The changes in the unsecured debentures are as follows:

	Three months ended March 31, 2024	Year ended December 31, 2023
Balance, beginning of the year	27,819	15,700
Initial recognition	4,324	12,713
Issuance costs	(1,155)	(1,167)
Accretion expense	212	573
Balance, end of period	31,200	27,819

The changes in the unsecured debentures - derivative liability related to the exchange features are as follows:

	Three months ended March 31, 2024	Year ended December 31, 2023
Balance, beginning of the year	18,444	9,744
Initial recognition	6,662	3,094
Revaluation	182	5,606
Balance, end of period	25,288	18,444

The Corporation determined the value of the conversion feature using a probability weighted Black-Scholes calculation. Unobservable inputs used to determine the valuation at March 31, 2024 includes estimated share price, estimated timing of an initial public offering ("IPO"), share price volatility and credit spread. The below table provides the impact to the valuation of the derivative liability by adjusting the following inputs:

\$ millions	Increase	(Decrease)
\$1 change in estimated share price	5.1	(5.1)
1% change in credit spread	1.0	(1.0)
1-year change in estimated IPO timing	5.1	(3.3)

11. Provisions and other liabilities

	Three months ended March 31, 2024	Year ended December 31, 2023
Performance Awards (note 14(c))	1,645	6,687
Deferred Share Units (note 14(d))	4,303	4,579
Deferred revenue (a)	6,603	6,603
Lease liability (b)	2,553	1,967
Decommissioning liability (c)	57,777	62,155
Balance, end of period	72,881	81,991
Current provisions and other liabilities	15,743	20,054
Non-current provisions and other liabilities	57,138	61,937

(a) Deferred revenue

Deferred revenue represents an advance payment received by Advantage in consideration for the future sales of natural gas. The balance has been classified as a current liability as the performance obligation related to the deferred revenue is expected to be satisfied in 2024.

(b) Lease liability

The Corporation incurs lease payments related to its office leases and other miscellaneous equipment. The Corporation has recognized a lease liability in relation to all lease arrangements measured at the present value of the remaining lease payments.

A reconciliation of the lease liability is provided below:

	Three months ended March 31, 2024	Year ended December 31, 2023
Balance, beginning of the year	1,967	2,154
Additions	769	412
Interest expense	29	92
Lease payments	(212)	(691)
Balance, end of period	2,553	1,967
Current lease liability	716	522
Non-current lease liability	1,837	1,445

11. Provisions and other liabilities (continued)

(c) Decommissioning liability

The Corporation's decommissioning liability results from net ownership interests in natural gas and liquids assets including well sites, gathering systems, facilities and carbon capture equipment, all of which will require future costs of decommissioning under environmental legislation. These costs are expected to be incurred between 2024 and 2075. A risk-free rate of 3.34% (December 31, 2023 – 3.02%) and an inflation factor of 2.0% (December 31, 2023 – 2.0%) were used to calculate the fair value of the decommissioning liability at March 31, 2024. As at March 31, 2024, the total estimated undiscounted, uninflated cash flows required to settle the Corporation's decommissioning liability was \$83.0 million (December 31, 2023 – \$82.6 million).

A reconciliation of the decommissioning liability is provided below:

	Three months ended March 31, 2024	Year ended December 31, 2023
Balance, beginning of the year	62,155	41,945
Accretion expense	519	1,444
Liabilities incurred	426	4,472
Change in estimates	(531)	2,263
Change in estimates expensed ⁽¹⁾	-	8,898
Effect of change in risk-free rate and inflation rate factor	(4,725)	7,176
Liabilities settled	(67)	(4,043)
Balance, end of period	57,777	62,155
Current decommissioning liability	3,000	3,000
Non-current decommissioning liability	54,777	59,155

⁽¹⁾ Increased cost estimates which were expensed as the cost estimate relates to a legacy non-core area whereby the Corporation has no future plans to pursue any development activities.

12. Share capital

(a) Authorized

The Corporation is authorized to issue an unlimited number of shares without nominal or par value.

(b) Issued

	Common Shares (# of shares)	Share capital (\$000)
Balance at December 31, 2022	171,652,768	2,105,013
Shares issued on Performance Share Unit settlements (note 14(a))	3,675,083	-
Contributed surplus transferred on Performance Share Unit settlements	-	6,509
Shares purchased and cancelled under NCIB	(13,102,671)	(159,281)
Balance at December 31, 2023	162,225,180	1,952,241
Shares issued on Performance Share Unit settlements (note 14(a))	11,356	-
Contributed surplus transferred on Performance Share Unit settlements	-	20
Shares purchased and cancelled under NCIB	(2,409,800)	(29,000)
Balance at March 31, 2024	159,826,736	1,923,261

For the three months ended March 31, 2024, the Corporation purchased 2.4 million common shares for cancellation for a total of \$21.3 million. Share capital was reduced by \$29.0 million while contributed surplus was increased by \$7.7 million, representing the excess average carrying value of the common shares over the purchase price.

(c) Normal Course Issuer Bid ("NCIB")

On April 6, 2023, the Toronto Stock Exchange (the "TSX") approved the renewal of the NCIB. Pursuant to the NCIB, Advantage was approved to purchase for cancellation, from time to time, as it considered advisable, up to a maximum of 16,201,997 common shares of the Corporation. The NCIB commenced on April 13, 2023 and terminated on April 12, 2024.

Purchases pursuant to the NCIB are made on the open market through the facilities of the TSX or alternative trading systems. The price that Advantage paid for its common shares under the NCIB was the prevailing market price on the TSX at the time of such purchase, including commissions. All common shares acquired under the NCIB were cancelled.

13. Non-controlling interest ("NCI")

The Corporation has recognized a non-controlling interest in shareholders' equity, representing the carrying value of the 8% outstanding common shares of Entropy held by outside interests. A reconciliation of the non-controlling interest is provided below:

	Three months ended March 31, 2024	Year ended December 31, 2023
Balance, beginning of the year	101	1,425
Net loss and comprehensive loss attributable to NCI	(256)	(1,324)
Balance, end of period	(155)	101

14. Long-term compensation plans

(a) Restricted and Performance Award Incentive Plan – Performance Share Units

Under the Restricted and Performance Award Incentive Plan, service providers can be granted two types of equity incentive awards: Restricted Share Units and Performance Share Units. As at March 31, 2024, no Restricted Share Units have been granted. Performance Share Units vest on the third anniversary of the grant date and are subject to a Payout Multiplier that is determined based on the achievement of corporate performance measures during that three-year period, as approved by the Board of Directors.

The following table is a continuity of Performance Share Units:

	Performance Share Units
Balance at December 31, 2022	3,982,946
Granted	956,920
Settled	(2,012,178)
Forfeited	(108,274)
Balance at December 31, 2023	2,819,414
Granted	841,912
Settled	(1,189,377)
Balance at March 31, 2024	2,471,949

On March 28, 2024, 1.2 million Performance Share Units vested. Subsequent to March 31, 2024, 0.9 million of the vested Performance Share Units were settled with the issuance of 1.2 million common shares, while 0.3 million were settled in cash. Contributed surplus was reduced by \$1.1 million related to the cash settlement of Performance Share Units, representing the share-based compensation expense accumulated in contributed surplus.

(b) Share-based compensation expense

Share-based compensation expense after capitalization for the three months ended March 31, 2024, and 2023 are as follows:

	Three months ended	
	March 31	
	2024	2023
Total share-based compensation	95	2,448
Capitalized	-	(630)
Share-based compensation expense	95	1,818

14. Long-term compensation plans (continued)

(c) Performance Award Incentive Plan - Performance Awards

Under the Performance Award Incentive Plan, service providers can be granted cash Performance Awards. Such grants vest on the third anniversary of the grant date and are subject to a Payout Multiplier that is determined based on the achievement of corporate performance measures during that three-year period, as approved by the Board of Directors. Performance Awards are expensed to general and administrative expense with the recording of a current and non-current liability (note 11) until eventually settled in cash.

The following table is a continuity of the Corporation's liability related to outstanding Performance Awards:

	Three months ended March 31, 2024	Year ended December 31, 2023
Balance, beginning of the year	6,687	9,277
Performance Award expense	(80)	3,822
Interest expense	17	43
Performance Awards settled	(4,979)	(6,455)
Balance, end of period	1,645	6,687
Current	1,121	5,350
Non-current	524	1,337

(d) Deferred Share Units

Deferred Share Units are issued to Directors of the Corporation. Each Deferred Share Unit entitles participants to receive cash equal to the Corporation's common shares, multiplied by the number of Deferred Share Units held. All Deferred Share Units vest immediately upon grant and become payable upon retirement of the Director from the Board.

The following table is a continuity of Deferred Share Units:

	Deferred Share Units
Balance at December 31, 2022	689,310
Granted	52,218
Settled	(204,848)
Balance at December 31, 2023	536,680
Granted	11,304
Settled	(112,498)
Balance at March 31, 2024	435,486

The expense related to Deferred Share Units is calculated using the fair value method based on the Corporation's share price at the end of each reporting period and is charged to general and administrative expense. All Deferred Share Units are classified as short-term. The following table is a continuity of the Corporation's liability related to outstanding Deferred Share Units:

	Three months ended March 31, 2024	Year ended December 31, 2023
Balance, beginning of the year	4,579	6,528
Granted	108	449
Revaluation of outstanding Deferred Share Units	574	(663)
Settled	(958)	(1,735)
Balance, end of period	4,303	4,579

15. Net income per share attributable to Advantage shareholders

The calculations of basic and diluted net income per share are derived from both net income attributable to Advantage shareholders and weighted average shares outstanding, calculated as follows:

	Three months ended	
	March 31	
	2024	2023
Net income attributable to Advantage shareholders		
Basic and diluted	23,163	29,719
Weighted average shares outstanding		
Basic	160,443,738	167,310,896
Performance Share Units	3,685,385	7,017,505
Diluted	164,129,123	174,328,401
Net income per share attributable to Advantage shareholders		
Basic (\$/share)	0.14	0.18
Diluted (\$/share)	0.14	0.17

16. Revenues

(a) Natural gas and liquids sales

Advantage's revenue is comprised of natural gas, crude oil, condensate and NGLs sales to multiple customers. For the three months ended March 31, 2024, and 2023, natural gas and liquids sales was as follows:

	Three months ended	
	March 31	
	2024	2023
Crude oil	21,992	14,927
Condensate	10,564	10,679
NGLs	14,536	14,745
Liquids	47,092	40,351
Natural Gas	88,805	105,648
Natural gas and liquids sales	135,897	145,999

At March 31, 2024, receivables from contracts with customers, which are included in trade and other receivables, were \$38.4 million (December 31, 2023 - \$42.4 million).

16. Revenues (continued)

(b) Processing and other income

During the three months ended March 31, 2024, and 2023, the Corporation earned income from the processing of third-party natural gas at the Corporation's gas plant. Processing and other income was as follows:

	Three months ended March 31	
	2024	2023
Processing income	1,809	1,812
Other	375	8
Total processing and other income	2,184	1,820

17. Supplementary cash flow information

Changes in non-cash working capital is comprised of:

	Three months ended March 31	
	2024	2023
Source (use) of cash:		
Trade and other receivables	1,879	36,077
Prepaid expense and deposits	1,977	6,684
Trade and other accrued liabilities	4,217	3,258
Inventory	-	(3,844)
Performance Awards	(5,042)	1,145
Deferred Share Units	(276)	(2,635)
	2,755	40,685
Related to operating activities	2,048	9,575
Related to financing activities	-	-
Related to investing activities	707	31,110
	2,755	40,685

17. Supplemental cash flow information (continued)

The following table provides a detailed breakdown of the cash and non-cash changes in financing liabilities arising from financing activities:

	Three months ended	
	March 31	
	2024	2023
Cash flows		
Common shares repurchased	(21,347)	(47,283)
Draws on credit facility	55,000	20,000
Repayment of credit facility	(30,000)	(30,000)
Bankers' acceptance and other fees	(4,268)	(3,446)
Proceeds from unsecured debentures	10,000	-
Transaction costs on unsecured debentures	(1,155)	-
Lease payments	(212)	(142)
Financing payments	(3,253)	(3,132)
Total cash flows	4,765	(64,003)
Non-cash changes		
Amortization of bankers' acceptance and other fees	4,992	3,506
Lease liability interest expense	29	23
Financing liability interest expense	2,097	2,115
Total non-cash changes	7,118	5,644
Cash provided by (used) in financing activities	11,883	(58,359)

18. Commitments

At March 31, 2024, Advantage had commitments relating to building operating cost, processing commitments, and transportation commitments. The estimated remaining payments are as follows:

(\$ millions)	Payments due by period							
	Total	2024		2025	2026	2027	2028	Beyond
		9 months						
Building operating cost ⁽¹⁾	2.2	0.5	0.6	0.6	0.5	-	-	-
Processing	43.2	7.5	9.5	7.0	7.0	7.0	7.0	5.2
Transportation	474.0	60.3	79.5	66.0	54.3	29.8	29.8	184.1
Total commitments	519.4	68.3	89.6	73.6	61.8	36.8	36.8	189.3

⁽¹⁾ Excludes fixed lease payments which are included in the Corporation's lease liability.

ABBREVIATIONS

Crude Oil and Natural Gas Liquids

bbl	barrel
bbls	barrels
Mbbls	thousand barrels
NGLs	natural gas liquids
BOE or boe	barrel of oil equivalent
Mboe	thousand barrels of oil equivalent
MMboe	million barrels of oil equivalent
boe/d	barrels of oil equivalent per day
bbls/d	barrels of oil per day

Natural Gas

Mcf	thousand cubic feet
MMcf	million cubic feet
bcf/d	billion cubic feet per day
Mcf/d	thousand cubic feet per day
MMcf/d	million cubic feet per day
Mcfe	thousand cubic feet of natural gas equivalent, using the ratio of 6 Mcf of natural gas being equivalent to one bbl of oil
MMcfe/d	million cubic feet of natural gas equivalent per day
MMbtu	million British Thermal Units
MMbtu/d	million British Thermal Units per day
GJ/d	Gigajoules per day

Other

AECO	a notional market point on the NGTL system, located at the AECO 'C' hub in Southeastern Alberta, where the purchase and sale of natural gas is transacted
CCS	means "Carbon Capture and Storage"
CDOR	means "Canadian Dollar Offered Rate"
Henry Hub	a central delivery location, located near Louisiana's Gulf Coast connecting several intrastate and interstate pipelines, that serves as the official delivery location for futures contracts on the NYMEX
MSW	means "Mixed Sweet Blend", the reference price paid for conventionally produced light sweet crude oil at Edmonton, Alberta
NCIB	means "Normal course issuer bid"
PJM	a regional transmission organization that coordinates the movement of wholesale electricity in the Mid Atlantic region of the US
SIB	means "Substantial issuer bid"
WTI	means "West Texas Intermediate", the reference price paid in U.S. dollars at Cushing, Oklahoma for the crude oil standard grade
Crude oil	Light Crude Oil and Medium Crude Oil as defined in National Instrument 51-101
Natural gas	Conventional Natural Gas as defined in National Instrument 51-101
"NGLs" & "condensate"	Natural Gas Liquids as defined in National Instrument 51-101
Liquids	Total of crude oil, condensate and NGLs

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⁽⁴⁾ Member of Governance and Sustainability Committee

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Craig Blackwood, CFO
Neil Bokenfohr, Senior Vice President
David Sterna, Vice President, Marketing and Commercial
John Quaife, Vice President, Finance
Darren Tisdale, Vice President, Geosciences
Geoff Keyser, Vice President, Corporate Development

Corporate Secretary

Jay P. Reid, Partner
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PricewaterhouseCoopers LLP

Bankers

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National Bank of Canada
Royal Bank of Canada
Canadian Imperial Bank of Commerce
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