

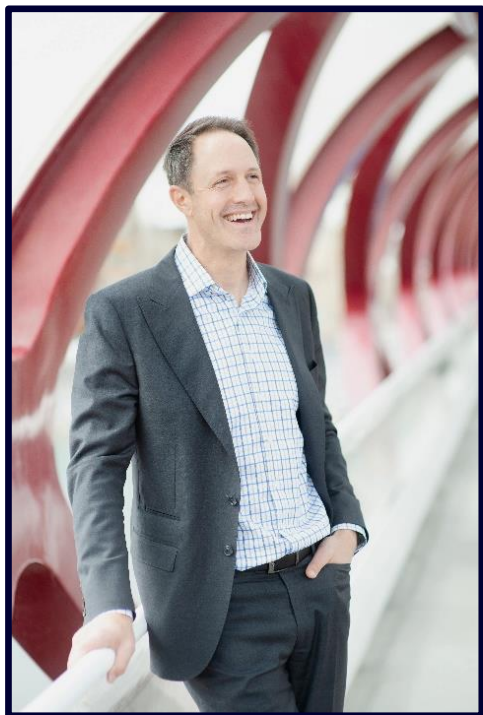
Advantage Energy Ltd. | Update to the 2021 Sustainability Report

CELEBRATING SUSTAINABLE GROWTH

MESSAGE FROM THE PRESIDENT & CEO

Sustainability for Advantage is achieved based on the foundation of commitment and dedication to the highest standards of protection and care for the environment, support for our employees, contractors, and the communities in which we operate as we create value for all of our stakeholders.

We are pleased to present to our stakeholders an update to our 2021 Sustainability Report, including progress on our targets and accompanying data.



In 2021 Advantage set the ambitious target of achieving “Net Zero” Scope 1 and 2 emissions as early as 2025. To accomplish this, Advantage’s subsidiary Entropy Inc. (“Entropy”) is pursuing a carbon capture and storage (“CCS”) business plan that will result in negative carbon emissions in excess of Advantage’s emissions. We are pleased to report that our Glacier project is now onstream and qualifies as the world’s first commercial scale CCS project on post-combustion natural gas. The first phase is designed to mitigate 47,000 tonnes per annum (20% of Advantage’s 2021 midstream emissions). With the successful completion of all three phases by 2024, we anticipate mitigating approximately 90% of Advantage’s 2021 midstream emissions. Entropy has now appropriately capitalized the business and is actively engaged with emitters globally to deploy its proprietary technology with over 10 million tonnes per annum of CCS projects currently under development.

We believe Advantage will attain the lowest carbon emissions intensity from any natural gas producer in Canada and possibly globally. These achievements were recently acknowledged by Hydrocarbon Processing magazine whereby Entropy was awarded the 2022 Hydrocarbon Processing Award for Sustainability.

In addition to the great strides we have made with the deployment of Entropy’s technology, Advantage continues pursuing opportunities to further reduce emissions and increase efficiency. Advantage is currently focused on methane reduction including the deployment of solar panels, evaluating waste heat recovery opportunities within its compressor fleet, and electrifying sites. Advantage will continue to evaluate and deploy leading solutions to reduce the environmental impact of our business.

We wish to thank all of our people and stakeholders who share in this vision. Operating a sustainable business is “good business” and has been central to our success. This success was recently acknowledged whereby Advantage was awarded the 2022 TSX30™ Award ([see here](#)), a ranking of the top 30 performers on the Toronto Stock Exchange that have demonstrated a willingness to innovate their core offering, transform how they operate, and diversify their business for resilience and growth – a perfect depiction of what it means to be truly sustainable.

Mike Belenkie
President & Chief Executive Officer

Proudly producing Low-Emissions, Low-Cost Canadian Energy for the World

ENVIRONMENT

World's First Commercial Carbon Capture and Storage Project on Gas Combustion

CARBON CAPTURE & STORAGE ("CCS") AT THE GLACIER GAS PLANT

Advantage is actively working towards our Sustainability Target of "Net Zero" Scope 1 and 2 emissions by 2025, predicated on a functional CCS regulatory environment, which is still being developed. Advantage's subsidiary Entropy Inc. ("Entropy") established the first global CCS project on post-combustion natural gas at the Glacier Gas Plant. This initiative is paving the way for the creation of an innovative pathway to low-cost CCS technologies that will play a pivotal role in global greenhouse gas emissions reduction.



Glacier Gas Plant CCS Project installed

Entropy's Phase 1 CCS project at the Glacier Gas Plant has been constructed, installed and is currently in commercial operations. The CCS project broke ground in November of 2021 and captured its first carbon in August of 2022; only 9 months of construction and 18 months from final investment decision (FID) to first capture. Phase 1 abates and captures 47,000 tonnes per annum (tpa).

The Glacier project will eventually add CCS to the entire facility in three phases with full deployment resulting in approximately 200,000 tpa of CO₂ emissions reduction. Entropy recently announced the FID of Phase 1b which is planned to begin construction during the fourth quarter of 2022 with first carbon capture expected by the second quarter of 2023. This will be the first deployment of Entropy's Integrated Carbon Capture and Storage™ ("iCCS™") technology. This integrated technology is designed to reduce the amount of retrofitting required for the modular installation of CCS equipment and expected to deliver 25% capital cost savings versus a retrofit design. The first carbon on Phase 1b is expected by first quarter of 2023.



Absorber Tower



Regeneration Module



Entropy CCS developments are integral to achieving Advantage's "Net Zero" target without relying on the voluntary offset market.

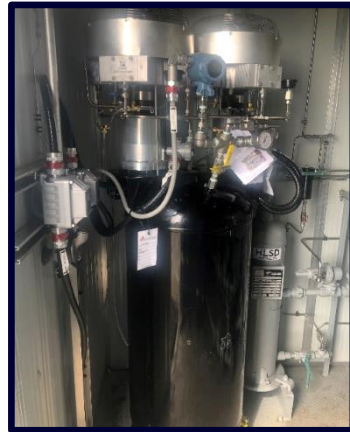
Check out Entropy at ----- www.entropyinc.com -----

ENVIRONMENT (CONTINUED)

Advantage is committed to continuous improvements in our environmental performance.

EMISSION MANAGEMENT

Advantage strives for continuous improvement in emissions with current initiatives focused on further reducing emission intensity and venting. The Alberta Energy Regulator has implemented more stringent requirements starting in 2023, with Advantage well on track to meet and beat such standards. Low and zero-venting technologies are constantly evolving with trials underway such as low-power instrument air compressors coupled with power supply, such as solar panels. Advantage is also evaluating options such as instrument gas replacement with nitrogen and improved electric instruments. These efforts allow for continued reduced venting and improved operational effectiveness.



Low-power instrument air trial in action

Advantage is evaluating remaining waste heat recovery opportunities within its compressor fleet. The large quantities of heat contained in the exhaust can be captured and used to provide facility heating, thereby reducing the amount of fuel gas combusted. In addition to waste heat recovery, Advantage is also electrifying sites, as a reduction opportunity, where feasible.

WATER MANAGEMENT

Advantage is committed to managing the impact of our water use. Water sourcing and disposal is required for resource extraction industries, including those companies that rely on horizontal drilling and hydraulic fracturing completion techniques. Advantage's water use increased in 2021 because of an increased drilling program and associated hydraulic fracturing operations with optimized fracturing design. The new design increases the amount of proppant that is pumped into the fractures, which improves the per-well resource recovery but similarly requires additional water. Advantage attempts to minimize the environmental impact of water usage by primarily utilizing secondary-use water in our operations. None of the secondary-use water sourced by Advantage is potable and would require additional treatment to meet specifications for human consumption.



Fresh water reservoir

Advantage is currently scoping opportunities to reduce our use of fresh surface water including recycling produced water in hydraulic fracturing operations. Advantage has also taken the initiative to build a fresh water reservoir in the Glacier and Wembley areas which allows us to collect and stockpile water for upcoming programs while providing the additional benefits of reducing truck traffic from both public and private roads.

358,301 m³ of fresh-water vapour returned to the atmosphere in 2021

LAND AND BIODIVERSITY

At Advantage, we are constantly looking for ways to minimize our impact on the environment throughout the life of our operations. Our multi-well pad drilling significantly reduces disturbance of land. Well abandonment and reclamation are ongoing activities at Advantage. Advantage is committed to returning sites to their natural landscape in accordance with all abandonment and reclamation regulatory assessments. Advantage has one of the strongest Licensee Liability Ratings in the industry and has a long history of proactively directing funding towards abandonment and reclamation activity that exceeds regulatory requirements.



SOCIAL

Everyone at Advantage is responsible for health and safety.



HEALTH & SAFETY

Management leadership and commitment to the Health and Safety Management System are crucial to the success of any health and safety program. Advantage is committed to establishing and maintaining an effective and responsive health and safety management system that meets and exceeds all regulatory and industry standards.



Management demonstrates their leadership and commitment to the health and safety program through their actions as well as their words. Accountability for health and safety is an important and integral component of Advantage's management and worker performance appraisal systems. Accountability for health and safety is built into the job responsibilities for all levels of management, supervisors, contractors, and workers.

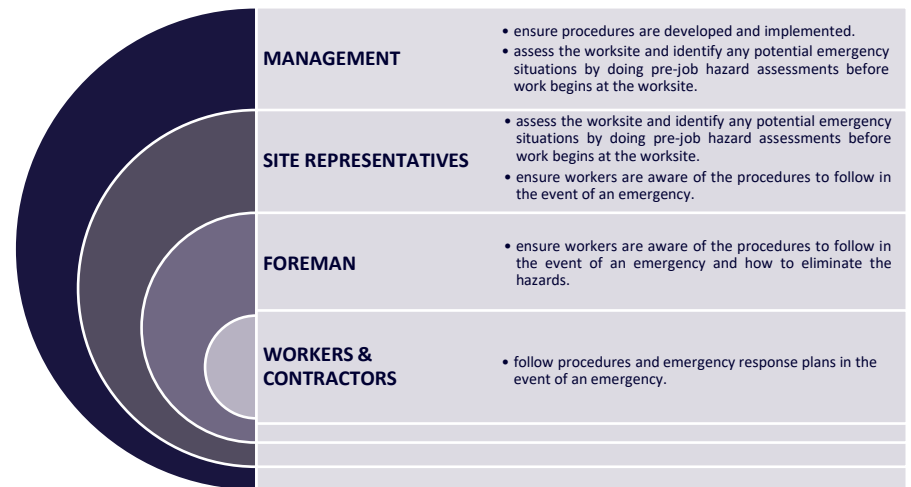
Advantage ensures that employees and contractors are properly trained in health and safety matters before they begin performing work, perform a new duty, use a new piece of equipment, or operate a new process. Proper training is given when moved to a new area of work.



EMERGENCY RESPONSE

Emergencies can be unexpected and have potential risk in the industry in which we operate. Advantage takes emergency preparation seriously such that the entire organization will be able to manage and respond appropriately and timely. Our Emergency Response Plan has company-wide guidelines that clearly outline procedures and assist every level of the organization in preparation for and responding to emergencies. Emergency procedures ensure responses are prompt, organized and effective. Our Emergency Response Plan outlines the responsibilities of key roles at the emergency site, the support head office provides associated with various emergency and post-emergency procedures, and includes lists of emergency contacts.

Certain key responsibilities and accountabilities include:



Everyone has the responsibility to act in reasonable and practical manners to protect the health and safety of all personnel and in compliance with applicable laws and policies.

SOCIAL (CONTINUED)

INDIGENOUS SUPPORT

Advantage implemented its Indigenous Scholarship Program in 2022 to support Indigenous students who are members of the communities near our core operations in the province of Alberta. Advantage provides students with funding to pursue post-secondary education opportunities to benefit both the student and Alberta's energy industry, as well as funding educational institutions with programs supporting Indigenous students. Advantage was pleased to award 5 scholarships in 2022 and is looking forward to continuing this program and indigenous support.

COMMUNITY ENGAGEMENT

Advantage continues to be an active member of the communities in which we operate. In 2021, we were active in the landowner and industry synergy group meetings held in the Grande Prairie region, such as the Wapiti Area Synergy Partnership, whose mission is to facilitate communication and cooperation amongst petroleum industry partners, regulators and community members regarding energy development in the area.



DIVERSITY, EQUITY AND INCLUSION

Advantage recognizes the benefits of having a diverse workforce and an equitable and inclusive work environment at all levels of an organization. A respectful, inclusive, and collaborative work environment contributes to better decision-making, stronger performance, and a healthier workplace. Advantage has a company-wide Diversity, Equity and Inclusion ("DEI") policy that includes, but is not limited to, business and industry skills and experience, age, gender, race, sexual orientation, ethnicity and religion. Advantage strives to foster equal opportunity and is committed to treating all individuals with respect and without discrimination. Diversity is promoted through our policies, practices, and procedures. The DEI policy is reviewed annually by the Governance & Sustainability Committee to ensure a diverse and skilled workforce to achieve Corporation objectives.



GOVERNANCE

OVERSIGHT OF ENVIRONMENT, SOCIAL AND GOVERNANCE (“ESG”)

Advantage is committed to maintaining a high standard of environmental, social and governance performance and enhanced ESG oversight.

Advantage utilizes its Enterprise Risk Management system to ensure we maintain an awareness of all the risks associated with all aspects of the business, methods to mitigate or control the risks, severity of the risks, and accountability including the Board and Committee oversight of the risks. Management is responsible to identify any potential risks or opportunities of the business and ensure that all reasonable steps are taken to mitigate or control each risk.

ESG performance and risk management are reported to the Board and Committees regularly.

The Audit Committee provides oversight in regard to principal business risks including information security and reviews risk management policies and procedures of the Corporation.

The Compensation Committee reviews the compensation program and philosophy, including incentive programs, and is responsible for the review and recommendations of directors’ and officers’ compensation.

The Reserves and Health, Safety, Environment Committee provides oversight and ensures compliance in regard to health, workforce safety, asset integrity, field operations, process safety and environmental protection, this also includes reviewing and monitoring the Corporation’s emergency response policies and plans.

The Governance and Sustainability Committee provides risk oversight in Corporate Social Responsibility and sustainability areas, including ESG factors such as climate and energy, indigenous relationships, stakeholder engagement, community affairs and political contributions as well as oversight on public disclosure on ESG and sustainability matters. In addition, the Governance & Sustainability Committee is also responsible for assessing and managing risks related to succession plans and executive capacity.

BOARD DIVERSITY

Advantage has established a Board and Management Diversity Policy and believes that Board nominations and executive officer appointments should be made based on the skills, knowledge, experience and character of individual candidates and the requirements of the Board and management at the time without reference to their age, gender, race, sexual orientation, ethnicity or religion. The Board recognizes the benefits of diversity within the Board and within the management of the Corporation. The Governance & Sustainability Committee reviews the Board and executive officer composition and diversity annually. Advantage has now achieved its 30% target for female representation on the Board in 2022.

Achieved Board Gender Diversity of 30%

ANTI-BRIBERY & ANTI-CORRUPTION POLICY

Advantage established an Anti-Bribery and Anti-Corruption Policy in 2022. Advantage is committed to operating with the highest ethical standards and this includes preventing bribery in our business activities. Conducting business with honesty and integrity and in full compliance with applicable anti-bribery or anti-corruption laws is part of our corporate culture and integral to the success of our business.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (“TCFD”)

Advantage is currently working towards alignment with TCFD as part of our continual effort to improve our disclosures and manage the implications of climate-related risks and opportunities. We recognize the importance of incorporating climate-related risks and opportunities in all aspects of our business and strategy. Advantage is committed to increasing transparency and performance in relation to climate-related risks and opportunities.



APPENDIX



DATA TABLE (EFFECTIVE AS OF OCTOBER 31, 2022)

		Units	2019	2020	2021	
Economic Benefits						
Petroleum and natural gas sales ¹		\$000	252,136	245,085	492,035	
Royalties ¹		\$000	4,690	10,474	27,530	
Net Capital Expenditures ¹⁵		\$000	184,922	157,935	149,403	
Operating expenses ¹		\$000	31,967	40,005	44,893	
Production						
Natural gas		mcf/d	249,802	243,081	269,710	
Liquids		bbls/d	2,700	4,408	4,493	
Total production (reported)		boe/d	44,334	44,922	49,445	
Total production (operated)		boe/d	44,403	44,978	48,792	
Environment						
Energy Use	Direct energy consumption	GJ	3,736,559	4,451,157	4,706,882	
	Total energy consumption	GJ	3,901,746	4,463,348	4,723,776	
	Total energy consumption intensity	GJ/boe	0.241	0.272	0.265	
Upstream¹²						
	Direct GHG emissions (scope 1)	Tonnes CO ₂ e	38,732	68,591	91,341	
	Indirect GHG emissions (scope 2)	Tonnes CO ₂ e	0	2,088	3,080	
	GHG emissions (scope 1 and 2)	Tonnes CO ₂ e	38,732	70,679	94,421	
	Emissions intensity (scope 1) ⁹	Tonnes CO ₂ e/boe	0.002	0.004	0.005	
	Emissions intensity (scope 1 and 2) ⁹	Tonnes CO ₂ e/boe	0.002	0.004	0.005	
Midstream¹³						
	Direct GHG emissions (scope 1)	Tonnes CO ₂ e	203,307	215,502	231,933	
	Indirect GHG emissions (scope 2)	Tonnes CO ₂ e	277	209	64	
	GHG emissions (scope 1 and 2)	Tonnes CO ₂ e	203,584	215,711	231,998	
	Emissions intensity (scope 1) ⁹	Tonnes CO ₂ e/boe	0.013	0.013	0.013	
	Emissions intensity (scope 1 and 2) ⁹	Tonnes CO ₂ e/boe	0.013	0.013	0.013	
Emissions	Total					
		Direct GHG emissions (scope 1)	Tonnes CO ₂ e	242,040	284,093	323,274
		Fuel Combustion	Tonnes CO ₂ e	223,454	263,494	281,374
		Flared gas	Tonnes CO ₂ e	4,068	6,493	8,692
		Vented gas	Tonnes CO ₂ e	6,616	5,918	23,193
		Fugitives	Tonnes CO ₂ e	7,901	8,187	10,015
		Indirect GHG emissions (scope 2)	Tonnes CO ₂ e	277	2,303	3,144
		GHG emissions (scope 1 and 2)	Tonnes CO ₂ e	242,317	286,395	326,418
		Emissions intensity (scope 1) ⁹	Tonnes CO ₂ e/boe	0.015	0.017	0.018
		Emissions intensity (scope 1 and 2) ⁹	Tonnes CO ₂ e/boe	0.015	0.017	0.018

DATA TABLE (CONTINUED) (EFFECTIVE AS OF OCTOBER 31, 2022)

		Units	2019	2020	2021
Environment					
	Air Emissions				
	Carbon Dioxide (CO ₂)	Tonnes	188,680	225,258	239,113
	Nitrogen Oxides (NO _x)	Tonnes	331	504	813
	Sulphur Dioxide (SO ₂)	Tonnes	220	260	486
Emissions	Methane (CH ₄)	Tonnes	1,974	2,147	2,728
	Volatile Organic Compounds (VOC)	Tonnes	175	220	432
	Particulate Matter (PM)	Tonnes	5	8	10
	% covered under emissions-limiting regulations	%	100	100	100
	Fresh surface water withdrawal	m ³	145,124	80,683	375,766
	Fresh ground water withdrawal	m ³	5,358	3,809	20,915
	Recycled surface water	m ³	281,712	87,117	82,593
	Total water used	m ³	432,194	171,609	479,274
Water	Produced water (including flowback)	m ³	167,919	372,319	492,248
	Total water used intensity ⁹	m ³ /boe	0.027	0.010	0.027
	Fresh water intensity ⁹	m ³ /boe	0.009	0.005	0.022
	Fresh water as % of total water use	%	34	47	78
	Fresh water vapour returned to atmosphere	m ³	297,524	342,132	358,301
	Number of producing wells ¹⁰	#	217	249	267
	Number of non-producing wells ¹⁰	#	35	15	43
	Total wells	#	252	264	310
Land	LMR rating	#	27.6	24.7	25.6
	Wells abandoned	#	3	1	4
	Active site reclamation ongoing	#	137	126	126
	Abandonment and reclamation spending	\$000	2,033	1,056	1,108
	Reclamation certificates received	#	16	12	4
	Reportable spills and releases ¹¹	#	1	1	1
	Non reportable spills and releases	#	7	0	2
Spill Prevention/ Management	Total volume of reportable spills and releases ¹¹	bbls	16.7	3.1	11.9
	Total volume of non reportable spills and releases	bbls	56.6	0	31.4
	Volume of liquid handled	bbls	2,041,327	3,950,807	3,981,832
	Spill intensity (reportable and non-reportable)	boe/1000bbls handled	0.036	0.001	0.011

DATA TABLE (CONTINUED) (EFFECTIVE AS OF OCTOBER 31, 2022)

		Units	2019	2020	2021
Community Engagement					
Value distributed	Suppliers ²	\$000	240,476	269,964	256,600
	Providers of capital ³	\$000	13,268	17,800	20,081
	Government & Regulatory ⁴	\$000	8,386	14,269	33,451
	Employees ⁵	\$000	21,424	22,093	26,459
	Landowners ⁶	\$000	1,367	1,125	1,312
	Communities	\$000	129	58	161
Health & Safety					
Total recordable injury frequency	Contractor	per 200,000 man hours	0.45	0.83	0.60
	Employee	per 200,000 man hours	2.94	0	0
	Total recordable injury rate	per 200,000 man hours	0.57	0.83	0.60
Disabling injury frequency	Contractor	per 200,000 man hours	0.15	0.83	0.15
	Employee	per 200,000 man hours	2.94	0	0
	Total disabling injury rate	per 200,000 man hours	0.29	0.83	0.15
Fatalities	Contractor	#	0	0	0
	Employee	#	0	0	0
Governance					
Board Diversity ⁷	Female	#	20	17	25
	Male	#	80	83	75
	30-50	#	0	0	1
	Over 50	#	5	6	7
Our People					
Employee Profile	Full time employees	#	39	39	42
	Part time employees	#	0	0	0
	Total employees	#	39	39	42
	Total contractors	#	39	51	55
	New employees hired	#	9	4	7
	Voluntary turnover	#	2	1	2
Employee Diversity	Total Female	%	18	18	21
	Total Male	%	82	82	79
	Under 30	%	8	5	5
	30-50	%	50	54	53
	Over 50	%	42	41	42
	Minority employees ⁸	%	15	18	19
Training	Spending on training	\$	19,613	30,493	15,316
	Training per employee	\$/person	503	782	393
	Training per staff	\$/person	251	339	158

DATA TABLE (CONTINUED) (EFFECTIVE AS OF OCTOBER 31, 2022)

Notes:

- (1) Financial data is reported in accordance with International Financial Reporting Standards (“IFRS”), representing generally accepted accounting principles (“GAAP”) for publicly accountable enterprises in Canada.
- (2) Value distributed to suppliers includes operating and transportation expenses and capital expenditures paid to suppliers other than employees, government, landowners and for the purpose of charitable donations.
- (3) Value distributed to provider of capital includes interest.
- (4) Value distributed to government includes crown royalty, corporation income tax, property tax, business tax, government license, fees and permits.
- (5) Value distributed to employees include salaries, benefits, bonus and long-term incentives.
- (6) Value distributed to landowners includes royalty obligations associated with non-Crown owned lands.
- (7) Board diversity includes independent board members. Non-independent board member is included in Employee Diversity.
- (8) Minority is defined as persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour (Statistics Canada 2021, Visible minority of person).
- (9) All intensity calculations use “Operated Production” volume.
- (10) Number of producing and non-producing wells include only “net” oil and gas wells as stated in our Annual Information Form.
- (11) Reportable spills and releases are defined by AER’s Release Reporting Requirements.
- (12) Upstream is defined as production facilities including wells, gathering stations and lines, and field compression.
- (13) Midstream is defined as processing facilities such as gas plants.
- (14) Methane emissions from pneumatics devices were calculated using rates in Table 30 from AER’s Manual 015 and by the Petroleum Technology Alliance Canada study Pneumatic Vent Gas Measurement (2018) in 2021. 2019 and 2020 methane emissions were calculated using conservative rates prescribed in Table 20 of AER’s Manual 015.
- (15) Non-GAAP financial measures which may not be comparable to similar non-GAAP financial measures used by other entities. Please see “Non-GAAP Measures”.

ADVISORIES AND NON-GAAP MEASURES

IMPORTANT INFORMATION CONCERNING THIS REPORT FORWARD-LOOKING INFORMATION AND OTHER ADVISORIES

This sustainability report 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 sustainability report include, but are not limited to, statements about our strategy, plans, objectives, priorities and focus and the benefits to be derived therefrom; that Entropy will create value for all of its stakeholders; Advantage's plans to achieve net-zero emissions by 2025 and its anticipated means of doing so; Advantage's plans to successfully complete all three phases by the end of 2024, anticipate mitigating approximately 90% of Advantage's 2021 midstream emissions requires functional carbon capture policy; Advantage's expectations that it will attain the lowest carbon emissions intensity from any natural gas producer in Canada, and possibly globally; that Advantage will continue to evaluate and deploy leading solutions to reduce the environmental impact of its business; that the Glacier project will pave the way for the creation of an innovative pathway to low-cost CCS technologies that will play a pivotal role in global greenhouse gas emissions reduction; the anticipated timing of Glacier Phase 1b; the anticipated reduction of CO₂ emissions from the Glacier project; the anticipated benefits to be derived from Entropy's iCCS™ technology; Advantage's expectations that it will continue to meet the Alberta Energy Regulator's requirements; Advantage's ability to capitalize on waste heat recovery opportunities; the anticipated benefits to be derived from Advantage's new hydraulic fracturing design and its goal of using less water; Advantage's anticipated benefit with the fresh water reservoir in the Glacier area; that Advantage will return its sites to their natural landscape in accordance with all abandonment and reclamation regulatory assessments; that Advantage will establish and maintain an effective responsive health and safety management system that meets and exceeds all regulatory and industry standards; the anticipated benefits to be derived from Advantage's emergency procedures; that Advantage's DEI policy will be reviewed annually and will ensure that Advantage has a diverse and skilled workforce; the anticipated benefits to be derived from Advantage's Enterprise Risk Management system; and other matters.

With respect to forward-looking statements contained in this sustainability report, in addition to other assumptions identified herein, Advantage has made assumptions regarding, but not limited to: future commodity prices including oil and natural gas; 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 impact of increasing competition; that Advantage 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 Advantage's conduct and results of operations will be consistent with its expectations; that Advantage will have the ability to develop Advantage'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; the availability of government initiatives to Entropy; the timing and amount of capital expenditures; that Entropy will have the ability to develop projects in the manner currently contemplated; the performance of Entropy's proprietary novel carbon capture solvent; that the estimates of Entropy's cost structure and the assumptions related thereto are accurate in all material respects; that Entropy will be able to develop third party CCS projects; that low-cost CCS technologies will play a pivotal role in global greenhouse gas emissions reduction; and that the estimates of Advantage's production, reserves and resources volumes and the assumptions related thereto (including commodity prices and development costs) are accurate in all material respects.

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, market and business conditions; 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; Advantage's 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 of unexpected events involved in the exploration for, and the operation and development of, oil and gas properties; hazards such as fire, explosion, blowouts,

ADVISORIES AND NON-GAAP MEASURES (CONTINUED)

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 obtaining stakeholder and regulatory approvals; 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; current and future carbon prices and royalty regimes; the price of and market for carbon credits and offsets; that Entropy's conduct and results of operations will not be consistent with its expectations; that Entropy will not have the ability to develop and deploy its projects in the manner currently contemplated; credit risk; that Advantage may not achieve net-zero emissions by 2025; the risk that Advantage's carbon emissions intensity may be higher than anticipated; the risk that the Glacier project may not create an innovative pathway to low-cost CCS technologies or play a pivotal role in global greenhouse gas emissions reduction; the risk that Advantage may not continue to meet the Alberta Energy Regulator's more stringent requirements; the risk that Advantage may not be able to return its sites to their natural landscape in accordance with all abandonment and reclamation regulatory assessments; the risk that Advantage's DEI policy, emergency response procedures and Enterprise Risk Management system may not achieve the results anticipated; 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.

Management has included the above summary of assumptions and risks related to forward-looking information provided in this Sustainability Report in order to provide 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 sustainability report 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.

NON-GAAP MEASURES

The Corporation discloses certain financial and performance measures in this sustainability report that do not have any standardized meaning prescribed under GAAP. These financial and performance measures include "net capital expenditures" which should not be considered as an alternative to, or more meaningful than "cash used in investing activities" as determined in accordance with GAAP. Management believes that these measures provide an indication of the results generated by the Corporation's principal business activities and provide useful supplemental information for analysis of the Corporation's operating performance and liquidity. Advantage's method of calculating these measures may differ from other companies, and accordingly, they may not be comparable to similar measures used by other companies. 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. Refer to the Corporation's most recent Management's Discussion and Analysis, which is available at www.sedar.com and www.advantageog.com, for additional information about certain financial measures, including reconciliations to the nearest GAAP measures.

OIL AND GAS AND FINANCE METRICS

This sustainability report contains a number of oil and gas and finance metrics, including "carbon dioxide equivalent" and "barrel of oil equivalent" which do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies and should not be used to make comparisons. Such metrics have been included herein to provide readers with additional measures to evaluate the Corporation's performance; however, such measures are not reliable indicators of the future performance of the Corporation and future performance may not compare to the performance in previous periods and therefore such metrics should not be unduly relied upon. Carbon dioxide equivalent or "CO₂e" is a term for describing different greenhouse gases in a common unit. Barrel of Oil Equivalent ("boe") is a unit of energy based on the approximate energy released by burning one barrel of crude oil. Management uses these oil and gas and finance metrics for its own performance measurements and to provide securityholders with measures to compare Advantage's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this sustainability report, should not be relied upon for investment or other purposes.

ADVISORIES AND NON-GAAP MEASURES (CONTINUED)

Barrels of oil equivalent (boe) and thousand cubic feet of natural gas equivalent (mcf) may be misleading, particularly if used in isolation. Boe and mcf conversion ratios have been calculated using a conversion rate of six thousand cubic feet of natural gas equivalent to one barrel of oil. A boe and mcf conversion ratio of 6 mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

References to natural gas, and liquids production in this sustainability report refer to conventional natural gas and natural gas liquids product types, respectively, as defined in National Instrument 51-101.

NO OFFER OR SOLICITATION REGARDING SECURITIES

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THIRD PARTY INFORMATION

Certain market, third party and industry data contained in this summary is based upon information from government or other industry publications and reports or based on estimates derived from such publications and reports. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but Advantage has not conducted its own independent verification of such information. This report also includes certain data derived from the Alberta Energy Regulator, including information as to methane emissions from pneumatics devices, which has been retrieved from the AER's Manual 015. No representation or warranty of any kind, express or implied, is made by Advantage as to the accuracy or completeness of the information contained in this document, and nothing contained in this report is, or shall be relied upon as, a promise or report by Advantage.

The following abbreviations used in this sustainability report have the meanings set forth below:

bbl	one barrel
bbls	barrels
bbls/d	barrels per day
boe	barrels of oil equivalent of natural gas, on the basis of one barrel of oil or NGLs for six thousand cubic feet of natural gas
bbls/mmcf	barrels per million cubic feet
CO ₂ e	carbon dioxide equivalent
GJ	gigajoule
mcf	thousand cubic feet
mcf/d	thousand cubic feet per day
mcfce	thousand cubic feet equivalent on the basis of six thousand cubic feet of natural gas for one barrel of oil or NGLs
mmcf	million cubic feet
mmcf/d	million cubic feet per day
mmbtu	million British thermal units
Liquids	Includes NGLs, condensate and crude oil
Natural Gas	Conventional Natural Gas as defined in National Instrument 51-101
tpa	tonnes per annum

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