STRATHCONA RESOURCES LTD

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
Cdn$ millions (unaudited)

As at	Note	September 30, 2023	December 31, 2022
Assets			
Current			
Cash		**—**	34.3
Accounts receivable	**13**	**384.0**	299.1
Inventory		**41.6**	64.2
Prepaid expenses and deposits		**29.1**	10.0
Cross-currency swap asset	**4**	**—**	4.3
Risk management asset	**13**	**32.5**	9.5
Total current assets		**487.2**	421.4
Property, plant and equipment	**3**	**9,029.6**	8,724.2
Other assets		**18.7**	18.9
Risk management asset	**13**	**53.4**	—
Total assets		**9,588.9**	9,164.5
Liabilities			
Current			
Accounts payable and accrued liabilities		**700.4**	652.9
Debt	**4**	**521.8**	295.0
Deferred revenue		**6.8**	50.0
Cross-currency swap liability	**4, 13**	**2.9**	—
Lease and other obligations	**5**	**33.2**	32.4
Decommissioning provision	**6**	**43.7**	35.1
Risk management liability	**13**	**280.0**	108.6
Total current liabilities		**1,588.8**	1,174.0
Long-term debt	**4**	**2,265.8**	2,749.1
Lease and other obligations	**5**	**230.5**	224.1
Decommissioning provision	**6**	**309.9**	256.4
Deferred tax liability	**12**	**651.4**	445.2
Risk management liability	**13**	**16.1**	113.5
Total liabilities		**5,062.5**	4,962.3
Equity			
Share capital	**7**	**3,053.5**	3,052.8
Contributed surplus		**49.9**	49.9
Retained earnings		**1,423.0**	1,099.5
Total equity		**4,526.4**	4,202.2
Total liabilities and equity		**9,588.9**	9,164.5

Commitments and contingencies (Note 14)
Subsequent event (Note 18)
See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF INCOME AND COMPREHENSIVE (LOSS) INCOME

Cdn$ millions, except per share amounts (unaudited)

		Three Months Ended		Nine Months Ended	
	Note	**2023**	2022	**2023**	2022
Revenues and other income					
Oil and natural gas sales	**2, 8**	**1,300.2**	1,112.6	**3,460.7**	3,218.5
Sale of purchased products		**7.2**	3.9	**35.0**	46.5
Royalties		**(202.7)**	(170.6)	**(422.0)**	(531.8)
Oil and natural gas revenues		**1,104.7**	945.9	**3,073.7**	2,733.2
(Loss) gain on risk management contracts	**13**	**(265.8)**	183.3	**(59.5)**	(111.1)
Other income		**0.9**	1.2	**1.1**	3.8
		839.8	1,130.4	**3,015.3**	2,625.9
Expenses					
Purchased product		**6.8**	3.9	**36.2**	47.2
Blending costs		**238.5**	238.5	**773.5**	771.8
Production and operating		**195.3**	153.3	**590.5**	425.5
Transportation and processing		**114.5**	63.6	**347.2**	143.1
Acquired inventory		**—**	54.2	**—**	54.2
General and administrative		**20.7**	16.2	**67.4**	44.6
Interest	**4**	**50.2**	28.3	**154.6**	59.5
Transaction related costs		**3.5**	2.3	**5.1**	5.2
Finance costs (Restated - Note 2)	**9**	**18.1**	8.3	**53.7**	21.1
Depletion, depreciation and amortization (Restated - Note 2)	**3**	**171.6**	96.5	**505.4**	251.3
Foreign exchange loss (gain)	**10**	**16.9**	50.0	**(1.2)**	61.8
Unrealized loss on Sable remediation fund		**0.2**	—	**0.1**	0.7
		836.3	715.1	**2,532.5**	1,886.0
Share of equity investment income		**—**	—	**—**	11.3
Gain on step acquisition of equity method investee		**—**	—	**—**	132.1
Loss on termination of lease liability	**5**	**—**	—	**—**	(1.4)
Income before income taxes		**3.5**	415.3	**482.8**	881.9
Income tax expense (recovery) (Restated - Note 2)	**12**	**44.6**	(191.0)	**159.3**	(414.1)
(Loss) income and comprehensive (loss) income		**(41.1)**	606.3	**323.5**	1,296.0
Net (loss) income per share					
Basic and Diluted	**11**	**(0.02)**	0.28	**0.15**	0.61

See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
Cdn$ millions (unaudited)

	Note	Share Capital	Contributed Surplus	Retained Earnings	Total Equity
Balance, December 31, 2021		2,513.7	49.9	(258.7)	2,304.9
Equity issuance - Caltex Acquisition		295.8	—	—	295.8
Equity issuance - Stickney Acquisition		242.0	—	—	242.0
Equity issuance - employees		1.7	—	—	1.7
Equity purchase - employees		(0.1)	—	—	(0.1)
Income and comprehensive income (Restated - Note 2)		—	—	1,296.0	1,296.0
Balance, September 30, 2022		**3,053.1**	**49.9**	**1,037.3**	**4,140.3**
Balance, December 31, 2022		3,052.8	49.9	1,099.5	**4,202.2**
Equity issuance - employees	**7**	0.7	—	—	**0.7**
Income and comprehensive income		—	—	323.5	**323.5**
Balance, September 30, 2023		**3,053.5**	**49.9**	**1,423.0**	**4,526.4**

See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
Cdn$ millions (unaudited)

	Note	Three Months Ended		Nine Months Ended	
		2023	2022	**2023**	2022
Cash flow from (used in) operating activities					
Net (loss) income		**(41.1)**	606.3	**323.5**	1,296.0
Items not involving cash	**16**	**462.9**	(285.6)	**762.8**	(375.4)
Decommissioning costs	**6**	**(7.1)**	(8.3)	**(23.8)**	(18.7)
Changes in non-cash working capital	**16**	**15.8**	61.1	**(107.8)**	71.2
		430.5	373.5	**954.7**	973.1
Cash flow from (used in) financing activities					
(Repayment) draw of debt	**4**	**(164.6)**	1,759.6	**(258.0)**	2,049.9
Repayment of acquired debt		**—**	(50.4)	**—**	(530.2)
Lease and other obligations	**5**	**(12.4)**	(6.7)	**(33.6)**	(19.8)
Loan to Stickney		**—**	—	**—**	(25.0)
Debt issuance costs	**4**	**—**	(21.4)	**—**	(25.6)
Issuance of common shares, net of share purchases		**—**	—	**0.7**	1.6
Changes in non-cash working capital	**16**	**—**	—	**0.6**	—
		(177.0)	1,681.1	**(290.3)**	1,450.9
Cash flow from (used in) investing activities					
Property, plant and equipment expenditures	**3**	**(260.2)**	(160.7)	**(720.6)**	(401.0)
Expenditures on corporate combinations, net of cash acquired		**—**	(1,900.0)	**—**	(1,900.0)
Investment in associates		**—**	—	**—**	(156.3)
Change in other assets		**—**	—	**—**	2.0
Changes in non-cash working capital	**16**	**6.7**	6.1	**21.9**	31.3
		(253.5)	(2,054.6)	**(698.7)**	(2,424.0)
Change in cash		**—**	—	**(34.3)**	—
Cash, beginning of period		**—**	—	**34.3**	—
Cash, end of period		**—**	—	**—**	—
Cash interest paid		**69.6**	28.4	**178.3**	60.7

See accompanying notes to the condensed consolidated interim financial statements.

1. DESCRIPTION OF BUSINESS

Strathcona Resources Ltd. ("**Strathcona**" or the "**Company**") is incorporated under the Business Corporations Act (Alberta) (the "**ABCA**") and is engaged in the exploration, acquisition, development and production of petroleum and natural gas reserves in western Canada. The condensed consolidated interim financial statements (the "**financial statements**") include the results of Strathcona Resources Ltd. and its wholly owned subsidiaries.

At September 30, 2023, approximately 99.7% of the Company's shares were owned by certain limited partnerships comprising of Waterous Energy Fund and its affiliates (collectively, "**WEF**"). Management and employees of the Company also own a minority interest of the Company's shares.

The Company's head office is located at Suite 1900, 421 – 7 Avenue SW, Calgary, Alberta, Canada, T2P 4K9.

2. BASIS OF PREPARATION

Preparation

These financial statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting, using the same accounting policies as those set out in Note 3 of the audited annual consolidated financial statements for the year ended December 31, 2022 which were prepared in accordance with International Financial Reporting Standards ("**IFRS**") with the exception of certain amendments to accounting standards or new interpretations issued by the International Accounting Standards Board ("IASB"), which were adopted effective January 1, 2023. These are as follows: IFRS 17, "Insurance Contracts"; amendments to IAS 12, "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"; IAS 1, "Disclosure of Material Accounting Policy Information"; and IAS 8, "Definition of Accounting Estimates". The adoption of these standards and amendments has not had a material impact on the accounting policies, methods of computation or presentation applied by the Company. Certain disclosures, which are normally required to be included in the notes to the audited annual consolidated financial statements, have been condensed or omitted. The financial statements should be read in conjunction with the Company's audited annual consolidated financial statements and notes thereto for the year ended December 31, 2022.

In these financial statements, all amounts are expressed in Canadian dollars ("**CAD**" or "**C$**") unless otherwise indicated, which is the Company's functional and presentation currency. Certain comparative information has been reclassified on the condensed consolidated interim statements of income and comprehensive income to conform with current period presentation.

These financial statements were authorized for issue by the Board of Directors on November 13, 2023.

Voluntary change in accounting policy

As detailed in Note 2 of the most recent audited annual consolidated financial statements, effective December 31, 2022, the Company voluntarily changed its accounting policy with respect to its decommissioning provision to utilize a credit adjusted discount rate to determine the discounted amount of the liability presented at each balance sheet date. The Company previously utilized a risk-free discount rate to determine the discounted amount of its decommissioning liability. Concurrent with the voluntary accounting policy change, there was also an impact to depletion expense recorded in the respective periods due to change in estimated present value of future development costs at each period end for purposes of unit-of-production calculations.

This voluntary change in accounting policy was applied retrospectively and the effect of this change is described below. Comparative amounts in these *condensed consolidated interim* financial statements have been restated.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
All amounts are expressed in Cdn$ millions unless otherwise noted (unaudited)

Reconciliation of the Condensed Consolidated Interim Statements of Income and Comprehensive Income

For the Three Months Ended September 30,	2022		
	Prior to accounting policy change	Effect of change	Restated
Depletion, depreciation and amortization	136.3	(39.8)	96.5
Finance costs	8.6	(0.3)	8.3
Deferred tax recovery	(212.4)	21.4	(191.0)
Net income	587.6	18.7	606.3
Net income per share			
Basic and Diluted	0.27	0.01	0.28

For the Nine Months Ended September 30,	2022		
	Prior to accounting policy change	Effect of change	Restated
Depletion, depreciation and amortization	338.6	(87.3)	251.3
Finance costs	21.6	(0.5)	21.1
Deferred tax recovery	(435.5)	21.4	(414.1)
Net income	1,229.6	66.4	1,296.0
Net income per share			
Basic and Diluted	0.58	0.03	0.61

Reconciliation of the Condensed Consolidated Interim Statements of Cash Flows

For the Three Months Ended September 30,	2022		
	Previous accounting policy	Effect of change	Restated
Net income	587.6	18.7	606.3
Items not involving cash	(266.9)	(18.7)	(285.6)

For the Nine Months Ended September 30,	2022		
	Previous accounting policy	Effect of change	Restated
Net income	1,229.6	66.4	1,296.0
Items not involving cash	(309.0)	(66.4)	(375.4)

All amounts are expressed in Cdn$ millions unless otherwise noted (unaudited)

3. PROPERTY, PLANT AND EQUIPMENT

	Oil and natural gas properties	Exploration and evaluation assets	Right of use assets	Corporate assets	Total
Cost					
Balance, December 31, 2022	9,848.6	117.3	127.4	37.6	**10,130.9**
Additions	712.3	—	15.9	8.3	**736.5**
Change in decommissioning provision	64.6	—	—	—	**64.6**
Balance, September 30, 2023	**10,625.5**	**117.3**	**143.3**	**45.9**	**10,932.0**
Accumulated Depletion, Depreciation, Amortization					
Balance, December 31, 2022	(1,351.0)	—	(26.5)	(29.2)	**(1,406.7)**
Depletion, depreciation and amortization	(477.6)	—	(14.5)	(3.6)	**(495.7)**
Balance, September 30, 2023	**(1,828.6)**	**—**	**(41.0)**	**(32.8)**	**(1,902.4)**
Net book value, December 31, 2022	8,497.6	117.3	100.9	8.4	8,724.2
Net book value, September 30, 2023	**8,796.9**	**117.3**	**102.3**	**13.1**	**9,029.6**

For the three and nine months ended September 30, 2023, $9.0 million and $27.9 million, respectively of direct and incremental overhead charges were capitalized (for the three and nine months ended September 30, 2022 – $3.4 million and $15.0 million, respectively).

The calculation of depletion for the nine months ended September 30, 2023 includes $9.5 billion of estimated future development costs required to bring the Company's estimated proved plus probable reserves on production (December 31, 2022 – $9.1 billion). Depletion includes an adjustment related to oil inventory of $9.7 million (September 30, 2022 – $11.1 million).

At September 30, 2023, the Company evaluated its CGUs for indicators of impairment and determined that no indicators were present.

All amounts are expressed in Cdn$ millions unless otherwise noted (unaudited)

4. DEBT

As at	September 30, 2023	December 31, 2022
Revolving Credit Facility - due Feb 27, 2026	**1,619.4**	1,706.7
Term Credit Facility - due Feb 29, 2024	**521.8**	701.6
Total Credit Facilities(1)	**2,141.2**	2,408.3
Senior Notes - due Aug 1, 2026	**678.9**	677.7
Unamortized debt issuance costs	**(32.5)**	(41.9)
Total debt	**2,787.6**	3,044.1
Current debt(2)	**521.8**	295.0
Long-term debt	**2,265.8**	2,749.1

(1) The Company periodically borrows from its Credit Facilities in US dollars ("**USD**" or "**US$**") and concurrently enters into cross-currency interest rate swap ("**CCS**") contracts to take advantage of an interest rate arbitrage that results from the relationship between CAD and USD interest rates and forward foreign exchange curves. Foreign currency risk associated with these borrowings are eliminated at the time of borrowing using CCS contracts (see Note 13). Debt on the balance sheet includes the CAD equivalent of USD borrowings, translated at the period end exchange rate, which does not include the offsetting impact of CCS contracts. The terms of the Revolving Credit Facility and the Term Credit Facility allow the CAD equivalent of USD borrowings to exceed contracted amounts due to fluctuations in foreign exchange, provided that settlement amounts have been fixed upfront using CCS contracts. At September 30, 2023, the CCS contracts had a liability value of $2.9 million (December 31, 2022 - $4.3 million asset) and total debt includes an unrealized gain of $3.2 million (December 31, 2022 - unrealized loss of $5.9 million) related to USD borrowings on Credit Facilities. Unrealized gains or losses on USD borrowings and offsetting unrealized gains or losses on CCS contracts are included in foreign exchange gains or losses on the Condensed Consolidated Interim Statements of Income and Comprehensive Income (see Note 10).

(2) Current debt relates to the Term Credit Facility.

Bank Credit Facilities

(a) Covenant-Based Revolving Credit Facility

At September 30, 2023, the Company had a covenant-based revolving credit facility of $2.0 billion (December 31, 2022 - $2.0 billion) with a syndicate of Canadian, U.S. and international banks (the "**Revolving Credit Facility**"). The Revolving Credit Facility was increased to $2.3 billion subsequent to September 30, 2023 (see Note 18).

The Revolving Credit Facility has a maturity date of February 27, 2026. There are no mandatory payments on the Revolving Credit Facility. In addition, the covenant-based Revolving Credit Facility is not a borrowing base facility and does not require annual or semi-annual reviews.

The Revolving Credit Facility bears interest at the applicable prime lending rate, base rate, bankers' acceptance or Secured Overnight Financing Rate ("**SOFR**") plus applicable margins. The applicable margin charged by the lenders is dependent on the Company's Senior Debt to Adjusted EBITDA ratio (as defined below) for the most recently completed quarter. The Revolving Credit Facility is secured by a floating charge debenture on the assets of the Company and its subsidiaries.

At September 30, 2023, the Company had letters of credit outstanding under the Revolving Credit Facility of $10.6 million (December 31, 2022 - $12.5 million).

(b) Term Credit Facility

At September 30, 2023, the Company had a $525.0 million term loan (December 31, 2022 - $700.0 million) with a syndicate of Canadian banks (the "**Term Credit Facility**" and together with the Revolving Credit Facility, the "**Credit Facilities**"). The Term Credit Facility has a maturity date of February 29, 2024.

Concurrent with the Arrangement (as defined in Note 18), the mandatory repayment provisions for the Term Credit Facility were amended. For the third quarter of 2023, an amortization payment of $175.0 million plus 100% of excess cash flow is due by November 15, 2023. Excess cash flow is calculated as Adjusted EBITDA (as defined below) less cash capital and decommissioning expenditures, lease payments (to the extent not already deducted), taxes, interest expense, amortization payments and any extraordinary and non-recurring losses added back in the determination of Adjusted EBITDA. For the fourth quarter of 2023, an amortization payment of $175.0 million is due by February 15, 2024.

All amounts are expressed in Cdn$ millions unless otherwise noted (unaudited)

Mandatory prepayments are also required using 50% of the net cash proceeds from the issuance of shares or hybrid securities, certain debt issuances and certain asset sales. Payments made immediately reduce the Term Credit Facility.

The Revolving Credit Facility may be used to repay amounts owing on the Term Credit Facility if there is availability of $150.0 million after such payment.

The Term Credit Facility is secured by a floating charge debenture on the assets of the Company and its subsidiaries.

(c) Availability under bank credit facilities and liquidity

Availability under the Company's bank credit facilities and liquidity is calculated as follows:

As at	September 30, 2023	December 31, 2022
Credit capacity[1]	**2,525.0**	2,700.0
Credit facilities debt at period end exchange rate	**(2,141.2)**	(2,408.3)
Unrealized (gain) loss on US borrowings	**(3.2)**	5.9
Letters of credit outstanding	**(10.6)**	(12.5)
Availability	**370.0**	285.1

(1) Credit capacity does not include the increase to the Revolving Credit Facility subsequent to September 30, 2023 (see Note 18).

(d) Financial Covenants

At September 30, 2023, the Revolving Credit Facility and Term Credit Facility had three financial covenants which are calculated quarterly (as set out below). The financial covenant calculations under the Revolving Credit Facility and Term Credit Facility credit agreements (the "**Credit Agreements**") are identical.

(i) Total Debt to Adjusted EBITDA Ratio – All debt excluding the Financing Agreement (see Note 5), capital leases and letters of credit constituting debt ("**Total Debt**"), each as defined in the Credit Agreements shall not exceed 4.0 times trailing 12-month net income before non-cash items, income taxes, interest expense and extraordinary and non-recurring losses, adjusted for material acquisitions or dispositions as if they occurred on the first day of the calculation period ("**Adjusted EBITDA**"). For the purposes of Adjusted EBITDA, lease payments are deducted from the calculation if a lease would have been considered an operating lease before the adoption of IFRS 16. Total Debt may include the value of the Company's undiscounted inactive abandonment and reclamation obligations for a material jurisdiction if the liability management ratio in that jurisdiction falls below the minimum maintenance level required under the Credit Agreements (1.0 in British Columbia and 2.0 in all other material jurisdictions). Liability management ratios are calculated by provincial regulators based on deemed asset and deemed liability values determined by the respective regulator, other than for British Columbia, which is calculated by the Company based on past practice of the BC Oil and Gas Commission.

(ii) Senior Debt to Adjusted EBITDA Ratio – Total Debt excluding permitted junior debt (e.g. Senior Notes), as defined in the Credit Agreements, shall not exceed 3.5 times trailing 12-month Adjusted EBITDA.

(iii) Interest Coverage Ratio – Trailing 12-month Adjusted EBITDA, shall not be less than 3.5 times cash interest expense, as defined in the Credit Agreements.

The Company was in compliance with its September 30, 2023 financial covenants, which are pro forma the Arrangement described in Note 18, and are summarized in the following table:

As at	September 30, 2023
Total Debt to Adjusted EBITDA Ratio (≤ 4.00)	**1.63**
Senior Debt to Adjusted EBITDA Ratio (≤ 3.50)	**1.26**
Interest Coverage Ratio (≥ 3.50)	**8.01**

All amounts are expressed in Cdn$ millions unless otherwise noted (unaudited)

Senior Notes

At September 30, 2023, Strathcona had $678.9 million (December 31, 2022 - $677.7 million) of senior unsecured notes outstanding, in aggregate principal amount of US$500.0 million, due August 1, 2026 (the "**Senior Notes**"). The Senior Notes bear interest at 6.875% per annum, payable semi-annually in arrears on February 1 and August 1 of each year. The Senior Notes are redeemable at Strathcona's option, in whole or in part, after August 1, 2023 at the following redemption prices:

Date	Price
August 1, 2023	**105.156 %**
August 1, 2024	**101.719 %**
August 1, 2025 and thereafter	**100.000 %**

The Senior Notes have no financial maintenance covenants.

Demand Letter of Credit Facility

At September 30, 2023, the Company had a $100.0 million (December 31, 2022 - $60.0 million) demand letter of credit facility with a financial institution (the "**LC Facility**"). The LC Facility is supported by an account performance security guarantee issued by Export Development Canada in favour of the financial institution. The letters of credit outstanding under the LC Facility do not impact the Company's borrowing capacity under the Revolving Credit Facility. At September 30, 2023, the Company had letters of credit in the amount of $54.5 million (December 31, 2022 - $52.6 million) outstanding under the LC Facility.

Interest Expense

	Three Months Ended		Nine Months Ended	
	2023	2022	**2023**	2022
Credit Facilities interest	**45.8**	17.1	**131.1**	26.4
Senior Notes interest	**11.5**	11.2	**34.7**	33.1
Realized gain on interest rate swaps	**(7.1)**	—	**(11.2)**	—
Interest expense	**50.2**	28.3	**154.6**	59.5

5. LEASE AND OTHER OBLIGATIONS

As at	September 30, 2023	December 31, 2022
Lease obligations, beginning of period	**119.5**	112.7
Leases acquired through acquisitions	**—**	17.6
Additions	**18.2**	5.5
Accretion (Note 9)	**8.6**	11.4
Settlements	**(27.4)**	(27.7)
Lease obligations, end of period	**118.9**	119.5
Other obligations, beginning of period	**137.0**	—
Additions	**—**	137.0
Accretion (Note 9)	**14.0**	—
Settlements	**(6.2)**	—
Other obligations, end of period	**144.8**	137.0
Lease and other obligations, end of period	**263.7**	256.5
Current portion	**33.2**	32.4
Long-term portion	**230.5**	224.1

Other obligations include an asset-backed financing agreement on certain processing facilities interest (the "**Financing Agreement**"). The Financing Agreement has a maturity date of January 1, 2031 and bears interest at the applicable lending rate plus 7.00%. Interest payments are made on a monthly basis with principal payments beginning on August 1, 2023. The Company has the option to reduce principal payments and make interest and principal payments in kind until August 1, 2024. The Company may also repurchase the processing facilities interest (the "**Repurchase Option**") at any time at the specified prices set out in the Financing Agreement. The Repurchase Option is a combination of the remaining principal balance and a varying option premium that is dependent on the time of exercise.

6. DECOMMISSIONING PROVISION

As at	September 30, 2023	December 31, 2022
Balance, beginning of period	**291.5**	106.1
Additions	**0.6**	1.8
Liabilities acquired through acquisitions	**—**	98.0
Liabilities disposed	**—**	(0.1)
Settlements – government grant(1)	**(0.3)**	(5.0)
Settlements – other	**(23.8)**	(23.2)
Changes in estimates	**64.0**	104.4
Accretion (Note 9)	**21.6**	9.5
Balance, end of period	**353.6**	291.5
Current portion	**43.7**	35.1
Long-term portion	**309.9**	256.4

(1) Relates to amounts granted to the Company through the Site Rehabilitation Program (Alberta), Dormant Sites Reclamation Program (British Columbia) and the Accelerated Site / Closure Program (Saskatchewan) to pay service companies to complete abandonment and reclamation work.

As at September 30, 2023, the uninflated and undiscounted estimated cash flows required to settle the obligation were $998.8 million (December 31, 2022 – $1,015.8 million), which have been inflated at a rate of 2.00% (December 31, 2022 – 2.00%) and discounted using a credit adjusted rate of 8.00% (December 31, 2022 – 9.60%). The expected timing of payment of the cash flows required for settling the obligations are substantially expected to be incurred between 2023 and 2081.

7. SHARE CAPITAL

At September 30, 2023, the authorized capital of the Company consists of an unlimited number of voting Class A common shares, an unlimited number of voting Class B common shares and an unlimited number of preferred shares. No preferred shares have been issued by the Company as at September 30, 2023 (December 31, 2022 – nil). Each Class A common share is convertible at the option of the holder into one Class B common share and each Class B common share is convertible at the option of the holder into one Class A common share.

	Class A Common Shares		Class B Common Shares		Total Common Shares	
	Shares (millions)	$	Shares (millions)	$	**Shares (millions)**	**$**
Balance, December 31, 2022	932.6	1,290.0	1,253.9	1,762.8	**2,186.5**	**3,052.8**
Issuance – employees	—	—	0.2	0.7	**0.2**	**0.7**
Balance, September 30, 2023	**932.6**	**1,290.0**	**1,254.1**	**1,763.5**	**2,186.7**	**3,053.5**

8. OIL AND NATURAL GAS SALES

	Three Months Ended		Nine Months Ended	
	2023	2022	**2023**	2022
Bitumen blend	**670.8**	601.3	**1,689.0**	1,867.8
Heavy oil, blended and raw	**489.5**	369.7	**1,371.8**	862.4
Light oil and condensate	**94.4**	78.2	**258.7**	252.0
Other natural gas liquids	**16.0**	20.6	**52.5**	72.1
Natural gas	**29.5**	42.8	**88.7**	164.2
Oil and natural gas sales	**1,300.2**	1,112.6	**3,460.7**	3,218.5

9. FINANCE COSTS

	Three Months Ended		Nine Months Ended	
	2023	2022	**2023**	2022
Accretion of lease obligations (Note 5)	**3.0**	2.9	**8.6**	8.7
Accretion of other obligations (Note 5)	**4.8**	—	**14.0**	—
Accretion of decommissioning provision (Note 6)	**7.1**	2.8	**21.6**	6.8
Amortization of debt issuance costs	**3.2**	2.6	**9.5**	5.6
Finance costs	**18.1**	8.3	**53.7**	21.1

10. FOREIGN EXCHANGE LOSS (GAIN)

	Three Months Ended		Nine Months Ended	
	2023	2022	**2023**	2022
Realized (gain)	**(1.8)**	(3.1)	**(1.3)**	(2.8)
Unrealized loss – Senior Notes	**16.8**	47.8	**1.2**	59.6
Unrealized (gain) loss – Credit Facilities(1)	**33.9**	143.0	**(9.2)**	144.9
Unrealized loss (gain) – cross-currency swaps(1)	**(33.3)**	(140.0)	**7.2**	(141.3)
Unrealized loss – other	**1.3**	2.3	**0.9**	1.4
Foreign exchange loss	**16.9**	50.0	**(1.2)**	61.8

(1) Strathcona enters into CCS contracts, which eliminate foreign currency risk on USD denominated debt drawn under the Credit Facilities. At maturity, the realized gains and losses relating to USD borrowings will be offset by the realized gains and losses on CCS contracts. See Note 4.

11. NET (LOSS) INCOME PER SHARE

Basic and diluted per share amounts are calculated by taking net income divided by the weighted average number of common shares outstanding. At September 30, 2023 and 2022, the Company had no dilutive instruments outstanding.

	Three Months Ended		Nine Months Ended	
	2023	2022	**2023**	2022
Weighted average common shares (millions) – basic and diluted	**2,186.7**	2,186.6	**2,186.6**	2,125.4

All amounts are expressed in Cdn$ millions unless otherwise noted (unaudited)

12. INCOME TAXES

	Three Months Ended		Nine Months Ended	
	2023	2022	**2023**	2022
Current tax (recovery)	—	—	**(46.9)**	—
Deferred tax expense (recovery)	44.6	(191.0)	**206.2**	(414.1)
Income tax expense (recovery)	**44.6**	(191.0)	**159.3**	(414.1)

During the nine months ended 2023, a current tax recovery of $46.9 million was recorded upon filing of the final tax return of Serafina Energy Ltd. ("**Serafina**"), which resulted from an income tax election to apply fair value treatment to financial derivative contracts. The current tax recovery was offset by a corresponding deferred tax expense due to the liability recorded by Strathcona to reflect the income inclusion related to the election filed.

During the nine months ended 2022, a deferred tax recovery of $414.1 million was recorded. Deferred tax recoveries were recorded to offset deferred tax liabilities on the acquisitions of Caltex and Serafina. The Company determined that its deductible temporary differences met the threshold for utilization after the acquistion of Serafina on August 29, 2022.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

At September 30, 2023, the Company's financial instruments include accounts receivable, risk management contracts, the Sable remediation fund, accounts payable and accrued liabilities, cross-currency swaps, other obligations and debt.

The estimated fair values of the financial instruments have been determined based on the Company's assessment of available market information. These estimates may not necessarily be indicative of the amounts that could be realized or settled in a market transaction. The fair values of the financial instruments, other than the Company's risk management contracts, debt and Sable remediation fund approximate their carrying amounts due to the short-term maturity of these instruments.

The Company's risk management contracts and CCS contracts were classified as Level 1 in the fair value hierarchy. For purposes of estimating the fair value of these instruments, the Company used quoted market prices in active markets for identical assets or liabilities. The Sable remediation fund was classified as Level 2 in the fair value hierarchy. For the purposes of estimating the fair value of this instrument, the Company used estimates from third-party brokers and observable market data and/or other sources utilizing assumptions that market participants would use to determine fair value.

The Company's Senior Notes were classified as Level 1 in the fair value hierarchy. At September 30, 2023, the fair value of the Company's Senior Notes was $642.6 million. The fair value of all other debt approximates its carrying amount given the indexed rates of interest. The carrying amount of the Term Credit Facility approximates its fair value due to the short-term maturity.

The Company's activities expose it to a variety of financial risks that arise as a result of its exploration, development, production and financing activities. These risks include credit risk, liquidity risk and market risk. There have been no significant changes in the Company's risk management policies or exposures during the nine months ended September 30, 2023.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This will arise principally from outstanding receivables related to oil and natural gas customers, counterparties related to financial derivative contracts and joint interest partners.

On entering into any business contract, the extent to which the arrangement exposes the Company to credit risk is considered. The Company's policy to mitigate credit risk associated with these balances is to establish relationships with reputable counterparties, review the financial capacity of its counterparties, may request prepayment and, in certain circumstances, the Company may seek enhanced credit protection from a counterparty or purchase accounts receivable insurance. Receivables from oil and natural gas sales are generally collected on the 25th day of the month following production. Joint operations receivables are typically collected within one to three months of the invoice being issued.

The Company's maximum exposure to credit risk at September 30, 2023 is in respect of accounts receivable, net of expected credit losses provision and risk management asset. As at September 30, 2023, $0.5 million of accounts receivable were past due, all of which were considered collectable (December 31, 2022 – $3.0 million).

All amounts are expressed in Cdn$ millions unless otherwise noted (unaudited)

The following table provides a summary of the Company's maximum exposure to credit risk:

As at	September 30, 2023	December 31, 2022
Oil and natural gas sales	**376.6**	293.0
Joint interest partners	**4.3**	3.3
Other	**4.7**	4.6
	385.6	300.9
Allowance for credit losses	**(1.6)**	(1.8)
Accounts receivable	**384.0**	299.1
Cross-currency swap asset	**—**	4.3
Risk management asset	**85.9**	9.5
Total credit exposure	**469.9**	312.9

The oil and gas industry has a pre-arranged monthly clearing day for payment of revenues from all buyers of oil and natural gas; this occurs on or about the 25th day following the month of sale. As a result, the Company's production revenues are current. All other accounts receivable are generally contractually due within 30 days.

The Company had one external customer exceeding 10% of total oil and natural gas sales that accounted for approximately 16% or $539.0 million of the Company's revenue for the nine months ended September 30, 2023 (September 30, 2022 – one external customers for 11% or $346.9 million). Included in accounts receivable at September 30, 2023 was $376.6 million of accrued sales revenue for September 2023 production (December 31, 2022 - $293.0 million for December 2022 production).

Credit risk related to joint interest receivables is mitigated by obtaining partner approval of significant capital expenditures prior to expenditure and in certain circumstances may require cash deposits in advance of incurring financial obligations on behalf of joint interest partners. The Company may have the ability to withhold production from joint interest partners in the event of non-payment or may be able to register security on the assets of joint interest partners.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company regularly prepares and updates budgets and forecasts in order to monitor its liquidity and ability to meet its financial obligations and commitments, including the ability to comply with the financial covenants under the Credit Facilities. As of the date of these financial statements, management's forecasts for Strathcona indicate that financial covenants for the next twelve months will be met under the Credit Facilities and that the Company has sufficient resources to manage the working capital deficit.

At September 30, 2023, the Company had availability under the Revolving Credit Facility of $370.0 million after considering letters of credit outstanding. At December 31, 2022, availability under the Revolving Credit Facility was $285.1 million and the Company had cash on hand of $34.3 million. See Note 4.

Future liquidity depends on the ability of Strathcona to access debt markets, availability under credit facilities, availability of additional equity, cash flow from operations and the ability to comply with financial covenants. Various industry risk factors, including uncertainty around improvements in global commodity prices and pipeline and transportation capacity constraints in Western Canada, may adversely affect Strathcona's future liquidity.

The following tables detail the cash flows and contractual maturities of the Company's financial liabilities:

As at September 30, 2023	Total	<1 year	1-3 years	4-5 years	> 5 years
Revolving Credit Facility(1) (Note 4)	**1,619.4**	—	1,619.4	—	—
Term Credit Facility(2) (Note 4)	**539.7**	539.7	—	—	—
Senior Notes(3) (Note 4)	**818.9**	46.7	772.2	—	—
Accounts payable and accrued liabilities	**700.4**	700.4	—	—	—
Risk management contract liability	**296.1**	280.0	16.1	—	—
Lease and other obligations(4) (Note 5)	**419.9**	46.1	99.1	81.6	193.1
Total	**4,394.4**	1,612.9	2,506.8	81.6	193.1

(1) Contractual amount reflects contracted settlement price on CCS contracts and excludes future interest payments on borrowings.

All amounts are expressed in Cdn$ millions unless otherwise noted (unaudited)

(2) Contractual amount reflects contracted settlement price on CCS contracts ($525.0 million) and includes estimated interest payments ($14.7 million).

(3) Amounts represent repayment of the Senior Notes ($678.9 million) and associated interest payments ($140.0 million) based on foreign exchange rate in effect on September 30, 2023.

(4) Amounts relate to undiscounted payments for lease and other obligations. The estimation of future cash payments related to other obligations are subject to forecast lending rates and timing of exercise of the Repurchase Option. The Repurchase Option on the Financing Arrangement is assumed to be exercised on January 1, 2029. See Note 5.

Market risk

Market risk is the risk that the future fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk is composed of commodity price risk, foreign exchange risk and interest rate risk.

The fair value of the Company's risk management contracts (excluding cross-currency interest rate swaps) was as follows:

As at	**September 30, 2023**				December 31, 2022		
	Commodity	**Foreign Exchange**	**Interest Rate**	**Total**	Commodity	Foreign Exchange	Total
Risk management asset – current	**1.1**	**—**	**31.4**	**32.5**	9.5	—	9.5
Risk management asset – long-term	**9.2**	**—**	**44.2**	**53.4**	—	—	—
Risk management liability – current	**(257.1)**	**(22.9)**	**—**	**(280.0)**	(108.6)	—	(108.6)
Risk management liability – long-term	**—**	**(16.1)**	**—**	**(16.1)**	(76.8)	(36.7)	(113.5)
Total liability	**(246.8)**	**(39.0)**	**75.6**	**(210.2)**	(175.9)	(36.7)	(212.6)

The Company's (loss) gain risk management contracts was as follows:

	Three Months Ended		**Nine Months Ended**	
For the Three and Nine Months Ended September 30,	**2023**	2022	**2023**	2022
Realized loss	**(56.1)**	(68.1)	**(61.9)**	(262.8)
Unrealized (loss) gain	**(209.7)**	251.4	**2.4**	151.7
Total (loss) gain on risk management contracts	**(265.8)**	183.3	**(59.5)**	(111.1)

All amounts are expressed in Cdn$ millions unless otherwise noted (unaudited)

Commodity price risk

The Company's operational results and financial condition are largely dependent on the commodity price received for oil and natural gas production. Commodity prices have fluctuated widely in recent years due to global and regional factors including supply and demand fundamentals, inventory levels, weather, economic and geopolitical factors.

The following tables summarize the Company's risk management as at September 30, 2023:

Term	Contract(1)	Index	Currency	Volume	Units	Price
Oct 1, 2023 - Dec 31, 2023	Swap	WTI	USD	77,000	bbl/d	$77.77
Jan 1, 2024 - Jan 31, 2024	Swap	WTI	USD	80,000	bbl/d	$76.77
Feb 1, 2024 - Feb 29, 2024	Collar	WTI	USD	80,000	bbl/d	$60.00/$93.00
Mar 1, 2024 - Mar 31, 2024	Collar	WTI	USD	75,000	bbl/d	$60.00/$105.29
Mar 1, 2024 - May 31, 2024	Swap	WTI	USD	5,000	bbl/d	$48.10
Mar 1, 2024 - Aug 31, 2024	Bought Call (2)	WTI	USD	15,739	bbl/d	$165.00
Oct 1, 2023 - Dec 31, 2023	Sold Put	WTI	USD	77,000	bbl/d	$60.00
Jan 1, 2024 - Jan 31, 2024	Sold Put	WTI	USD	80,000	bbl/d	$60.00
Sept 1, 2023 - Jan 31, 2024	Swap	WCS	USD	3,000	bbl/d	$(15.45)
Sept 1, 2023 - Dec 31, 2024	Swap	WCS	USD	10,000	bbl/d	$(14.25)

(1) For swap contracts, Strathcona receives the fixed price and pays the index. Call options are in-the-money if the index price is above the strike price. For sold calls, Strathcona receives the strike price, and for bought calls, Strathcona pays the strike price. Put options are in-the-money if the index price is below the strike price. For sold puts, Strathcona pays the strike price. For collars, Strathcona receives the floor price if the index is below the floor and the cap price if the index is above the cap.

(2) This contract has a premium of US$13.35/bbl payable over the term of the contract.

(3) The Company has a premium of US$14.45/bbl on expired contracts of 14,400 bbl/d which is payable from March 1, 2024 to August 31, 2024.

The fair value of the Company's risk management as at September 30, 2023 are sensitive to fluctuations in commodity prices. With all other variables held constant, a 10% increase in commodity prices could increase the unrealized loss on risk management contracts by $224.9 million. A 10% decrease in commodity prices could reduce the unrealized loss on risk management contracts by $205.7 million.

Foreign exchange risk

The Company is exposed to fluctuations of the CAD to USD exchange rate given commodity pricing is directly influenced by USD denominated benchmark pricing. In addition, the Company borrows from its Credit Facilities in USD and the Senior Notes are denominated in USD.

The following table summarizes the Company's foreign exchange contracts on revenues as at September 30, 2023:

Term	Contract	USD per Month	CAD/USD Floor	CAD/USD Ceiling
Mar 1, 2024 - Feb 28, 2025	Collar	30.5 million	1.2081	1.2410

Foreign exchange risk on USD denominated Credit Facilities borrowings is eliminated by entering into CCS contracts at the time of a USD borrowing. As part of the CCS, the CAD/USD foreign exchange rate at the beginning and end of the SOFR borrowing term is fixed so the Company does not have any foreign exchange risk on its USD borrowings. As at September 30, 2023, the Company had CCS contracts outstanding totaling:

Notional (US$)	Maturity Date	Contract Price
384.3 million	October 11, 2023	CAD/USD 1.3661

The Company has not entered into any foreign exchange contracts related to the Senior Notes.

All amounts are expressed in Cdn$ millions unless otherwise noted (unaudited)

The carrying amounts of the Company's USD denominated monetary assets and liabilities exposed to fluctuations in the CAD/USD foreign currency exchange rate are as follows:

As at	September 30, 2023	December 31, 2022
(US$)		
Assets	**74.0**	8.9
Liabilities	**(654.9)**	(521.8)
Net liabilities	**(580.9)**	(512.9)

With all other variables held constant, a $0.01 change in the CAD/USD foreign exchange rate at September 30, 2023 would result in a change in USD denominated monetary assets and liabilities and change annualized net (loss) income by $5.8 million (December 31, 2022 – $5.1 million).

Interest rate risk

The Company is exposed to movements in floating interest rates on the Credit Facilities and other liabilities. At September 30, 2023, the following risk management contracts were in place to fix interest rates:

Notional (C$)	Term	Contract	Index	Contract Price
1,500.0 million	May 1, 2023 - Apr 30, 2028	Swap	1 month CDOR	3.4316%

At September 30, 2023, an increase or decrease to interest rates of 50 basis points would result in a $3.9 million impact on annualized interest expense (December 31, 2022 - $12.7 million). The Company is not exposed to interest rate risk on the Senior Notes as they bear a fixed interest rate.

Capital management

The Company's policy is to maintain a strong capital base for the objectives of maintaining financial flexibility, creditor and market confidence and to sustain the future development of the business. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying petroleum and natural gas assets. The Company considers its capital structure to include equity, long-term debt and working capital.

14. COMMITMENTS AND CONTINGENCIES

As at September 30, 2023, the Company is committed to the following non-cancellable payments:

	Total	< 1 year	1-3 years	4-5 years	> 5 years
Transportation and processing commitments	**1,283.5**	200.8	336.8	228.9	517.0
Capital commitments	**66.6**	51.4	15.2	—	—
Other	**11.4**	3.8	5.7	1.9	—
Total	**1,361.5**	256.0	357.7	230.8	517.0

15. RELATED PARTY TRANSACTIONS

For the nine months ended September 30, 2023, there were no related party transactions.

On January 31, 2022, Strathcona exchanged $30.9 million of its shares in its investment in Stickney Resources Ltd. ("**Stickney**") with an affiliate of WEF ("**WEF Fund II**") for shares of Caltex Resources Ltd. ("**Caltex**").

On January 31, 2022, Strathcona issued an unsecured, interest-bearing loan in the amount of $25.0 million to Stickney. The loan was extinguished when Stickney was amalgamated with Strathcona on March 11, 2022.

On March 11, 2022, Strathcona acquired the remaining interests in Caltex and Stickney from WEF Fund II for share consideration valued at $295.8 million and $242.0 million respectively, and amalgamated with the entities.

All amounts are expressed in Cdn$ millions unless otherwise noted (unaudited)

Prior to the March 11, 2022 amalgamations, the Company provided management and administrative services to Caltex and Stickney. The fees received pursuant to this agreement from January 1, 2022 to March 11, 2022 totaled $0.6 million for Stickney and $1.3 million for Caltex.

16. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in non-cash working capital

For the Three and Nine Months Ended September 30,	Three Months Ended 2023	Three Months Ended 2022	Nine Months Ended 2023	Nine Months Ended 2022
Source (use) of cash:				
Restricted cash	**—**	3.2	**—**	8.7
Accounts receivable	**(106.2)**	118.2	**(84.9)**	(100.5)
Other assets	**0.4**	(0.3)	**0.4**	(0.3)
Inventory	**6.1**	31.7	**14.0**	29.3
Prepaid expenses and deposits	**(5.2)**	(3.9)	**(19.1)**	(7.3)
Accounts payable and accrued liabilities	**135.1**	(82.0)	**47.5**	172.3
Deferred revenue	**(7.7)**	0.3	**(43.2)**	0.3
	22.5	67.2	**(85.3)**	102.5
Related to operating activities	**15.8**	61.1	**(107.8)**	71.2
Related to financing activities	**—**	—	**0.6**	—
Related to investing activities	**6.7**	6.1	**21.9**	31.3

Items not involving cash

For the Three and Nine Months Ended September 30,	Three Months Ended 2023	Three Months Ended 2022	Nine Months Ended 2023	Nine Months Ended 2022
Depletion, depreciation and amortization (Note 3) (Restated - Note 2)	**171.6**	96.5	**505.4**	251.3
Unrealized loss (gain) on risk management contracts (Note 13)	**209.7**	(251.4)	**(2.4)**	(151.7)
Unrealized (gain) loss on foreign exchange (Note 10)	**18.7**	53.2	**0.1**	64.6
Unrealized loss on Sable remediation fund	**0.2**	—	**0.1**	0.7
Finance costs (Note 9) (Restated - Note 2)	**18.1**	8.3	**53.7**	21.1
Other income – ARO government grant (Note 6)	**—**	(1.2)	**(0.3)**	(3.5)
Share of equity investment income	**—**	—	**—**	(11.3)
Gain on step acquisition of equity method investee	**—**	—	**—**	(132.1)
Gain on termination of lease liability (1)	**—**	—	**—**	(0.4)
Deferred tax expense (recovery) (Note 12) (Restated - Note 2)	**44.6**	(191.0)	**206.2**	(414.1)
	462.9	(285.6)	**762.8**	(375.4)

(1) The loss on termination of lease liability recorded in the condensed consolidated interim statement of comprehensive income (loss) of $1.4 million is made up of a non-cash gain on cancellation ($0.4 million) of the lease and an accrued liability in the amount of $1.8 million for costs associated with the cancellation.

17. SEGMENT INFORMATION

Operating segments

Accounting policies used for segment reporting are consistent with the accounting policies used for the preparation of the Company's audited annual consolidated financial statements. The following tables present the financial performance by reportable segment and includes a measure of segment profit or loss regularly reviewed by management for the noted periods ended September 30, 2023 and 2022.

All amounts are expressed in Cdn$ millions unless otherwise noted (unaudited)

For the Three Months Ended September 30,	Cold Lake Thermal		Lloydminster Heavy Oil		Montney		Corporate and Eliminations		Consolidated	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Segment revenues										
Oil and natural gas sales	**671.1**	600.0	**490.2**	372.0	**139.3**	140.6	**(0.4)**	—	**1,300.2**	1,112.6
Sale of purchased Products	**—**	—	**—**	—	**—**	—	**7.2**	3.9	**7.2**	3.9
Royalties	**(134.1)**	(99.5)	**(55.1)**	(47.1)	**(13.5)**	(24.0)	**—**	—	**(202.7)**	(170.6)
Oil and natural gas revenues	**537.0**	500.5	**435.1**	324.9	**125.8**	116.6	**6.8**	3.9	**1,104.7**	945.9
Segmented expenses										
Purchased product	**—**	—	**—**	—	**—**	—	**6.8**	3.9	**6.8**	3.9
Blending costs	**201.7**	206.6	**36.8**	31.9	**—**	—	**—**	—	**238.5**	238.5
Production and operating	**94.9**	91.2	**85.0**	48.8	**15.4**	13.3	**—**	—	**195.3**	153.3
Transportation and processing	**24.0**	17.9	**71.9**	28.8	**18.6**	16.9	**—**	—	**114.5**	63.6
	320.6	315.7	**193.7**	109.5	**34.0**	30.2	**6.8**	3.9	**555.1**	459.3
Field operating income	**216.4**	184.8	**241.4**	215.4	**91.8**	86.4	**—**	—	**549.6**	486.6
Loss (gain) on risk management contracts	**—**	—	**—**	—	**—**	—	**265.8**	(183.3)	**265.8**	(183.3)
Other income	**—**	—	**—**	—	**—**	—	**(0.9)**	(1.2)	**(0.9)**	(1.2)
Acquired inventory	**—**	—	**—**	54.2	**—**	—	**—**	—	**—**	54.2
General and administrative	**—**	—	**—**	—	**—**	—	**20.7**	16.2	**20.7**	16.2
Interest	**—**	—	**—**	—	**—**	—	**50.2**	28.3	**50.2**	28.3
Transaction related costs	**—**	—	**—**	—	**—**	—	**3.5**	2.3	**3.5**	2.3
Finance costs	**—**	—	**—**	—	**—**	—	**18.1**	8.3	**18.1**	8.3
Depletion, depreciation and amortization	**39.2**	37.0	**104.8**	41.2	**23.8**	16.3	**3.8**	2.0	**171.6**	96.5
Foreign exchange loss	**—**	—	**—**	—	**—**	—	**16.9**	50.0	**16.9**	50.0
Unrealized loss on Sable remediation fund	**—**	—	**—**	—	**—**	—	**0.2**	—	**0.2**	—
Income before income taxes									**3.5**	415.3
Deferred Tax expense (recovery)									**44.6**	(191.0)
(Loss) income and comprehensive (loss) income									**(41.1)**	606.3

All amounts are expressed in Cdn$ millions unless otherwise noted (unaudited)

For the Nine Months Ended September 30,	Cold Lake Thermal		Lloydminster Heavy Oil		Montney		Corporate and Eliminations		Consolidated	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Segment revenues										
Oil and natural gas sales	**1,687.0**	1,866.5	**1,374.8**	866.4	**397.7**	503.9	**1.2**	(18.3)	**3,460.7**	3,218.5
Sales of purchased product	**—**	—	**—**	—	**—**	—	**35.0**	46.5	**35.0**	46.5
Royalties	**(249.5)**	(355.2)	**(133.4)**	(112.4)	**(39.1)**	(64.2)	**—**	—	**(422.0)**	(531.8)
Oil and natural gas revenues	**1,437.5**	1,511.3	**1,241.4**	754.0	**358.6**	439.7	**36.2**	28.2	**3,073.7**	2,733.2
Segmented expenses										
Purchased product	**—**	—	**—**	—	**—**	—	**36.2**	47.2	**36.2**	47.2
Blending costs	**644.6**	655.7	**128.9**	135.1	**—**	—	**—**	(19.0)	**773.5**	771.8
Production and operating	**287.8**	266.6	**254.8**	116.1	**47.9**	42.8	**—**	—	**590.5**	425.5
Transportation and processing	**61.7**	49.6	**228.3**	38.6	**57.2**	54.9	**—**	—	**347.2**	143.1
	994.1	971.9	**612.0**	289.8	**105.1**	97.7	**36.2**	28.2	**1,747.4**	1,387.6
Field operating income	**443.4**	539.4	**629.4**	464.2	**253.5**	342.0	**—**	—	**1,326.3**	1,345.6
Loss on risk management contracts	**—**	—	**—**	—	**—**	—	**59.5**	111.1	**59.5**	111.1
Other income	**—**	—	**—**	—	**—**	—	**(1.1)**	(3.8)	**(1.1)**	(3.8)
Acquired inventory	**—**	—	**—**	54.2	**—**	—	**—**	—	**—**	54.2
General and administrative	**—**	—	**—**	—	**—**	—	**67.4**	44.6	**67.4**	44.6
Interest	**—**	—	**—**	—	**—**	—	**154.6**	59.5	**154.6**	59.5
Transaction related costs	**—**	—	**—**	—	**—**	—	**5.1**	5.2	**5.1**	5.2
Finance costs (Restated - Note 2)	**—**	—	**—**	—	**—**	—	**53.7**	21.1	**53.7**	21.1
Depletion, depreciation and amortization (Restated - Note 2)	**106.0**	93.3	**319.7**	98.7	**69.2**	50.9	**10.5**	8.4	**505.4**	251.3
Foreign exchange (gain) loss	**—**	—	**—**	—	**—**	—	**(1.2)**	61.8	**(1.2)**	61.8
Unrealized loss on Sable remediation fund	**—**	—	**—**	—	**—**	—	**0.1**	0.7	**0.1**	0.7
Share of equity investment income	**—**	—	**—**	—	**—**	—	**—**	(11.3)	**—**	(11.3)
Gain on step acquisitions of equity method investees	**—**	—	**—**	—	**—**	—	**—**	(132.1)	**—**	(132.1)
Loss on termination of lease liability	**—**	—	**—**	—	**—**	—	**—**	1.4	**—**	1.4
Income before income taxes									**482.8**	881.9
Current tax expense (recovery)									**(46.9)**	—
Deferred Tax expense (recovery)									**206.2**	(414.1)
Income and comprehensive income									**323.5**	1,296.0

All amounts are expressed in Cdn$ millions unless otherwise noted (unaudited)

For the Three Months Ended September 30,	Cold Lake Thermal		Lloydminster Heavy Oil		Montney		Corporate and Eliminations		Consolidated	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Capital expenditures	**78.0**	64.8	**99.2**	38.8	**80.7**	53.1	**2.3**	0.8	**260.2**	157.5
Abandonment and reclamation(1)	**0.3**	0.4	**4.2**	4.3	**2.6**	4.8	**—**	—	**7.1**	9.5

(1) Decommissioning costs include amounts granted to the Company through the Site Rehabilitation Program (Alberta), Dormant Sites Reclamation Program (British Columbia) and the Accelerated Site Closure Program (Saskatchewan) to pay service companies to complete abandonment and reclamation work.

For the Nine Months Ended September 30,	Cold Lake Thermal		Lloydminster Heavy Oil		Montney		Corporate and Eliminations		Consolidated	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Capital expenditures	**236.3**	168.1	**264.3**	74.5	**211.7**	146.8	**8.3**	3.0	**720.6**	392.4
Abandonment and reclamation(1)	**1.6**	2.0	**9.9**	6.3	**12.6**	13.9	**—**	—	**24.1**	22.2

(1) Decommissioning costs include amounts granted to the Company through the Site Rehabilitation Program (Alberta), Dormant Sites Reclamation Program (British Columbia) and the Accelerated Site Closure Program (Saskatchewan) to pay service companies to complete abandonment and reclamation work.

18. SUBSEQUENT EVENT

On October 3, 2023, Strathcona completed the acquisition of Pipestone Energy Corp. ("**Pipestone**"), at which time Pipestone and Strathcona were amalgamated to form "**Strathcona Resources Ltd.**" or "**AmalCo**". The acquisition was structured through a plan of arrangement under the Business Corporations Act (Alberta), the "**Arrangement**", where existing Pipestone shareholders received 0.067967 common shares of Strathcona Resources Ltd. for each Pipestone common share (19,010,920 Strathcona Resources Ltd. common shares), and existing Strathcona shareholders received 0.089278 common shares of Strathcona Resources Ltd. for each Strathcona Class A or Class B common share (195,224,688 Strathcona Resources Ltd. common shares). Strathcona Resources Ltd. became a reporting issuer and was listed on the Toronto Stock Exchange under the symbol "SCR" on October 5, 2023. Upon completion of the Arrangement, WEF owns approximately 90.8% of AmalCo.

Concurrent with the Arrangement, the Revolving Credit Facility was increased to $2.3 billion, which was used to repay Pipestone debt of $179.0 million. Certain amendments were made to both the Revolving Credit Facility and Term Credit Facility (see Note 4).

As at the date that these financial statements were authorized for issuance initial accounting for the acquisition is incomplete and as such the value of the assets acquired and the liabilities assumed have not been disclosed.