

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Strathcona Resources Ltd.		2 Issuer's employer identification number (EIN) 98-1702093	
3 Name of contact for additional information Connor Waterous		4 Telephone No. of contact 1-403-930-3000	
5 Email address of contact info@strathconaresources.com		6 Number and street (or P.O. box if mail is not delivered to street address) of contact Suite 1900, 421 - 7 Avenue SW	
7 City, town, or post office, state, and ZIP code of contact Calgary, AB T2P 4K9		8 Date of action October 3, 2023	
9 Classification and description Class A and Class B Common Shares of Strathcona Resources Ltd.; Common Shares of Pipestone Energy Corp.		10 CUSIP number Strathcona: 862952108 Pipestone: 724112107	
11 Serial number(s) N/A		12 Ticker symbol Strathcona symbol is SCR Pipestone symbol is PIPE	
13 Account number(s) N/A			

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ See Attachment.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ See Attachment.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ See Attachment.

Strathcona Resources Ltd.
EIN: 98-1702093
Attachment to Form 8937

The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of shareholders.

Further discussion of material U.S. tax matters related to the Arrangement (defined herein) can be found in the Pipestone Energy Corp. management information circular dated August 25, 2023 under the heading “U.S. Federal Income Tax Consequences of the Arrangement to U.S. Holders”.

Form 8937, Part II, Box 14

Describe the organizational action and, if applicable, the date of the action or the date against which shareholders’ ownership is measured for the action.

On October 3, 2023, Strathcona Resources Ltd. (“**Strathcona**”) and Pipestone Energy Corp. (“**Pipestone**”) implemented a plan of arrangement pursuant to the arrangement agreement dated as of July 31, 2023 and amended and restated as of August 22, 2023 (the “**Arrangement**”). Pursuant to the Arrangement, Pipestone first amalgamated with its wholly-owned subsidiary Pennant Energy Inc. (the “**First Amalgamation**”), and immediately after, that resulting entity and Strathcona were subsequently amalgamated (the “**Second Amalgamation**”). The entity resulting from the Second Amalgamation will continue business under the name “Strathcona Resources Ltd.” (“**AmalCo**”).

Immediately after the First Amalgamation, Pipestone shareholders continued to own their existing common shares of Pipestone, the form of which was not changed by the First Amalgamation.

On the effective date of the Arrangement, each common share of Pipestone was exchanged for 0.067967 of an AmalCo common share and each Class A and Class B common share of Strathcona was exchanged for 0.089278 of an AmalCo common share. No fractional shares of AmalCo were issued in connection with the Arrangement. Immediately prior to the First Amalgamation, certain stock-based awards of Pipestone were surrendered to Pipestone for cancellation in consideration for a cash payment pursuant to the Arrangement.

On October 5, 2023, AmalCo’s common shares were listed on the Toronto Stock Exchange (“**TSX**”) under the symbol SCR and Pipestone’s common shares under the symbol PIPE were delisted.

Form 8937, Part II, Box 15

Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share of as a percentage of old basis.

The First Amalgamation is intended to qualify as a “complete liquidation” of Pennant Energy Inc. under section 332 of the U.S. Tax Code (the “**Code**”), and the Second Amalgamation is intended to qualify as a “reorganization” within the meaning of section 368(a) of the Code. With respect to the Second Amalgamation, the Arrangement intended to be (and hereby are adopted as) a “plan of reorganization” within the meaning of the Treasury Regulations promulgated under section 368 of the Code for purposes of sections 354 and 361 of the Code, and each Party is intended to be a “party to a reorganization” within the meaning of section 368(b) of the Code. Pipestone and Strathcona have not sought, and will not seek, any ruling from the Internal Revenue Service (“**IRS**”) regarding any matters relating to the Arrangement and as a result, there can be no assurance that the IRS would not assert, or that a court would not sustain, a position contrary to any of the conclusions set forth herein.

Assuming the Second Amalgamation qualifies as a reorganization, the quantitative effect of the Second Amalgamation on the basis of a U.S. taxpayer (such taxpayer, a "U.S. Holder" as defined in the Pipestone management information circular) is as follows:

- A U.S. Holder generally will not recognize any gain or loss, and no amount will be includible in the income of such U.S. holder, as a result of the receipt of AmalCo common shares pursuant to the Arrangement.
- The aggregate tax basis of the AmalCo common share received by a U.S. Holder pursuant to the Arrangement will equal the aggregate adjusted tax basis of such U.S. Holder's Pipestone common share exchanged therefor.

Form 8937, Part II, Box 16

Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates.

As noted above, assuming the Second Amalgamation qualifies as a reorganization within the meaning of the Code section 368(a), the aggregate tax basis of the AmalCo common share received by a U.S. Holder pursuant to the Arrangement will equal the aggregate adjusted tax basis of such U.S. Holder's Pipestone common share exchanged therefor.

Form 8937, Part II, Box 17

List the applicable Internal Revenue Code Section(s) and subsection(s) upon which the tax treatment is based.

The tax treatment described herein is based on Section 332, 368(a), 368(b), 354, and 361 of the Code.

Form 8937, Part II, Box 18

Can any resulting loss be recognized?

Assuming the Second Amalgamation qualifies as a reorganization within the meaning of section 368(a) of the Code, a U.S. Holder generally will not recognize any loss as a result of the receipt of AmalCo common share pursuant to the Arrangement.

Form 8937, Part II, Box 19

Provide any other information necessary to implement the adjustment, such as the reportable tax year.

The Arrangement was completed on October 3, 2023. Consequently, the reportable taxable year of the holders of Pipestone common shares for reporting the tax effect of the Arrangement is the taxable year that includes October 3, 2023.