2022

Sustainability Report

STRATHCONA
RESOURCES LTD

TABLE OF CONTENTS

STRATHCONA RESOURCES LTD

INTRODUCTION

In this report, we detail the priorities and initiatives that make us proud to be part of Strathcona and make the oil and gas we produce among the most sustainable in the world.

A Message from Leadership

Sustainability at Strathcona: Finding the Balance

In many industries, 'Made in Canada' is synonymous with quality and offers assurance of responsible and ethical product development. These attributes also apply to Canadian oil and gas production, though our product does not always receive the same preferred status. In this report, we are proud to detail the sustainability priorities and initiatives of Strathcona and to demonstrate why our product is among the top-tier in the world.

Strathcona experienced tremendous growth in 2022, doubling the size of the Company on a production basis through the completion of three acquisitions. We consolidated our operating positions in the Cold Lake Thermal and Lloydminster Heavy Oil regions, boosting our corporate production to approximately 150,000 boe/d. By executing on our strategy to be an industry leading consolidator, we not only seek to improve operational efficiencies, but we also have a broader platform from which to pursue our environmental and community initiatives.

Resilience, collaboration and, most of all, a can-do attitude are hallmarks of Canada's oil and gas industry. It's the reason we are confident solutions to complex sustainability challenges will be found here. Canadian industry has long been recognized for its prowess in technical, operational, and environmental innovation, especially in the energy sector. Countries from around the globe have sought our expertise and we have always risen to the occasion. Strathcona is fully committed to continuing this Canadian legacy.

Environmental Management

Take water for example. It's a key resource for us all and instrumental in Strathcona's operations. We need to take great care in how water is managed. At our Alberta-based thermal operations, an average of 89% of our water was recycled and reused. That is a significant accomplishment and something we're proud of.

As our other locations mature, we plan to pursue opportunities to reduce their water usage, especially freshwater usage, and further improve corporate recycling rates.

Minimizing land disturbance, preserving biodiversity, reducing wildlife disruption, and ultimately investing to restore abandoned sites to their original capability is factored into all our development planning.

Reducing our Carbon Footprint

Global climate change is a complicated concern to us all. At Strathcona, greenhouse gas (GHG) emissions reduction and climate management are areas where balance is required. We recognize our operations generate emissions, and we know that we have a responsibility to deliver safe, reliable production while continuing to make progress on reducing our carbon footprint.

Our thermal assets use Steam Assisted Gravity Drainage (SAGD), a unique Canadian technology developed to increase the recovery of heavy oil and oilsands assets. The process has a higher direct emissions intensity of approximately 89 kg CO_2e/boe (Scope 1). Improving the efficiency of this process - the steam oil ratio (SOR) - is ongoing through the implementation of enhancements such as non-condensible gas (NCG) injection to replace steam on mature wells. We are not only making incremental improvements, but also pursing technologies that

can take advantage of the point source emissions associated with these projects.

As we highlight further, pursuing carbon capture and sequestration (CCS) opportunities that can significantly reduce our thermal emissions is an important part of our strategy going forward, and all our facilities are in geographic locations ideal for permanent CO_2 sequestration.

While Strathcona has strong CCS ambitions, materially lowering GHG emissions cannot be achieved by one company or industry alone. Reaching shared emissions targets requires collaboration. This includes working together with other emitting industries, governments, stakeholders, and our valued Indigenous partners, from whom we learn so much about respecting and preserving the resources we all share.

Safe and Responsible Operations

Underpinning everything we do at Strathcona is an unwavering commitment to safety and operational integrity. This includes ongoing planning and actions to both prevent incidents and, if one were to occur, ensure safe and effective management to protect our people, our communities, and the environment.

Creating an inclusive working environment where everyone is comfortable to raise issues and report concerns is instrumental to our ability to effectively respond to everything from ongoing maintenance needs to unplanned releases or operational upsets. Strathcona's unique compensation incentive plan has a Health Safety and Environment (HSE) performance weighting of 25% highlighting how critical these elements are to our success as a company. We're proud of our top-tier safety performance in 2022 which we could not achieve without the leadership and support of our people.

Supporting Communities

Collaboration also extends to the communities that are affected by our business. And when it comes to how we invest in communities, no one knows better how to make a positive impact than the people who live and work there every day. We rely on local employees and residents to share how we can best give back to our local communities. We also support our people to boost their own contributions by offering donation matching and volunteer rewards, achieving 27% participation rates in just our introductory year.

Thanks to support from our local teams, this year we financially supported 10 students from nine First Nations and Métis communities to pursue their educational goals through our Momentum Indigenous Scholarship. We also became the title sponsor of the Strathcona Performing Arts Centre in Bonnyville which supports and improves artistic opportunities for the entire Lakeland region.

Looking Ahead

As a society, we should all care where our energy comes from and how its production balances economic and societal needs with reducing emissions and the effective management of our natural resources.

As we continue to progress our strategy, we believe we can become one of the cleanest and most reliable energy producers, not only in the oilsands but across our entire asset base. With strong governance practices, a supportive shareholder base, the momentum of our talented team, and our trademark Canadian resourcefulness, we know we can succeed.

Adam Waterous
Chairman of Strathcona Resources Ltd.
Managing Partner & CEO of Waterous
Energy Fund

Rob Morgan
President & CEO
Strathcona Resources Ltd.

About This Report

As Strathcona continues down a path of environment, social, governance (ESG) disclosure, our second annual Sustainability Report provides our stakeholders with an updated holistic view of our Company and insight into our ESG strategy. Driving accountability in our sustainability journey today helps align the Company's business strategy for a sustainable tomorrow. As our Company saw continued growth in 2022, this disclosure outlines present ESG performance in 2022 with an increased focus on goals and target setting.

Within this report, any reference to "Strathcona", "the Company", "the business", "we", "our", etc. refers to Strathcona Resources Ltd. This report covers the performance of Strathcona, including all data where Strathcona is the operator for the year ending December 31, 2022 and based on information available as of March 31, 2023. Where available, we have included qualitative data from previous years to indicate performance trends, improvements, and challenges. Unless otherwise stated, financial data is reported in Canadian dollars.

This report has been prepared with reference to the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations and guidance from the Sustainability Accounting Standards Board (SASB). This report includes a set of SASB disclosures that our Board of Directors (Board) and Executive Leadership team has determined are relevant and material. We recognize the necessity of adhering to TCFD and SASB guidelines and strive for greater alignment in future reports. We are committed to reviewing other frameworks and making ongoing improvements in keeping with these standards and the expectations of our stakeholders.

High-quality data is essential to enable accurate, clear, effective, and transparent disclosures. In 2022, we continued to standardize our data procedures across predecessor companies and Strathcona to ensure consistency. As we move forward, we will continue to strengthen data management processes and procedures to improve the quality and granularity of our data. All data is subjected to internal reviews to ensure accuracy, and a significant portion of our emissions data undergoes third-party verification for regulatory reporting purposes. Due to varying timelines of regulatory and voluntary sustainability reporting initiatives, a third party has yet to verify the 2022 emissions data presented in this report. During the verification process, if any significant discrepancies affecting the data presented in this report are discovered, we will amend the report accordingly.

The information contained in this report has been reviewed by relevant employees, the Executive Leadership team, and approved by the President & CEO and Board of Directors.

This report contains forward-looking statements. See **Forward-Looking Statements** for a list of assumptions and risks associated with such statements. For further information about disclosure of oil and gas information in this report see "Presentation of Oil and Gas Information".

Presentation of Oil and Gas Information

This report contains references to barrels of oil (boe) equivalent. All boe conversions are derived by converting gas to oil at the ratio of six thousand cubic feet (Mcf) of natural gas to one barrel (bbl) of crude oil. The value of boe may be misleading, particularly if used in isolation. A boe conversion rate of 1 bbl: 6 Mcf 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 of oil compared to natural gas based on currently prevailing prices is significantly different than the energy equivalency ratio of 1 bbl: 6 Mcf, utilizing a conversion ratio of 1 bbl: 6 Mcf may be misleading as an indication of value.

All references to "liquids" in this report include bitumen, heavy crude oil, light oil and condensate and other natural gas liquids on a combined basis.

Information about Strathcona's proved reserves in this report has been prepared and presented in accordance with National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities, as of the dates specified.

Under Canadian disclosure requirements and industry practice, oil and gas sales and production volumes are presented on a gross basis before deduction of royalties.

About Strathcona

Strathcona is one of North America's largest private energy firms and an industry-leading consolidator and developer of top-tier oil and gas assets. Our strategy is focused on acquiring high-quality, high performing assets and growing production through expansion projects at our existing locations.

As one of the largest liquids producers in Western Canada, we balance rapid growth in production and reserves by maintaining a stable and conservative management approach. We strive to decouple growth from increased GHG emissions over time, and continuously improve our ESG performance. Risks are assessed and managed to reduce volatility in financial results and ensure cash flow levels can fund planned capital projects. We use our financial strength, our assets, and commodity diversification to seek innovative ways to improve our performance and ensure our growth positively impacts our stakeholders.

Industry-leading consolidator and developer of top-decile, long-life oil and gas assets

| Substantial scale with liquids-weighted production | Significant growth History | Low-decline, low-breakeven asset base | Established concentrated production and cash-flow base | Conservative management approach |

Strathcona is one of the largest private-equity owned energy companies in North America.

Recent History

Through six transactions in just over two years, Strathcona has grown into the team we are today with support from Waterous Energy Fund (WEF). Strathcona remains 100% owned by WEF and Strathcona employees.

In March 2022, Strathcona acquired the remaining equity interests in Caltex Resources Ltd. (Caltex) and Stickney Resources Ltd. (Tucker) bringing the Company's pro forma production to ~110,000 barrels of oil equivalent per day (boe/d). Strathcona's growth continued in the third quarter of 2022, with the acquisition of Serafina Energy Ltd. (Serafina) closing in August. With the growth achieved throughout 2022, Strathcona offers a production guidance of 148,000 to 154,000 boe/d for 2023.

2019
Strath Production: **20,600 boe/d**
Cona Production: **13,800 boe/d**

2017
WEF initial investment in Strath Resources Ltd. (January) and Cona Resources Ltd. (May)

August 14, 2020
Cona Resources Ltd and Strath Resources Ltd. amalgamated to form Strathcona Resources Ltd.

January 7, 2020
Cona Resources Ltd. acquired Pengrowth Energy Corp.

June 11, 2021
Strathcona Resources Ltd. acquired Osum Oil Sands Corp.

March 11, 2022
Acquisition of equity interest in Caltex Resources Ltd. and Stickney Resources Ltd. into Strathcona Resources Ltd.
Pro forma Production: **~110,000 boe/d**

August 29, 2022
Strathcona Resources Ltd. acquired Serafina Energy Ltd. (Serafina)
Pro forma Production: **~148,000 to 154,000 boe/d (for 2023)**

Strathcona Operations

Strathcona is headquartered in Calgary, Alberta, with operations focused on thermal oil, enhanced oil recovery, and liquids rich Montney gas. Spanning from northeast British Columbia to southwest Saskatchewan, the current production from these operations totals ~150,000 boe/d, weighted >85% liquids. We have a proved plus probable reserve life index of 43 years, and focus on a low-decline, low-breakeven asset base. The strategic balance of our assets builds resiliency for our business, while our conservative management approach intends to establish a free cash flow base and concentrated production with a limited land-use footprint that minimizes our environmental impact.

Cold Lake Thermal

Production[1]: 46 Mboe/d

Core Asset Description:
- Alberta SAGD
- Lindbergh, Orion, Tucker

Lloydminster Heavy Oil

Production[1]: 34 Mboe/d

Core Asset Description:
- Saskatchewan SAGD
- Edam, Meota, Plover Thermal
- Heavy oil from primary production & polymer floods
- Druid, Bodo/East Cosine, Cactus Lake, Winter, Court, Bellis

Montney

Production[1]: 34 Mboe/d

Core Asset Description:
- Liquids rich natural gas
- Kakwa in northwest Alberta, and Groundbirch in northeast British Columbia

Legend:
- Montney
- Lloydminster Heavy Oil
- Cold Lake Thermal
- Other Mineral Rights
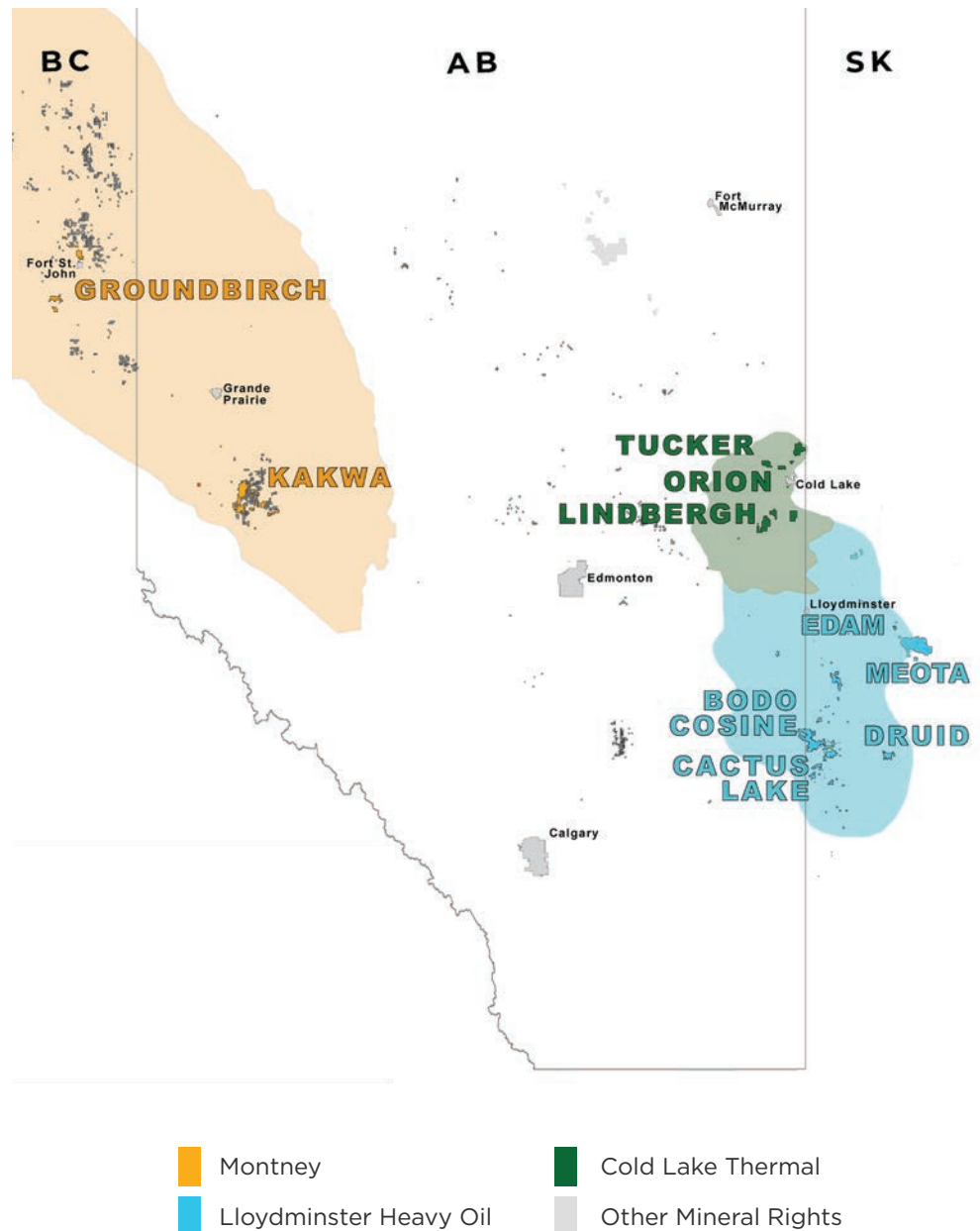
[1] Annual averages for 2022. Volumes from the Caltex, Tucker, and Serafina assets are included post-acquisition.

Sustainability at Strathcona

Our commitment to ESG continues to evolve as our operations grow. We recognize that improving our ESG performance is essential to our business, our stakeholders, and the local communities in which we operate. We believe that integrating sustainability into our business strategy and values will enable us to find innovative ways to reduce our footprint and improve our overall performance.

2022 ESG Highlights

ENVIRONMENT

Continued evaluation and pursuit of **CCS Opportunities** in Alberta and Saskatchewan

Direct emission intensity of **0.056 tCO$_2$e/boe**[2]

Alberta thermal in situ recycle ratio **>89%**

Awarded **>$10 million** from both federal and provincial government funding for multiple emission-reduction technology initiatives

SOCIAL

279 Leadership field visits, reinforcing the importance of safety throughout our operations as they continue to grow

$300,000 contributed to our communities through our Community Investment Strategy

Engage in multi-year commitments with **Indigenous communities** through additional partnerships

>1,500 hours volunteered through our One Team Volunteering initiative

GOVERNANCE

Ongoing oversight of **ESG metrics** that are tracked and shared monthly with the Executive Leadership team

Conduct a thorough **ESG materiality assessment** to ensure alignment of ESG focus areas across Strathcona's growing operations

25% incentive compensation for employees and the Executive Leadership team tied to HSE performance

Maintain up-to-date policies and engage third-party verification for **emission data** assurance to reinforce the expectation of honesty, accountability, and integrity

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[2] 2022 emission intensity includes combination of Strathcona, Caltex, Tucker and Serafina assets, pro-rated to time of acquisition.

Our Material Topics

Building on last year's desktop materiality review of industry trends and various reporting frameworks including the TCFD and SASB, in 2022, we partnered with third-party independent consultants to conduct an ESG materiality assessment. The assessment included a focus group comprised of key area managers and individual interviews with our Executive Leadership team. The aggregated results identified the ESG topics with the highest perceived impact to our business and importance to our stakeholders. The results of the ESG materiality assessment informed our efforts and allowed us to focus on six priority topics of greatest significance.

Corporate culture was identified as the seventh high-priority topic and will continue to be woven into everything we do. Instilled through our values of **One Strathcona Team, Agility, Trust, and Accountability,** Strathcona's corporate culture is integrated into our strategy, purpose, and day-to-day activities.

Strathcona's Priority Material Topics

Emission Reduction & Climate Change

Workplace, Health & Safety

Water Management

Indigenous Partnerships

Asset Integrity & Spills

Business Ethics & Integrity

Identifying Goals and Targets

Consolidation of existing assets offers several benefits including an economy of scale for investment in ESG-related projects and reducing the impact of new development to grow production. Consolidation also applies to identifying goals and setting Company-wide targets. Our ESG strategy focuses on bringing together the best aspects of our legacy organizations and assets, and continuous improvement. To progress our ESG performance and create accountability we have developed targets for each of the identified focus areas.

Emission Reduction & Climate Change

→ Goal:

Continue to improve Strathcona's emission footprint through investing in innovative reduction opportunities and initiatives.

→ Target:

Invest **>$15 million** of 2023 capital budget towards emission reduction projects.

Progress to Date:

Strathcona is setting up processes to identify, track, and consolidate investments towards emission reducing technology and initiatives.

Read More: Please refer to **Emission Reduction & Climate Change**

Water Management

→ Goal:

Identify areas to enhance water recycling and use alternative water sources to reduce our reliance on fresh water.

→ Target:

Achieve an average of **>85%** recycle ratio for our Cold Lake Thermal operations in 2023.

Progress to Date:

We are actively investigating the recycling of produced water to improve our recycle ratio.

Read More: Please refer to **Water Management**

Asset Integrity & Spills

→ Goal:

Maintain the integrity of our assets and infrastructure to protect the environment, our surrounding communities, and the safety and reputation of our operations.

→ Target:

Invest **$545,000** towards gasket replacements and composite pipe replacements in 2023.

Progress to Date:

In 2022, we invested $2.5 million to proactively replace composite piping fittings and install pressure transmitter technologies towards proactive spill mitigation.

Read More: Please refer to **Asset Integrity & Spills**

Workplace, Health & Safety

→ Goal:

Reinforce a culture that prioritizes health and safety (H&S), risk prevention, and incident management.

→ Target:

Maintain a level of leadership engagement and oversight with **>270** Leadership field visits in 2023.

Progress to Date:

In 2022, we exceeded our Leadership field visit target by 130%.

Read More: Please refer to **Workplace, Health & Safety**

Indigenous Partnerships

→ Goal:

Cultivate a supportive, caring, and inclusive environment with trust as the foundation for all our relationships.

→ Target:

$50,000 per year towards Momentum Scholarships.

Progress to Date:

In 2022, we contributed $50,000 to 10 Indigenous students.

Read More: Please refer to **Indigenous Partnerships**

Business Ethics & Integrity

→ Goal:

Incentivize top tier results on key ESG metrics.

→ Target:

Maintain **25%** incentive compensation tied to HSE performance.

Progress to Date:

Annual bonuses tied to HSE performance.

Read More: Please refer to **Business Ethics & Integrity**

ENVIRONMENT

**Emission Reduction
& Climate Change**

Water Management

Asset Integrity & Spills

Biodiversity

Land & Reclamation

As an oil and gas company, we strategically focus on balancing growth while optimizing our operations and searching for solutions to reduce GHG emissions and environmental impacts.

Emission Reduction & Climate Change

Strathcona's approach to emission reduction reflects our understanding of the challenges presented by climate change and the energy transition. We recognize the importance of providing low emissions intensity energy and are committed to taking appropriate actions to enhance our position as a sustainable, low-cost producer.

Please refer to the **Governance** section in this report for additional information on Strathcona's Governance and Risk Management processes and practices.

Climate-Related Governance

Climate-related matters are discussed regularly throughout the various levels of management, the Executive Leadership team, and the Board of Directors to maintain a consistent level of oversight on climate risks, opportunities, and asset-specific emission sources.

Quarterly, the Board gathers to discuss operations and review climate-related matters, including asset emissions data summaries, carbon tax implications, upcoming policy or regulations, the progress of our ESG initiatives, and the status of ongoing government funding opportunities.

Monthly, the Executive Leadership team reviews Strathcona's **ESG key performance indicator (KPI) report,** which includes energy consumption, GHG emissions and intensity, and air emission metrics. This level of oversight enables us to react quickly to discrepancies or unexpected changes while developing strategies to investigate asset areas and promptly mitigate problems.

Climate-Related Risk Management

Climate-related risks are incorporated into Strathcona's overall risk management program and are assessed comparably to other business risks. Specific to climate-related risks, we engage an external government relations strategist to advise on changing and new policies and regulations. Staying apprised of changes helps to inform our strategy and identify areas in which operations and activities require modifications or further examination.

Our materiality assessment process also identifies material climate-related risks and areas of focus for the business. Our Executive Leadership members and their teams share the responsibility for managing these risks while exploring opportunities to limit our exposure and increase our resilience.

Climate-Related Strategy

We undertook our first scenario analysis to evaluate the potential outcomes of the global transition to a low-carbon economy and assess their respective risks and opportunities. This process provides insight into how we may perform under different hypothetical future climate and economic states and informs strategic decision-making. By testing a strategy against a set of scenarios, we identify possible threats or opportunities, as well as trigger points that set contingency plans in motion. We are also able to determine a baseline for continuous monitoring and strategy adjustment. Within this process, we evaluated the International Energy Agency (IEA) Net Zero by 2050 (NZE) and Business as Usual (BAU) scenarios.

We continuously monitor climate-related risks to evaluate their potential severity and impact on the business and to identify mitigative measures and management strategies. Leveraging internal and external subject matter experts (SMEs), Strathcona identified critical risks over the short (2023-2025), medium (2025-2030), and long-term (2030-2050) as shown in the table on the following page.

Climate-related Risks: Short, Medium, and Long-term

	Risk Type & Description	Risk Duration and Severity	Impact to Strathcona	Risk Management & Mitigation
Physical	**Acute:** Inclement weather events such as flooding, wildfires, harsh cold, or extreme heat.	Short High	Decrease in revenue Increase in physical and operational damage to assets	> Facilities are designed for harsh Canadian winter conditions. > Use of supervisory control and data acquisition and other automation to monitor sites remotely including the ability to shut-in remotely. > Refinement of H&S measures to ensure the safety of workers and equipment during extreme or prolonged weather events.
	Chronic: Changes in mean temperatures and increased variability in weather patterns.	Medium-Long Medium	Decrease in revenue Increase in project budget and schedule delays	> Scheduling and planning for operations and construction consider variability not just in spring break-up season, but all year. > Proximity of operations and local inventory availability help to maintain scheduling continuity.
Transition	**Policy and Legal:** Changing government regulations and uncertainty around topics such as the carbon tax and emission caps, restrictions, or disclosures.	Short-Medium High	Decrease in production Increase in operating and capital costs for projects, materials, and equipment	> Diversification of assets, operations, and geographical locations. > Progression of CCS to realize emissions offsets, sequestration credits, or capture recognition tonnes. > Staying abreast of policies and regulations while collaborating with policymakers.
	Technology: Availability of emission-reducing technology, the capability to promptly adopt such technology, and the risk of exploring an unsuccessful technology.	Short, Medium & Long Low	Increase in cost to identify, invest, trial, and implement successful mitigation and emission-reducing technology	> De-risk high capital costs through applicable provincial and federal government grants. > Collaboration and engagement with relevant peers, consortiums, and associations, including membership with the Explorers and Producers Association of Canada. > Thorough technical evaluations are conducted to ensure the applicability and viability of innovative technologies.
	Market: Changes in market demand for fossil fuel-related products or energy sources as consumers opt for lower emission-intensive or renewable options. Volatility in the market due to weather or geopolitics could strain supply chain continuity and reliability.	Short, Medium & Long Medium-High	Decrease in revenue Reliability and availability of materials and equipment	> Evaluation of direct and indirect investment opportunities in renewable projects, and virtual power purchase agreements. > Increase market access to explore alternative end-use carbon products due to an acquired rail terminal. > Application of risk management contracts to hedge Strathcona's exposure to the potential adverse impact of commodity price volatility. > Long-lead, essential, or high turnover items procured to ensure supply chain security. > Use of inventory tracking software programs to monitor and manage assets and maintain an accurate inventory of parts.
	Reputation: The oil and gas industry continues to be under scrutiny as a high-emissions sector with growing pressure to adopt practices that support the transition to a lower carbon economy.	Short, Medium & Long Medium	Reduced access to capital Project and operational delays due to stakeholder concerns	> Continue to cultivate strong relationships with Indigenous communities and local stakeholders, conduct preemptive consultation to address concerns and identify necessary mitigative, proactive measures. > Evaluate renewable, emission-reducing, and step-change technologies. > Participate in conferences, initiatives, and partnerships that support the transition to a lower carbon economy.

Strathcona's Response to Climate Change and the Energy Transition

As the world continues to pursue lower carbon energy to reduce the impacts of climate change, Strathcona is committed to being part of the solution. Key components of our strategy focus on optimizing processes and deploying emission reducing technologies to minimize the environmental impact of our operations while safeguarding our business against rising carbon prices.

To support this, our climate strategy is built on three priority areas:

- methane emission reduction,
- CO_2 emission reduction and optimization; and
- step-change opportunities and technologies.

Methane Emission Reduction

Where feasible, we focus on elimination over the reduction of methane releases throughout our operations. As methane has a global warming potential as much as 28 times greater than CO_2, methane release is a significant concern.[3] It poses not only a risk to the environment but also to our operations due to increasingly strict regulations. In addition to our Fugitive Emission Management Program (FEMP), we continue to assess and implement new technologies to eliminate infrastructure leaks and reduce our total methane emissions.

As part of our FEMP, 34 emission detection sensors have been deployed across various assets to monitor air quality. These sensors alert operators instantly if methane or other calibrated gases are detected, enabling Strathcona to react quickly and efficiently to reduce and address unexpected emission sources.

We are looking into expanding the deployment of sensors and other alternative technologies to improve our methane detection and reduction.

We have used nitrogen in place of natural gas for pneumatic devices and have installed instrument air packages to help Strathcona eliminate methane release sources. Where these solutions were not feasible, we installed low-bleed devices.

2022 Methane Reduction Projects

~24,500 tCO₂e/yr.

- High-to-low Bleed
- Instrument Air
- Nitrogen
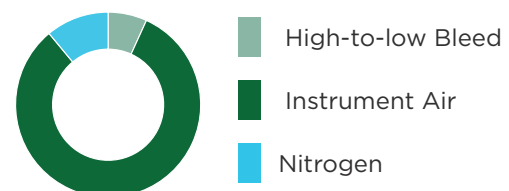
[3] *GHG Protocol Global Warming Potential*

CO_2 Emission Reduction and Optimization

Due to the energy intensity associated with our thermal operations, we continue to assess and implement new technologies while striving to improve our processes. This includes increasing the efficiency of our steam and electricity generation process, minimizing the amount of steam required to produce a barrel of oil and improving our well-bore drilling energy efficiencies.

Reservoir Recovery Optimization

To improve reservoir recovery in mature assets and reduce our steam intensity requirements, Strathcona has used NCG injection to help sustain reservoir pressure and reduce steam requirements. This process improvement has reduced the steam required to produce a barrel of oil by 25% while maintaining reservoir pressure. We continue to review production data to improve upon these results.

Energy Efficiency – Cogeneration

The construction and commissioning of additional high-efficiency cogeneration at our Lindbergh site through 2022 have enabled this facility to generate high-quality steam and electricity, allowed for the decommissioning of a low-efficiency simple cycle gas generation system, improved the site's overall energy efficiency, and reduced the site's GHG emission intensity by 4.8% compared to baseline operation. Additionally, we are forecasting a surplus of high-efficiency electricity, which can be sold into the Alberta electricity market with an emissions intensity reduction of over 45% as compared to the Alberta grid average intensity of 2022.[4]

Benefits of Cogeneration on Alberta's Electrical Grid

[4] Alberta Electricity Grid Displacement Factor
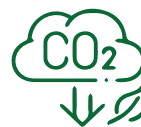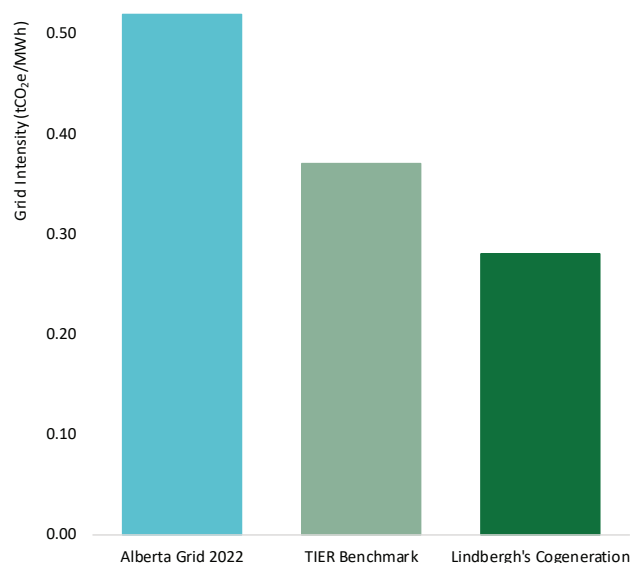
~450 tCO2e/yr.

Anticipated reduction of GHG emissions due to an engine reconfiguration project at Kakwa through funding from the Small Producer Energy Efficiency Deployment in 2023

Case Study: Exploring Alternative Drilling Operations Energy Systems

Strathcona has entered a year-long pilot trial of a Battery Energy Storage System (BESS) for our drilling operations. This system uses a tri-fuel approach of using battery power, natural gas, and diesel to provide the appropriate energy demands required during drilling while reducing fossil fuel consumption and the associated emissions. The BESS monitors load data between multiple generators and provides power and energy optimization to reduce any unnecessary generator requirements.

This system, compared to typical drilling operations, results in:

15%
Reduction in CO_2

27%
Reduction in Diesel Consumption

Step-Change Opportunities and Technologies

A meaningful way to realize large-scale emissions reductions is by pursuing net negative technologies. Strathcona is positioning itself as an early mover in the CCS space. Our Alberta Cold Lake Thermal and Saskatchewan Thermal assets are uniquely situated for CCS opportunities as they are near suitable geologic formations requiring minimal transportation, which leads to lower abatement costs and accelerated timelines.

Saskatchewan CCS Potential

Front End Engineering Design (FEED) studies for CCS implementation at our SAGD facilities are complete. We have de-risked subsurface technical concerns through drilling and testing two wells, identifying an anticipated storage capacity of 100 $MTCO_2$. Collaboration with industry is ongoing to further understand the suitability and capacity of geologic storage in our development areas.

Alberta CCS Potential

We are taking a multi-pronged, phased approach while pursuing multiple provincial and federal funding opportunities to progress our CCS initiatives. We have been awarded funding from Emissions Reduction Alberta (ERA) towards FEED work across all three thermal assets, Orion, Tucker, and Lindbergh.[5] The goal of these studies is to identify an optimal post-combustion carbon capture (CC) technology, then sufficiently advance a modularized and repeatable design that reflects a deep understanding of the challenges, costs, and opportunities that CC represents for each facility.
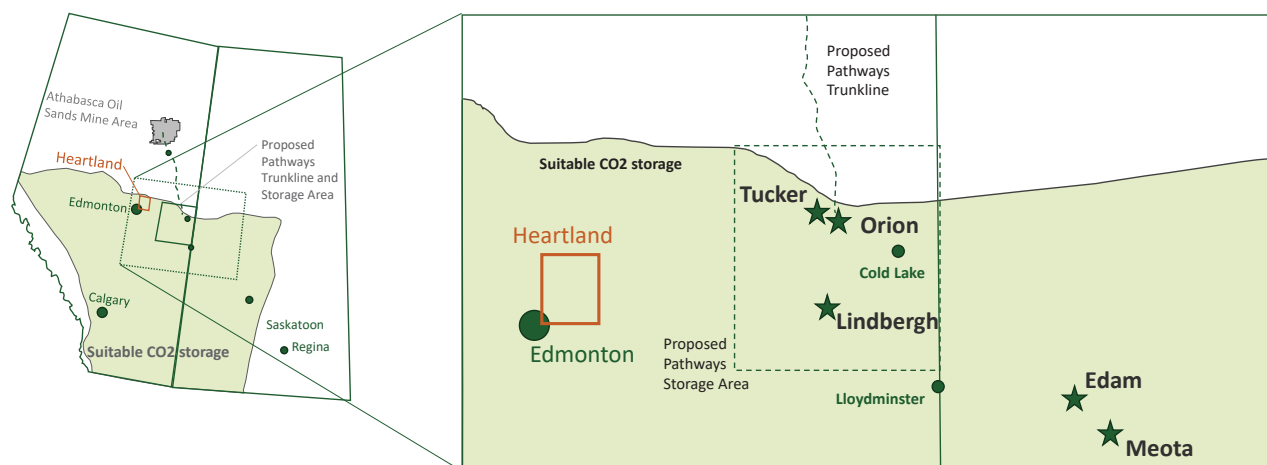
[5] *Emission Reduction Alberta*

Air Quality

As air emissions from oil and gas operations are strictly regulated in Canada, we are continuously seeking ways to improve our monitoring systems while examining technologies to help reduce and eliminate our air emissions, including volatile organic compounds (VOCs), nitrogen oxides (NOx), carbon monoxide (CO), sulphur oxides (SOx), and particulate matter.

At our Orion facility, we have completed improvements to the vent collection system. The vent header gathers gases from the crystallizer and waste and feed tanks and directs them to the Vapor Recovery Unit (VRU). As this vent gas includes steam, among other gases, periodic venting of steam and associated odorous gas occurred to protect the VRU from damage. The installation of a condenser on the vent line eliminates the venting of the steam, thus improving air quality, reducing gaseous release at this facility, and reducing flaring on the crystallizer start-up.

Strathcona has investigated numerous technologies to mitigate sulphur release at our various thermal sites. With increasing production and an approved regulatory sulphur limit, Strathcona has developed sulphur management plans for our Cold Lake Thermal assets. Strathcona anticipates that the implementation of liquid scavenging units at these assets is expected to support compliance with sulphur recovery regulations in 2023.

0.056 tCO_2e/boe[7]

Strathcona's 2022 Direct Emission Intensity, Including All Acquired Assets

Metrics and Targets

Tracked and reviewed monthly, Strathcona maintains strict and continuous reviews of our methane emissions, gross emissions, and emissions intensities from direct (Scope 1) and indirect (Scope 2) GHG emission sources. Metrics such as asset-specific emissions, carbon pricing, compliance costs, and emission benchmarking are shared quarterly with the Board and aid in informing strategy and highlighting areas where emission reduction technology should be explored or implemented.

Our thermal assets have significantly higher Scope 1 GHG emissions due to the process of generating steam to extract bitumen. We strive to continuously optimize our SOR and operations' efficiencies through initiatives like cogeneration and NCG to reduce emissions.

Benchmarking: Scope 1 GHG Emissions Intensity Strathcona vs. Canadian Heavy Oil Peers

Company	Intensity
CNQ	0.050
CVE	0.050
MEG	0.055
SCR	0.056
BTE	0.057
IMO	0.060
ATH	0.062
SU	0.065
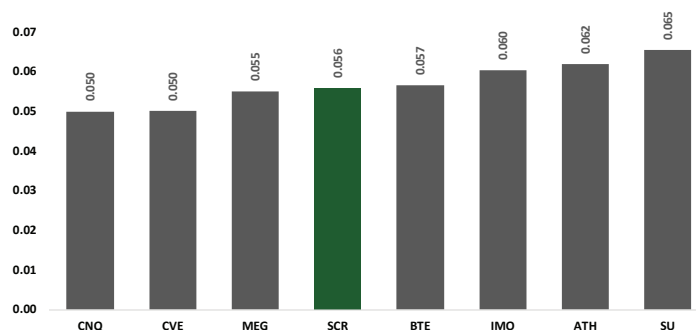
Strathcona's GHG Intensity Performance[6]

[6] *Source data in the above chart is obtained from publicly available resources as disclosed by the individual company. Units are tCO_2e/boe.*
[7] *2022 direct emission intensity includes combination of Strathcona, Caltex, Tucker and Serafina assets, pro-rated to time of acquisition.*

Water Management

We recognize that water is a critical resource and a core component of our operations. With this in mind, we are committed to managing the impact of this precious resource across our asset base. Responsible water use is not only an environmental responsibility but one that impacts our surrounding communities.

We strive to alleviate water consumption and management concerns by:

- Conducting meaningful consultation with stakeholders.

- Consistently measure, monitor, and report water metrics.

- Performing watershed studies to assess the sustainability and security of our water sources, including those required for future developments.

- Operating within all provincial water use regulations.

As an essential element of Strathcona's SAGD operations, polymer flooding, and completion operations, our environment team reports on freshwater use, recycle ratios, and water use in our **monthly ESG-KPI report.** Providing regular water metrics to our Executive Leadership team ensures oversight and visibility of our water use and performance, enabling our organization to be proactive with risk mitigation and water management strategies. Variances in data, including changes or deviations from anticipated water chemistry, trigger further analysis and mitigative actions such as adjusting from a groundwater monitoring plan to a groundwater management plan. This supports operations as a risk mitigation measure to identify potential leaks or spills.

Tracking our recycle ratio is critical to assessing how efficiently we manage our water across assets and geographical regions. We work to recycle water and reduce our freshwater consumption where possible. As our operations fluctuate and grow, we analyze our water strategy to find efficiencies and improvements.

99%
Cactus Lake Recycle Ratio

89%
Alberta Cold Lake Thermal Recycle Ratio

Cold Lake Thermal Facilities Produced Water Recycle Ratio[8]

Legend: Lindbergh | Orion | Tucker | ········ Industry Average
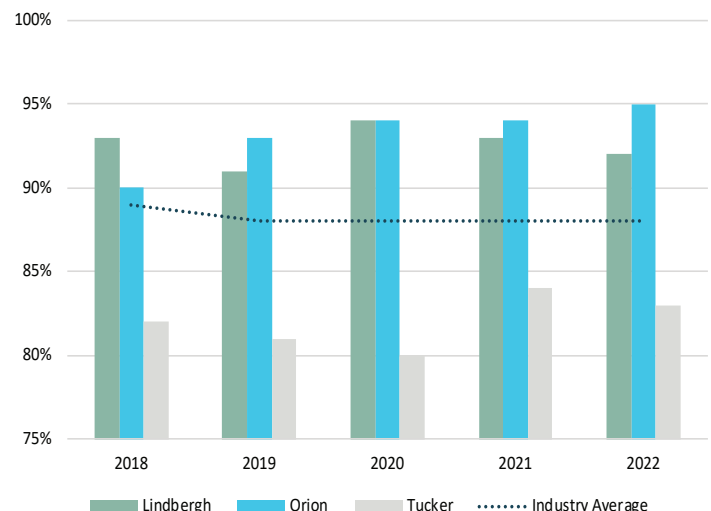
[8] Alberta Energy Regulator, _Thermal In Situ (TIS) Water Publication_

Using a crystallizer at our Orion facility enables Strathcona to use a combination of brackish non-potable water and recycled water to generate steam. This innovative process requires no freshwater makeup and thus correlates to a freshwater intensity of 0.0134 bbl/boe at Orion, which is an order of magnitude lower than the industry average of 0.153 bbl/boe.[9]

Our Cactus Lake field has been producing oil for more than 40 years. Using active waterflooding for much of its lifespan and active polymer flood for the last decade, the field continues to recycle over 99% of its produced water back into the formation while supplementing an additional 5% of the total volume from non-potable, high-total dissolved solids water source wells.

Environmental Monitoring

Across our sites, we conduct thorough environmental monitoring programs to ensure our infrastructure and operations are not negatively impacting the surrounding environment, including wetlands and groundwater. Our thermal well pad monitoring network detects chemicals in the water, with a focus on liberated and transported arsenic. Each groundwater well monitors a different aquifer for temperature, metal concentration, and water level. We analyze data from these programs to identify potential impacts and take necessary action to minimize our environmental footprint.

In Situ Bitumen Extraction

There are two ways of extracting bitumen from oil sands: in situ (Latin for 'in place') and mining. Reserves that are too deep to be mined rely on in situ methodologies. SAGD is an efficient in situ recovery process that can yield reservoir recoveries of greater than 60%. Strathcona's thermal heavy oil assets rely on SAGD processes for bitumen extraction. While SAGD is an energy-intensive process, it is advantageous over other extraction methods due to its smaller surface footprint, efficient water use, no tailings pond requirement, and overall lower cost.[10]

In situ plants, compared to an equivalent sized mining facility, require:

1/7th
Land Area

1/5th to 1/10th
Freshwater Volume

Case Study: Produced Water Recycling at Lindbergh

We continuously explore opportunities to use produced water instead of fresh water in our processes. At our Lindbergh facility, Strathcona is re-routing a portion of produced water and boiler feed water to the once through steam generators in a program aimed to reduce the volume of freshwater makeup from the North Saskatchewan River by up to 50%.

[9] Alberta Energy Regulator, *Water Use Performance, In Situ Oil Sands*
[10] Oil Sands Magazine: *In-Situ Versus Mining*

Asset Integrity & Spills

Maintaining the integrity of our pipelines, pressure equipment, and infrastructure is critical in protecting the environment, our surrounding communities, and the safety and reputation of our operations. Strathcona aims for proactive prevention by employing an Enterprise Asset Management (EAM) system. Our EAM focuses on early identification of opportunities and risks through:

- systematic planning,
- implementation of controls; and,
- routine monitoring, execution, and analysis to create a continuous improvement cycle.

Our system is designed to mitigate the likelihood and significance of an incident by prioritizing efforts based on the management systems and assessment of risks.

Strathcona's Asset Integrity team is responsible for maintaining, monitoring, and managing our equipment, assets, and infrastructure. This multi-disciplinary team consists of a Chief Inspector and SMEs in operations, integrity, and measurement. The structure of the team ensures effective management and governance of all assets across the different provincial regulators.

Case Study: Court Operations

Building off the success of monitoring, leak, and spill remediation at our Cactus Lake site, we have extended the implementation of proactive composite pipe fitting replacements in conjunction with the installation of pressure transmitter technology to our Court operations. The pressure transmitters include global positioning system capacity and immediately relays the pressure rate of change data to our operators. This proactive measurement has helped to reduce the frequency and severity of spills.

Lifecycle Management

Our Pressure Equipment Integrity Management System (PEIMS) and Pipeline Integrity Management (PIM) programs assist Strathcona in defining how we manage the integrity and operation of our equipment throughout its lifecycle. Our PEIMS and PIM programs align with Strathcona's Pipeline Operation and Maintenance Manual (POMM) and the specifications from regulators.

The use of software tools tracks the reliability, operability, and lifecycle maintenance of each piece of equipment. With Strathcona's continuous growth, newly acquired assets and brand-new equipment are incorporated into the PEIMS or PIM system and are assigned reactive or proactive maintenance based on their relative lifecycle.

> *Poor measurement is more than just a risk to poor sales accuracy or future strategic decisions. It may result in missing leak detection, which may pose a risk to Strathcona's operations.*
>
> - Phil Semmler
> Team Lead, Measurement

Robust Measurement

Thorough measurement processes help detect inconsistencies in our operations, enabling our team to act proactively and respond quickly in the event of a leak or spill. In line with the Enhanced Production Audit Program (EPAP), in-house inspections and direct measurements of fluid are reported monthly to the Alberta Energy Regulator (AER). Strathcona has adhered to these regulations across our operations to ensure standardization and maintain a strict level of accountability.

Proactive Spill Mitigation

Proactive mitigation measures are essential to reducing risk, maintaining consistent and uninterrupted operations, and achieving our overall goals of minimizing environmental releases, maintaining safe operations, and maximizing the lifespan of assets. In 2022, Strathcona allocated $2.5 million to proactively replace composite pipe fittings and install pressure transmitter technologies. To further maintain vigilance, spill frequency and volumes are tracked and linked to the employee and executive compensation program. Due to these preventative measures and the inspections performed throughout the year, Strathcona successfully maintained spill levels below our targets while incorporating new assets and growing our operations.

Biodiversity

Protecting and promoting biodiversity in and around our operations is something we take very seriously. We integrate proactive wildlife and biodiversity management throughout all stages of project development, including design, construction, operation, and reclamation. We strive towards impact avoidance in high-value biodiversity areas by applying appropriate setbacks, maintaining habitat connectivity, and managing our activities during wildlife sensitivity periods.

Our operations span three provinces that include an array of ecosystems and habitats. We recognize the inevitability of encountering wildlife at our sites and have designed site specific wildlife monitoring programs that enable our properties to respect and support wildlife movement. We provide safe passage through key corridors to ensure wildlife has a route to travel through our sites undisturbed. With remote cameras placed in various habitats throughout our sites, we track and monitor wildlife movement, diversity, and behaviors on our properties. During breeding seasons, we also use acoustic recording units to capture data on the area's bird, amphibian, and bat populations. Every three years, we compile a comprehensive wildlife report, consolidating the data to analyze trends, identify seasonal wildlife use patterns, and confirm consistency in wildlife composition. This information is incorporated into current and future operations and development plans.

To minimize habitat disturbance and maintain a healthy functioning ecosystem, we employ a thoughtful approach to development by:

Performing environmental surveys and biophysical assessments to capture the area's unique conditions and ensure our development does not overlap with crucial habitats, sensitive wildlife, or rare plant populations.

Utilizing tools such as wildlife survey reports and geospatial mapping to avoid sensitive areas and identify associated risks in areas of protected conservation status.

Collaborating with various stakeholder organizations, including the joint Oil Sands Monitoring Program, the Lakeland Industry and Community Association, and the Government of Saskatchewan's Heritage Conservation Branch.

Case Study: Osprey Nest at Tucker

Non-intrusive monitoring is a key strategy for identifying and assessing the environmental and biodiversity impacts of our operations. During new development planning for our Tucker operations, we identified an osprey nest within proximity of the development which requires mitigation to ensure continued habitation. We implemented strategies such as setting specific timing for operations and building suitable alternative nesting towers to ensure our operations do not have an impact on osprey nesting success. We have integrated the wildlife information collected during the monitoring and mitigation processes into our current and future operations and strategic plans.

Land & Reclamation

We are dedicated to minimizing the impact of our operations on the surrounding ecology and reducing our environmental disturbances. Through each stage of design and development, we carefully plan, assess, and identify opportunities to reduce our footprint by employing the following strategies:

Perform pre-disturbance assessments, including the review of geospatial mapping and landscape surveys to identify areas of protected or sensitive status in advance of development.

Utilize multi-well pad sites to minimize our footprint and the impact of our assets and presence on the surrounding land.

Strategically place our assets and operations away from landscapes with significant biodiversity features such as wetlands.

Explore facility modularization to reduce construction timelines and associated emissions from construction vehicles.

Our commitment to responsible operations also includes the lifecycle management of our assets and restoring land to its original capability. Our operating jurisdictions have varying regulatory targets and expectations surrounding well abandonment and site closures. Demonstrating our commitment to land restoration, we strive to meet or exceed all requirements and regulations.

Our Asset Retirement Obligation (ARO) program assesses regulatory liability and the financial obligation of well abandonments and site closures in relation to the valuation of the Company. In 2022, Strathcona invested more than C$20 million in abandonment and reclamation activities. We continually assess and proactively manage abandonment liabilities related to our wells, facilities, and pipelines to ensure our end-of-life obligations can be adequately executed. As a result, we have a low ARO for a Company of our size. When evaluating new assets for acquisitions, we analyze ARO metrics, placing a value on anticipated obligations to limit risk and financial exposure.

Committing

$30 - $40 Million

to maintaining responsible well abandonment and site closures in 2023.

We assess the value of our ARO on a discounted, net present value basis and compare it against our total proven reserves valuation. This metric provides insight into the financial impacts and scale of ARO on our business. Strathcona's ARO balance was ~3 % of the net present value of its total proved reserves value as of December 31, 2022. We engaged an independent third-party for a thorough review of our ARO in 2022.

2022 ARO Profile (C$ million)

$14,876

$390

ARO NPV10 at YE 2022   1P NPV10 at YE 2022
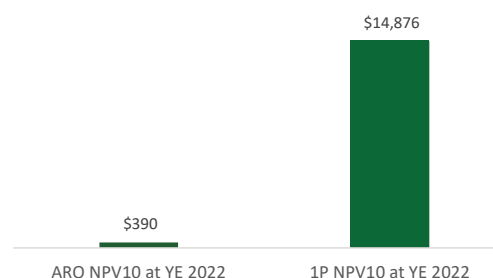
Strathcona's 2022 Asset Retirement Obligation (ARO)[11]

[11] Strathcona ARO forecast based off reserve report from Sproule + McDaniel, which assumes an inflation rate of 2% and a discount rate of 10%

SOCIAL

Workplace Health & Safety

People & Culture

Indigenous Partnerships

Community Investment

Strathcona's ESG strategy reflects our commitment to our people, our communities, and our relationships with Indigenous groups.

Workplace Health & Safety

The health and safety of our employees, contractors, and communities is foundational to everything we do. Our commitment to safety is directly connected to our performance, culture, and how we live our values.

In 2022, we developed a Health and Safety Management System (HSMS) containing nine elements. Each element consists of distinct policies, procedures, standards, and practices that specify the roles and responsibilities of our employees, contractors, consultants, and vendors.

Cultivating a Safety Mindset

Fostering a safety culture throughout Strathcona is an essential thread that runs through all nine HSMS elements. From the Executive Leadership team's commitment and oversight of safety practices to ongoing training and monthly communications, the prioritization of safety is paramount to our operations and woven throughout our Company values.

279
Leadership Field Visits

Monitoring Performance

Strathcona's Health, Safety, Environment and Regulatory (HSER) scorecard tracks approved health, safety, and environmental metrics and initiatives. The HSER team annually proposes metrics to monitor and assigns associated targets to each metric. Leadership and Board approved metrics and targets are tied to our compensation program. With a combination of leading (predictive) and lagging (observable) indicators, tracking metrics helps embed a safety mindset throughout our organization while encouraging continuous improvement of safety performance. Software tools manage incidents, record H&S metrics, and help Strathcona analyze and trend data like hazard identifications (IDs) and non-compliance. In 2022, Strathcona performed more than 6000 hazard IDs, a leading indicator of our top quartile performance.

Integrating Safety Governance and Oversight

Strathcona's Executive Leadership team is engaged in H&S activities across our organization. Endorsed by our President & CEO, Strathcona formalized the Health and Safety Policy in 2022, highlighting our commitment to protect the health and safety of our workers, the public, the natural environment, and our neighbouring communities.

We have created location-based committees to guide and maintain safe operations particular to their region. Consisting of an executive sponsor, senior manager, or site superintendent, the committee maintains a strong leadership link. Additionally, our Leadership team makes regular site visits, instilling a culture of safety throughout our operations.

Promoting Awareness and Development

Communication is integral to the success of our safety culture. Strathcona's intranet houses all H&S information, including HSER scorecard metrics, policies, and alerts. Strathcona also maintains an open-door policy for monthly health and safety meetings to provide all employees the opportunity to learn about performance and progress in each region.

Strathcona's comprehensive training and certification matrix are accessible on the Company intranet, ensuring employees are adequately prepared and trained for their work. Currently, training is asset specific. The development of a centralized learning management system is anticipated for 2023.

Integration of the Life-Saving Rules

Strathcona is currently reinforcing Energy Safety Canada's Lifesaving Rules with the addition of an eleventh rule-ground disturbance. Due to the nature of Strathcona's operations, and the inherent risk with ground disturbance activities, we developed this rule and subsequent procedures, permits, and checklists to encourage safe work operations. The relaunch of this program is centralized around Strathcona's Stop Work Authority, which encourages employees and contractors to refuse work if deemed unsafe.

Critical Incident and Emergency Response

Standards, policies, and procedures are available to support the management and mitigation of critical incidents. We use proactive measures such as daily field-level hazard assessments and permits, formal hazard assessments, and emergency response training to manage risk and ensure emergency preparedness. To further reinforce this, our HSER scorecard includes annual tracking and targeting of emergency preparedness exercises. In the event of an incident, software systems record all information, including root-cause analysis and corrective actions.

Contractor Management

Contractors contribute to a significant portion of our field-level operations. With contractor information consolidated and monitored by an integrated software system, contractors must achieve and maintain specific safety qualifications to work on a Strathcona site. Included as a metric and target in the 2022 HSER scorecard, contractor evaluations encourage our field-level employees to verify that our contractors meet our worksite standards.

Case Study: TAG! Shining the Headlights on Vehicle Inspections

Created due to a trend in minor vehicle infractions, the HSER team implemented a month-long field-based initiative around vehicle safety. With the intent to drive change and increase vehicle inspection compliance, the TAG! Vehicle Awareness Program encouraged drivers to perform a walk-around vehicle inspection to find and report their TAG to a HSER member while also identifying any potential vehicular hazards. With 100% compliance, the Winter team won a coveted trophy and barbecue lunch. Due to the success of this initiative, we expect the HSER Team will continue to run the program each year.

181
Emergency Preparedness Exercises

1,582
Contractor Evaluations Performed

People & Culture

Our people are the heartbeat of Strathcona. Every employee, contractor, and vendor is essential to Strathcona's high productivity and culture. We live our values, encourage curiosity, and support personal growth and innovation. Strathcona hosts various Company-wide and charitable events to encourage team building, employee engagement, and bring our people together throughout the year.

Communicating with Purpose

Team engagement and a supportive culture start with effective communication and open feedback. Strathcona hosts various Company-wide and charitable events to encourage team building, employee engagement, and bring our people together throughout the year.

- Regular town halls inform employees about our operations, strategy, and Company updates. They also provide a safe environment for our people to questions or raise concerns with our President & CEO and Executive Leadership team.

- Our Company intranet provides our employees with access to Company news, policies, employee programs, and safety information.

- Over the past two years, we've conducted four high-performance index (HPI) surveys to gain insight into our employees' experiences and indicate areas for improvement. These surveys identify opportunities to build a stronger team and culture.

Employee Well-Being

In recognition of the importance of our employees' overall well-being, Strathcona introduced several enhancements to our group benefits programs and services:

- benefits for psychologists and social workers were doubled,

- online pharmacy services were introduced; and

- services like virtual medical consultations, confidential mental health support, and counseling were introduced in addition to our employee and family assistance program.

81%
Employee Participation in HPI Surveys

Supporting Development and Growth

Strathcona empowers our employees by fostering an environment that encourages collaboration, professional development, and transparency. We strive for innovation over perfection and view mistakes as opportunities to learn and improve. This sentiment intrinsically creates a culture built on **Agility, Trust and Accountability.**

An expansion to our leadership coaching program includes one-on-one training to build leadership skills in our top performers. This program develops leadership and management teams while also identifying a larger group for strategic planning input and ideas.

31%
Leadership Roles Held by Women in Our Calgary Office

40%
Roles Held by Women in Our Calgary Office

> *As the proverb suggests, if you want to go far, go together. We're at our best when we work together as* *One Strathcona Team.*
>
> - Rob Morgan
> President & CEO

Diversity & Inclusion

We are committed to enhancing awareness of diversity and inclusion (D&I) in the workplace. We recognize the importance of fostering an environment where team members feel safe to show up as their authentic selves and empowered to contribute their various perspectives, experiences, and backgrounds. We believe that a culture where everyone feels welcomed, respected, heard, and encouraged drives innovation, collaboration, and productivity.

We also expanded our diversity metrics to include gender and age. Developing baseline metrics will further inform our D&I strategy and allow us to identify opportunities for improvement and set appropriate and meaningful goals and targets.

Integrating Our Values

Our values define who we are today and who we aspire to be. We strive to embody each value and integrate them into our behaviours and daily decision making.

One Team.	We collaborate toward our shared vision in a culture of safety, mutual respect, transparency, and open communication.
Agility.	We encourage creative solutions and empower people to quickly adapt to our dynamic industry.
Trust.	We cultivate a supportive, caring, and inclusive environment with trust as the foundation for all our relationships.
Accountability.	We deliver on our commitments, celebrate our successes, and support each other's growth.

Indigenous Partnerships

We acknowledge that our operations are located on the traditional lands of Indigenous Peoples across British Columbia, Alberta, and Saskatchewan. As such, we are committed to building mutually beneficial relationships and engaging with Indigenous communities near our operations. This commitment is anchored to our core values of **Trust and Accountability** and is consistent throughout our Indigenous Inclusion Strategy.

Indigenous Inclusion

In 2022, Strathcona created an Indigenous Relations Steering Committee, made up of SMEs from Human Resources, Supply Chain, Drilling & Completions, Facilities, and Indigenous Relations. This committee was tasked with developing Strathcona's Indigenous Inclusion Strategy. The newly introduced strategy is built on four pillars:

- meaningful consultation,
- community engagement,
- education, training, and employment; and
- procurement.

> **We cultivate a supportive, caring, and inclusive environment with trust as the foundation for all our relationships. To have trust, you must also have accountability. We deliver on our commitments and expect to have that support reciprocated.**
>
> **– Strathcona's Indigenous Inclusion Strategy**

Meaningful Consultation

→ **Goal:**

Fostering relationships built on a shared understanding of each other's needs while ensuring all interests are respected and considered.

→ **2022 Outcome:**

Development of a respectful, inclusive, and consistent consultation process.

Ongoing & Future Actions:
- Provide clear, timely information about our activities in a culturally sensitive manner.
- Maintain an open dialogue and collaborative approach to listening to concerns and sharing ideas through transparent and direct lines of communication.

Community Engagement

→ **Goal:**

Building deeper connections with Indigenous communities through active engagement, participation, and sponsorship in local events.

→ **2022 Outcome:**
- Development of an Indigenous Community Engagement Plan.
- Engagement in leadership meetings through a combination of in-person and virtual appointments.

Ongoing & Future Actions:
- Implement the Community Engagement Plan, including community investment and participation in community events.

Education, Training, & Employment

→ **Goal:**

Supporting Indigenous community members in their career ambitions through scholarships, apprenticeships, and work experience opportunities.

→ **2022 Outcome:**

- Development of an Indigenous Workforce Inclusion Plan.
- $50,000 in Momentum scholarships awarded to 10 Indigenous students.
- $100,000 committed to education services across communities where we operate.

Ongoing & Future Actions:

- Award annual Momentum Scholarships.
- Implement the Workforce Inclusion Plan by engaging with community workforce support organizations and hiring summer students.
- Financially support community initiatives centralized around education and work experience.

Procurement

→ **Goal:**

Collaborating with local Indigenous communities to understand their contracting capacity and create sustainable contracting opportunities.

→ **2022 Outcome:**

Development of an Indigenous Contracting Inclusion Plan.

Ongoing & Future Actions:

- Consistent and sustained approach to the consideration of Indigenous-affiliated contractors.
- Leverage software to collect and report vendor information.
- Establish a process to incorporate Indigenous inclusion contract expectations as a core component of procurement planning.
- Continue to build a database of suppliers affiliated with communities in proximity to our operations.

Integrating Supply Chain Management and Indigenous Relations

In 2022, Strathcona focused on understanding the contracting capacity of the communities where we work. Community leaders provided Strathcona with valuable information about their capacity while we shared our procurement processes. Through this engagement, we developed a list of 150 Indigenous contractors affiliated with the communities in and around our operating areas, which is available and active for all contract decision-makers to access on our Company intranet.

Truth and Reconciliation

In recognition of Canada's National Day for Truth and Reconciliation, Strathcona provided employees with important educational resources and local event suggestions to help further awareness of the challenges faced by residential school survivors and their families. Strathcona believes that engaging in an educational journey to understand the past and how it impacts our present helps us build meaningful relationships and partnerships to support reconciliation in Canada.

Partnerships

Developing partnerships further strengthens and fosters relationships with the Indigenous communities we work with. Over the last several years, Strathcona and its legacy companies have entered into a multi-year business partnership with Frog Lake First Nation to lease a 15MW cogeneration facility at our Lindbergh site.

MOMENTUM INDIGENOUS SCHOLARSHIP

Each year, Strathcona financially awards students demonstrating determination, leadership, and a commitment to education. What started as a program from a legacy organization has evolved into one of Strathcona's mainstay programs. In 2022, we received 18 applications representing 12 First Nations and Métis communities and awarded 10 students $5,000 each to help support their education and career goals.

Community Investment

As part of our commitment to being a good neighbour, we seek to maintain a positive, supportive presence in our operating areas.

In 2022, we launched our Community Investment Strategy. Aligned with our values of **One Strathcona Team, Agility, Trust, and Accountability,** this strategy is built on four pillars:

- strategic partnerships and programs,
- local giving,
- team volunteering; and,
- employee giving.

Through these four pillars, our goal is to reduce or eliminate barriers and contribute to the greater good of the community. Focused on three priority-giving areas: sport and performing arts, community, and education, our intention with every dollar donated and each hour volunteered is to open new opportunities for our people and communities.

$300,000
In Contributions to the Communities Where We Operate

"We are so grateful for incredible donors like Strathcona Resources who step forward when we're in need. Without the help of great community supporters, the Foundation wouldn't be able to bring the best healthcare possible to patients in our community.

- Sally Bellerose
Grande Prairie Regional Hospital Foundation's Philanthropy and Engagement Officer

Strategic Partnerships and Programs

We develop non-profit partnerships to deliver programs across Strathcona's key communities. Strathcona is partnering with The Clayton Bellamy Foundation for the Arts to support the development of a 300-seat, state-of-the-art performing arts theatre in the Lakeland region. The Strathcona Performing Arts Centre, slated to open in late 2023, is anticipated to develop and showcase local talent while supporting arts-based youth education and Indigenous culture exploration programming.

Community Giving

We consider the unique needs of the communities we call home to support and distribute funding to local organizations, charities, and programs. Our Local Initiatives Fueling Trust and Togetherness (LIFT) Committees serve and support communities near our operations in Alberta, British Columbia, and Saskatchewan. Each Committee evaluates donation requests, plans volunteer opportunities, and coordinates social initiatives for their respective region.

Case Study: Teddy Bears for the Grande Prairie Regional Hospital

What started as a goal to raise $5,000 to support the Grande Prairie Regional Hospital in providing all pediatric patients with a teddy bear snowballed into an initiative beyond our wildest expectations. Strathcona's Resthaven Contract Operations Lead, Steve Walters, heard of the dwindling teddy bear supply and felt compelled to help. Enlisting our Kakwa Team, our local LIFT Committee, and our remarkable vendors, we raised $84,000 for the Grande Prairie Regional Hospital Foundation to put towards purchasing teddy bears and other pediatric needs.

Team Volunteering

We unite and encourage employees to support their community with time and sweat equity.

Strathcona employees participated in seven 'One Team' volunteer events, contributing more than 1,500 volunteer hours in 2022.

Employee Giving

We encourage employees to support the causes they care about financially and through the contribution of their time and skills.

Through our Boost program, Strathcona provides employees with up to $1,000 per employee per year in matching dollars and volunteer rewards. In 2022, over 27% of employees made contributions of time or money using the Boost program.

176
Individual Donors and Volunteers

120
Causes Supported in Boost

GOVERNANCE

Corporate Responsibility

Risk Management

Business Ethics & Integrity

At Strathcona, good governance is fundamental to ensuring ethical and responsible conduct, building trust with stakeholders, and creating long-term value.

Corporate Responsibility

Maintaining strong governance practices is a fundamental aspect of our business and critical to our stakeholders. Our governance structure enables our Board and Executive Leadership team to provide strategic direction and oversight to business plans, risk identification and mitigation, and ESG-related matters.

Quarterly, our Executive Leadership team presents ESG-related matters that inform the Board's understanding of current operations and potential risks and opportunities to our business and allows the Board to exercise its oversight and provide input relating to such risks and opportunities.

> " *Best-in-class ESG performance is important at Strathcona. Aligning the Company's business strategy with sustainability disclosures drives **Accountability** and builds stronger stakeholder **Trust.***
>
> - Connie De Ciancio
> Vice President Corporate "

The continuous review and insight into ESG metrics, including emission data, policy or regulatory changes, technical innovations, and climate-related funding opportunities, enables Strathcona's Board to identify material changes and guide future strategic decisions. Additionally, this flow of information and oversight supports the development of effective business plans such as capital expenditures, acquisitions, policies, annual budgets, and performance objectives.

An **ESG-KPI report** is appended to our monthly financial disclosures and distributed to the Executive Leadership team for review to address material data changes and identify if business plans or strategies must be informed, modified, or explored further. In addition to our Executive Leadership team addressing ESG quarterly with the Board, members of WEF, representing our shareholders, meet with our Executive Leadership team weekly. ESG-related matters with potential risk or impact on the business, as well as risk-mitigating opportunities, are addressed at the weekly meetings, ensuring continual ESG governance procedures are in place.

Internal committees at Strathcona, such as the Indigenous Relations Steering Committee and the Health & Safety Committees, discuss ESG factors and risks throughout the year. Concerning topics are brought to the weekly meetings with our investor by each committee's executive sponsor. Consideration of potential impacts on operations, business plans, or policy and procedure changes are discussed, with significant modifications addressed at the quarterly Board meeting.

Governance Structure

Strathcona Board of Directors	• Determines ESG strategy and proactively manages risk • Approves annual disclosures • Advised by Executive Leadership team
Strathcona Executive Leadership Team	• Reviews and monitors risks • Assesses mitigation strategies • Promotes opportunities and stewards towards execution
One Strathcona Team	• Identifies, assesses, and manages climate-related risks and opportunities • Provides recommendations and regular reporting to Executive Leadership team

Routine ESG Disclosure	• Weekly Executive Leadership team Meetings • Quarterly Board Presentation • Monthly ESG-KPI Reporting • Annual Disclosure Approvals

Compensation Structure

To support the advancement of our ESG strategy and to highlight its importance across our operations, Strathcona links the compensation of our employees and the Executive Leadership team to specific ESG metrics related to HSE targets.

25%

Incentive Compensation tied to HSE performance

Risk Management

Our risk management process ensures that the evaluation, prioritization, and mitigation of existing and future risks are in place. Our employees and Executive Leadership team identify, assess, and manage risks pertaining to business operations, HSE, climate, government and policy, and stakeholders. Identified risks are communicated to our Board to inform strategy and provide oversight.

Our Development and Long-Range Planning teams, Executive Leadership team, and the Board integrate the identification of risks, such as carbon tax implications and policy or regulatory changes, into our business planning, strategy, and budget cycles. Additionally, we use tools such as our ESG materiality assessment to identify and prioritize topics of risk and opportunity for our business.

Acquisition and divestiture activities also consider risk factors, such as ARO, carbon tax implications, safety records, and Indigenous relationships. We review risks and impacts on our business and stakeholders thoroughly, and when possible, we quantify factors in a risk-assessed monetary sense. Where risk factors are more qualitative, we evaluate in terms of risk to our Company's overall business resilience.

Please refer to our **Emission Reduction and Climate Change** section for additional information on Strathcona's climate-related risks and mitigation strategies.

Proactively Manage Risk

Risk Identification

Probability/Impact Assessment

Mitigation Strategies

Monitoring & Reporting

Emergency Response Planning
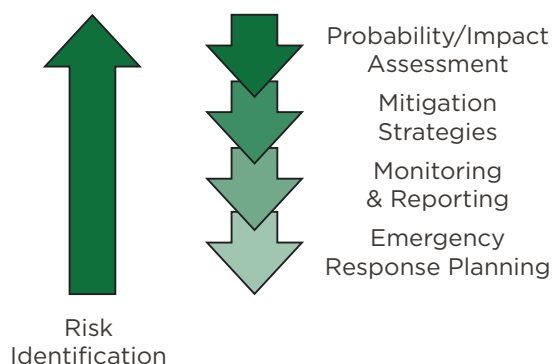
Expanded Opportunities

Opportunity Identification

Execution

Integration

First-Mover Strategy

"No Stone Left Unturned"
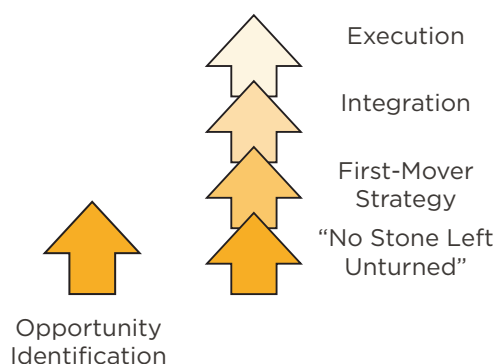
Cybersecurity

As we progress with digitalization and automation, computer systems can become environments that pose an operational risk. Strathcona has implemented several technical security measures to provide added levels of protection for our information assets. These measures include improved password policies, Multi-Factor Authentication, modern firewalls, security software tools, and resilient network design.

Phishing, an inexpensive and easy way for cyber-criminals to access sensitive information, remains a concern for industry and Strathcona. Training remains the largest opportunity to improve cyber skills for Strathcona employees and contractors. We provide mandatory onboarding training and have added a reporting button that allows individuals to alert the Information Systems (IS) service desk to review suspicious emails. This support helps remove the guesswork around suspicious emails, protecting our employees and organization.

In 2022, we developed and communicated our Business Continuity Plan. This plan provides a standardized framework that enables Strathcona to respond to disruptions effectively and consistently. A tabletop Information Technology disaster recovery exercise was completed, with larger IS team exercises planned for 2023. This plan is designed to maintain essential processes before, during, and after an unplanned interruption, thus minimizing significant impact on our operations.

Supply Chain Management

We recognize the critical role of our supply chain in supporting our operations and are committed to working with suppliers and contractors that align with our ESG strategy and comply with applicable laws. This approach includes investing in technologies and engaging suppliers that have a positive impact on the environment and maintain robust health and safety programs. To support our commitment to align with ESG-conscious suppliers, we are exploring options to have our suppliers track and disclose additional ESG metrics, such as emissions or water use.

Strathcona is committed to building mutually beneficial long-term relationships with local firms that live and work in regions where we are active. We endeavor to maximize the opportunities for purchasing goods and services with capable contractors and businesses that are committed to safety, are cost competitive, and benefit the local community. Strathcona defines 'local community' as Indigenous communities whose lands we operate on and those within close proximity to our operations. Please refer to our **Indigenous Relations** section for additional information on Strathcona's procurement strategy with Indigenous communities.

Business Ethics & Integrity

We expect the highest standards of professional and ethical conduct from our directors, officers, and employees. We are committed to ensuring robust policies and practices that reflect a culture of transparency, integrity, and accountability are in place. This commitment starts with all new employees reviewing our Code of Conduct and the expectation that all employees adhere to it. Penalties for failing to comply with the Code of Conduct and applicable Canadian laws include disciplinary action which may lead to termination of employment or engagement with Strathcona. In addition to our Code of Conduct, other policies include:

- Delegation of Authority
- Drug and Alcohol
- Employee Privacy
- Health, Safety, and Environmental
- Investigation of Complaints
- Use of Technology

In accordance with the Extractive Sector Transparency Measures Act, Strathcona publicly discloses all payments made to all governments in Canada and abroad to Natural Resources Canada no later than 150 days after the end of each financial year. Past annual reports, including our legacy companies, can be found on our website.

We protect our employees and reinforce a culture of the highest ethical standards by encouraging them to speak out to their manager or Human Resources team if they are uncomfortable with a colleague's behaviour or if there is a perceived breach of policy. An Anonymous Integrity Hotline is available to provide employees and members of the public with an alternative method to report issues privately and confidentially.

DATA TABLES & APPENDICES

Abbreviations

Performance Summary

Forward-Looking Statements

Abbreviations

AER	Alberta Energy Regulator
ARO	Asset Retirement Obligation
BAU	Business as Usual
BESS	Battery Energy Storage System
Board	The Board of Directors of Strathcona
boe	Barrels of Oil Equivalent
boe/d	Barrels of Oil Equivalent per Day
CAD	Canadian Dollars
CC	Carbon Capture
CCS	Carbon Capture and Storage/Sequestration
CO	Carbon Monoxide
CO_2	Carbon Dioxide
CO_2e	Carbon Dioxide Equivalent
D&I	Diversity and Inclusion
EAM	Enterprise Asset Management
EPAP	Enhanced Production Audit Program
ERA	Emissions Reduction Alberta
ESG	Environment, Social, Governance
FEED	Front End Engineering Design
FEMP	Fugitive Emission Management Program
GHG	Greenhouse Gas
H&S	Health and Safety
HPI	High-Performance Index
HSE	Health, Safety, and Environment
HSER	Health, Safety, Environment, and Regulatory
HSMS	Health and Safety Management Program

IDs	Identifications
IEA	International Energy Agency
IS	Information System
KPI	Key Performance Indicator
LIFT	Local Initiatives Fueling Trust and Togetherness
Mcf	Thousand cubic feet
mmboe/d	Millions of barrels of oil equivalent per day
NCG	Non-condensible gas
NOx	Nitrous Oxides
NPV10	Net Present Value at a 10% discount rate
NZE	Net Zero Emission (by 2050)
PEIMS	Pressure Equipment Integrity Management System
PIM	Pipeline Integrity Management
POMM	Pipeline Operation and Maintenance Manual
SAGD	Steam assisted gravity drainage
SASB	Sustainability Accounting Standards Board
SMEs	Subject Matter Experts
SOR	Steam-to-Oil Ratio
SOx	Sulphur Oxides
TCFD	Task Force on Climate-Related Financial Disclosures
tCO_2/boe	Tonnes of CO_2 per barrel of oil equivalent
tCO_2/yr	Tonnes of CO_2 per year
USD	United States Dollars
VOCs	Volatile Organic Compounds
VRU	Vapor Recovery Unit
WEF	Waterous Energy Fund

Performance Summary

Annual Data Table		2018	2019	2020		2021		2022
ECONOMIC	**Units**	**Cona**	**Cona**	**Cona[1]**	**Strath[2]**	**Strathcona**	**OSUM[3]**	**Strathcona[5]**
Petroleum and natural gas sales	$ Thousands	327,500	343,600	538,800	114,600	1,572,300	247,400	4,343,400
Royalties	$ Thousands	25,500	35,100	24,500	1,000	147,700	11,900	666,800
Operating, Blending, Transportation and other expenses	$ Thousands	197,300	166,400	367,200	50,700	699,700	142,300	1,936,300
Funds from operations	$ Thousands	21,200	84,600	79,400	80,500	359,400	18,800	1,222,700
Capital investment	$ Thousands	48,800	33,900	100,800	42,400	282,500	8,300	620,900
Net acquisitions (dispositions)	$ Thousands	-15,500	-2,000	727,700	0	21,900	0	2,299,100
Abandonment spending (settlements)	$ Thousands	800	2,100	39,100	600	18,000	0	23,200
STAKEHOLDER ECONOMIC BENEFIT								
Employee payroll and benefits	$ Thousands	26,300	22,900	47,100	3,100	63,600	6,700	93,400
Contract Labour	$ Thousands	2,000	2,000	4,200	2,200	9,800	300	37,500
Consultants	$ Thousands	1,400	1,400	1,800	300	3,200	300	6,500
Community Investment	$ Thousands	NPT	NPT	NPT	NPT	NPT	NPT	300

PRODUCTION								
Average boe/day	boe/day	15,823	13,780	37,997	22,355	68,278	17,409	114,404

ENVIRONMENT								
EMISSIONS								
Direct GHG Emissions	CO_2e tonnes	159,209	149,145	578,903	71,322	1,023,366	223,366	2,315,306
Indirect GHG Emissions	CO_2e tonnes	NPT	NPT	82,192	111	141,500	38,752	285,315
Total GHG Emissions	CO_2e tonnes	159,209	149,145	661,095	71,433	1,164,866	262,118	2,600,621
Total GHG Intensity	CO_2e tonnes/ boe	0.028	0.030	0.037	0.014	0.047	0.078	0.062
Flared gas	e^3m^3	1,666	1,393	4,397	2,087	9,113	1,190	19,423
Vented gas	e^3m^3	1,293	1,158	1,007	312	30,545	0	4,873
Sulfur dioxide (SO_2)	tonnes/yr	NPT	51	921	89	1,553	276	3,199
Sulfur dioxide (SO_2) intensity	tonnes/boe	NPT	0.00001	0.00007	0.00001	0.00006	0.00005	0.00008
Methane	CO_2e tonnes/ yr	41,175	20,126	94,533	27,311	76,172	2,791	119,970
Methane intensity	CO_2e tonnes/ boe	0.0071	0.0040	0.0068	0.0033	0.0031	0.0005	0.0029
Carbon Monoxide	tonnes/yr	1317	1112	1383	126	2,098	149	3,981
Nitrogen oxide (NOx)	tonnes/yr	868	743	1245	186	1,872	1	3,291
PM 2.5	tonnes/yr	5	4	11	5	18	5	85
VOCs	tonnes/yr	91	144	2421	254	919	0	1,005

Annual Data Table

ENVIRONMENT (CONTINUED)	Units	2018 Cona	2019 Cona	2020 Cona [1]	Strath [2]	2021 Strathcona	OSUM [3]	2022 Strathcona[5]
WATER								
Fresh water use	m³	672,722	729,051	785,091	191,866	1,238,442	14,601	5,748,124
Non-fresh water used	m³	38,304,987	28,040,148	23,817,846	253,477	30,527,988	1,423,428	59,651,941
Fresh water intensity	m³/boe	0.116	0.145	0.056	0.024	0.050	0.002	0.138
Fresh water use as % of total water use	%	1.76%	2.60%	3.30%	75.7%	4.06%	1.03%	9.64%
Recycle Ratio [4]	%	99.0%	99.0%	93.2%	NPT	96.0%	94.2%	91.2%
SPILLS AND LEAKS								
Number of reportable spills	count	28	24	23	3	23	1	32
Total volume of reportable spills	m³	1151	405	1,040	10	436	70	584
Spill intensity	m³ spilled/1000 bbls handled	0.20	0.08	0.05	0.00	0.02	0.01	0.01
RECLAMATION								
Number of producing wells	gross	1,184	1,095	1,186	143	1,319	90	2,833
Number of non-producing wells	gross	969	1,025	1,526	79	1,649	53	2,629
Number of abandoned wells	gross	523	560	1,830	12	1,924	81	1,481
Total wells	gross	2,676	2,680	4,542	234	4,892	224	6,943
Wells abandoned	count	6	37	46	0	79	0	110
Leases reclaimed	count	3	34	NPT	NPT	NPT	NPT	77
Certificates received	count	6	4	NPT	NPT	NPT	NPT	24
WASTE								
Liquid Waste	m³	270	1,304	170,492	9,970	295,539	34,930	207,848
Solid Waste	tonnes	8,550	6,187	37,028	9,020	67,128	3,568	1,580
DOW Waste	tonnes	0	0	64	0	127	409	1,034
Non-DOW Waste	tonnes	8,550	6,187	36,963	9,020	67,001	3,159	546
HEALTH & SAFETY								
Recordable injury frequency - Employees	TRIF	1.59	0	0	0	1.36	0	0
Recordable injury frequency - Contractors	TRIF	1.31	0.26	0.44	0	0.80	0	0.46
Recordable injury frequency - Employees and Contractors	TRIF	1.38	0.19	0.34	0	0.88	0	0.41
Fatalities	count	0	0	0	0	0	0	0

Annual Data Table

SOCIAL	Units	2018 Cona	2019 Cona	2020 Cona [1]	Strath [2]	2021 Strathcona	OSUM [3]	2022 Strathcona[5]
WORKFORCE PROFILE								
Employee Head Count	count	136	118	215	NPT	307	63	626
Full time	count	133	115	209	NPT	302	62	620
Part time	count	3	3	6	NPT	5	1	6
EMPLOYEES BY LOCATION								
Field	count	87	76	115	NPT	165	44	368
Office	count	49	39	100	NPT	142	18	251
DIVERSITY								
Head Office EMPLOYEES								
Gender								
Total female	%	NPT	NPT	44	33	37	25	37
Total male	%	NPT	NPT	56	67	63	75	63
Management Roles								
Total female	%	NPT	NPT	22	20	29	25	31
Total male	%	NPT	NPT	78	80	71	75	69
BOARD OF DIRECTORS								
Gender								
Total female	count	0	0	0	0	0	0	0
Total male	count	4	4	6	6	6	6	5
Age								
Under 30	count	0	0	0	0	0	0	0
30-50	count	0	0	1	1	1	0	1
Over 50	count	4	4	5	5	5	6	4
NPT: not previously tracked								

[1] Cona acquired Pengrowth Jan. 7, 2020 and amalgamated with Strath Aug. 14, 2020. For simplicity, reported Cona numbers include Pengrowth for the whole year. Strath is included post-Aug. 14, 2020.

[2] Strath and Cona amalgamated Aug. 14, 2020. Strath numbers are amounts before Aug. 14, 2020.

[3] OSUM amalgamated with Strathcona Jun. 11, 2021. OSUM numbers are amounts before Jun. 11, 2021.

[4] Recycle Ratio for Cona in 2018 & 2019 includes SK water and polymer floods; 2020 and later includes in situ operations.

[5] 2022 data is inclusive of Strathcona's combined business as at December 31, 2022. Values are calculated as the combined annual figures including Strathcona, Caltex, Stickney, and Serafina. Caltex and Stickney were amalgamated into Strathcona March 11, 2022, and the acquisition of Serafina closed August 29, 2022. Therefore, data from Caltex, Stickney, and Serafina before their respective amalgamations is excluded from the calculation.
Data is undergoing third party verification, and may be subject to change

Monthly ESG-KPI Report

PRODUCTION	Jan	Feb	Mar	Apr	May	Jun
BOE/DAY (NET) [1]	76,135	77,929	93,130	112,223	111,723	109,494

ENERGY CONSUMPTION	Jan	Feb	Mar	Apr	May	Jun
Natural Gas Energy Consumption (GJ) [2]	1,799,422	1,577,912	3,057,188	3,003,919	3,129,125	3,029,693
Electricity Use (MWh)	27,606	23,937	40,763	39,583	37,923	36,668

GHG EMISSIONS	Jan	Feb	Mar	Apr	May	Jun
Direct GHG Emissions (CO_2e tonnes) [3]	108,977	94,786	153,256	177,363	184,477	177,483
Indirect GHG Emissions (CO_2e tonnes) [4]	15,917	13,752	23,267	22,404	21,405	20,668
Total GHG Emissions (CO_2e tonnes) [5]	124,895	108,539	176,524	199,767	205,882	198,150
Total GHG Intensity (CO_2e tonnes/boe)	0.053	0.050	0.061	0.059	0.059	0.060

AIR EMISSIONS	Jan	Feb	Mar	Apr	May	Jun
Methane (CO_2e tonnes)	5,047	4,479	8,195	7,129	6,899	6,807
Methane intensity (CO_2e tonnes/boe)	0.0021	0.0021	0.0028	0.0021	0.0020	0.0021

WATER USE	Jan	Feb	Mar	Apr	May	Jun
Fresh water use (m³) [6]	99,159	94,254	106,831	97,239	105,088	375,122
Fresh water use intensity (m³/boe)	0.042	0.043	0.037	0.029	0.030	0.114
Fresh water use as % of total water [7]	3.73	3.93	2.61	2.34	2.57	9.75
Thermal recycle ratio (%) [8]	91.8	93.6	87.6	90.3	89.3	86.8
Operations recycle ratio (%) [9]	96.8	96.8	97.6	97.7	97.8	91.8

SPILLS	Jan	Feb	Mar	Apr	May	Jun
Number of reportable spills (count) [10]	4	4	2	0	4	1
Total spill volume (m³) [11]	58.5	86.0	288.0	0.0	11.7	3.0

HEALTH AND SAFETY	Jan	Feb	Mar	Apr	May	Jun
Recordable injury frequency - Employee (#/200,000 hrs) [12]	0.90	0.89	0.58	0.57	0.55	0.27
Recordable injury frequency - Contractor (#/200,000 hrs)	0.70	0.61	0.62	0.63	0.69	0.62
Recordable injury frequency - Employee and Contractor (#/200,000 hrs)	0.76	0.67	0.62	0.62	0.67	0.64
Fatalities	0	0	0	0	0	0

(1) Production is reported as corporate production (vs sales volumes).
(2) Natural Gas Consumption (GJ) is a measure of the total natural gas combusted to support operational requirements; displayed as energy in gigajoules.
(3) CO_2e, or CO_2 equivalent, is a standardized measure of greenhouse gas emissions that accounts for the Global Warming Potential (GWP) from emitted sources. Example: CO_2 has a GWP = 1; Methane has a GWP = 25.
(4) Indirect Emissions reported are emissions resulting from the generation of purchased electricity from the grid. This is calculated using specific grid factors to account for the variation of methods of electricity generation by province (e.g. coal, natural gas, hydro).
(5) Total GHG Emissions is the sum of Direct emissions (which includes methane emissions) and Indirect emissions.
(6) Fresh water use is defined as fresh water diverted from groundwater wells and surface water sources for operational use including: steam generation, drilling and completions operations, reservoir pressure maintenance.
(7) Total water is defined as all water produced and freshwater used.
(8) Thermal recycle ratio is the percentage of production water recycled to support steam generation. In January and February, this metric reports water recycle for Lindbergh and Orion only. From March onwards, this metric includes Tucker and represents the average of AB oil sands assets.
(9) Operations recycle ratio is the percentage of water captured and recycled for re-use in operations over the water production across all operations. Water recycles and re-use applications include water re-injection in waterflood and polymer floods to support enhanced oil recovery and reservoir pressure maintenance, steam generation in thermal operations and re-use in fracturing operations. Water production includes all produced water and fresh water utilized in our operations.
(10) Reportable spills are spills that must be reported to the provincial regulator in the appropriate jurisdiction. For produced liquids in Saskatchewan and Alberta 2m³ or greater (on site). In BC, 100L or greater (on site). All spills off site are required to be reported.
(11) Total spill volume is the total volume released from reportable and non-reportable spills.
(12) A Recordable injury is an injury that requires more than simple first aid. All injury metrics are reported on a 12-month rolling average basis.

Monthly ESG-KPI Report

PRODUCTION	Jul	Aug	Sep	Oct	Nov	Dec	YTD
BOE/DAY (NET) [1]	107,413	100,906	152,196	135,469	145,886	148,818	114,404

ENERGY CONSUMPTION	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Natural Gas Energy Consumption (GJ) [2]	3,217,219	3,357,043	4,789,991	4,327,702	4,835,386	5,072,425	18,313,736
Electricity Use (MWh)	36,395	39,148	53,029	54,262	61,803	59,081	510,198

GHG EMISSIONS	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Direct GHG Emissions (CO_2e tonnes) [3]	175,321	190,229	258,173	236,150	271,775	287,314	2,315,306
Indirect GHG Emissions (CO_2e tonnes) [4]	20,536	21,949	30,243	30,810	32,092	32,379	285,422
Total GHG Emissions (CO_2e tonnes) [5]	195,857	212,178	288,416	266,961	303,866	319,692	2,600,728
Total GHG Intensity (CO_2e tonnes/boe)	0.059	0.068	0.063	0.064	0.069	0.069	0.062

AIR EMISSIONS	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Methane (CO_2e tonnes)	6,746	6,757	7,212	7,829	12,239	11,910	91,249
Methane intensity (CO_2e tonnes/boe)	0.0020	0.0022	0.0016	0.0019	0.0028	0.0026	0.0022

WATER USE	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fresh water use (m^3) [6]	222,477	304,135	922,326	805,901	928,557	1,054,958	5,116,046
Fresh water use intensity (m^3/boe)	0.067	0.097	0.202	0.192	0.212	0.229	0.123
Fresh water use as % of total water [7]	5.50	6.37	19.7	17.7	20.2	22.4	10.5
Thermal recycle ratio (%) [8]	94.7	94.4	87.7	88.0	89.8	88.7	88.9
Operations recycle ratio (%) [9]	96.3	96.0	86.6	83.2	84.8	83.9	93.1

SPILLS	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Number of reportable spills (count) [10]	2	1	5	2	4	3	32
Total spill volume (m^3) [11]	9.0	3.0	3.0	4.2	17.5	18.0	459

HEALTH AND SAFETY	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Recordable injury frequency - Employee (#/200,000 hrs) [12]	0.27	0.26	0.24	0.22	0.21	0.00	4.96
Recordable injury frequency - Contractor (#/200,000 hrs)	0.40	0.42	0.37	0.39	0.37	0.48	0.79
Recordable injury frequency - Employee and Contractor (#/200,000 hrs)	0.48	0.40	0.35	0.36	0.35	0.41	0.79
Fatalities	0	0	0	0	0	0	0

Forward-Looking Statements

This report contains certain forward-looking information and statements ("forward-looking information") within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "guidance", "ongoing", "may", "will", "project", "plans", "budget", "strategy" and similar expressions are intended to identify forward-looking information. In particular, but without limiting the foregoing, this report contains forward-looking information pertaining to the following: our ESG and climate-change related initiatives, including expected reductions in methane, CO_2 emissions, GHG emissions intensity, water consumption and disposal, land use and cost per barrel of oil, and the expected impact thereof; completion of our ESG-related projects and the timing and anticipated benefits thereof; ESG-related goals for construction and operations; ESG-related goals for workplace, health & safety and the timing and anticipated benefits thereof; our operating strategy and expectations regarding growth and return on investment; our 2023 production guidance; the ability of Strathcona to perform in alignment with ESG-related policies and guidelines and stakeholder expectations; assessment and implementation of additional ESG-related initiatives, programs, targets and metrics and the anticipated benefits thereof; expected efficiencies and benefits associated with the consolidation of predecessor businesses of Strathcona; ongoing and future projects of Strathcona; Strathcona's plans with respect to continued Indigenous engagement; the ability of Strathcona to withstand market volatility; the amount and timing of our future abandonment and reclamation costs and balances; allocation of future budgets to ESG-related preventative measures; expected benefits associated with implementation of new technology; investment goals and growth of our Indigenous Scholarship program; implementation of our risk management and mitigation strategies; anticipated results of different climate scenarios and the anticipated effect of such scenarios on Strathcona's business and corporate strategy. The forward-looking information contained in this report reflects several material factors and expectations and assumptions of Strathcona including, without limitation: our ability to achieve our ESG initiatives and targets within anticipated timeframes; the commercial viability and scalability of emission reduction strategies and related technology and products; our ability to develop, access or implement some or all of the technology necessary to efficiently and effectively operate assets and achieve expected

future results, capital efficiencies and cost-savings; the longevity and efficiency or certain assets; our ability to access sufficient capital; the continuance of current industry conditions; continuing collaboration with the government; the accuracy of third-party data upon which we rely; our ability to obtain and retain qualified staff and equipment in a timely and cost-efficient manner; the performance of assets and equipment; applicable laws, government policies and guidelines, including laws, policies and guidelines relating to ESG and climate change; the receipt, in a timely manner, of regulatory and partner approvals, as applicable; the sufficiency of budgeted capital expenditures in carrying out planned activities; our ability to generate sufficient free cash flow to meet current and future capital expenditure obligations and free cash flow surpluses; accuracy of underlying data and estimates; commodity prices, inflation and interest and foreign exchange rates; the efficacy of our heading program to protect our capital; our ability to implement capital projects or stages thereof in a successful and timely manner.

The forward-looking information included in this report is not a guarantee of future performance and should not be unduly relied upon. Such information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information including, without limitation:

- *failure to pursue, develop or execute our ESG and climate-change related initiatives, including as a result of lack of technological advances, regulatory support, cooperation of relevant counterparties and strategic partners, or failure to secure adequate capital resources;*

- *failure to achieve expected results of our current and future ESG initiatives, including within anticipated timeframes;*

- *failure to develop, access or implement some or all of the technology necessary to efficiently and effectively operate assets and achieve expected future results, including the commercial viability and scalability of emission reduction strategies and related technology and products;*

- *changes in general economic, market and business conditions, such as commodity prices, interest rates, inflation and currency exchange rates, and market volatility;*

- *changes in the demand for or supply of Strathcona's products;*

- *the continued impact of the ongoing COVID-19 pandemic;*

- *the ongoing Russia/Ukraine conflict and heightened geopolitical risks and the ability of the Company to carry on operations as contemplated in light of the foregoing;*

- *changes to laws and government policies that could impact Strathcona's business, including with respect to carbon offset credit programs and / or implementation of freshwater limits, resulting in increased operating and compliance costs;*

- *failure to comply or respond appropriately to new regulatory laws, policies or standards;*

- *failure to prevent or effectively mitigate future oil and gas spills or leaks and associated liability;*

- *failure to prevent or effectively mitigate material disturbances to biodiversity and associated liability;*

- *risks of climate-change and ESG related litigation;*

- *risks associated with the development and execution of implementing strategies to meet climate and GHG emissions initiatives and targets;*

- *risks associated with climate change and our assumptions relating thereto, including the impact of weather events on our facilities and operations, and transitional risks, including costs associated with regulatory reporting and compliance;*

- *the risk that projects and initiatives intended to achieve cash flow growth and/or reductions in operating costs may not achieve the expected results in the time anticipated or at all;*

- *material differences in regulatory review and reporting by third parties from Strathcona's internal review;*

- *uncertainties associated with estimating oil and natural gas reserves;*

- *the effectiveness of our risk management program;*

- *increased debt levels or debt service requirements;*

- *lack of capital financing for oil and gas companies, including as a result of increased societal expectations regarding, and focus on, ESG and climate-change related initiatives;*

- *risks inherent in the operation of our business, including to occurrences of cybersecurity failure and cyberattacks;*

- *health and safety risks associated with our assets and operations of our business, including to the environment and our employees;*

- *our ability to successfully complete growth and development plans, including by way of additional corporate acquisitions; and*

- *certain other risks detailed under the section titled "Environment – Strategy" under this report.*

In addition, there are risks that the effect of actions taken by us in implementing targets, commitments and ambitions for ESG focus areas may have a negative impact on our existing business, growth plans and future results from operations. Further, investors and stakeholders increasingly compare companies based on ESG-related performance, including climate-related performance. Failure to achieve our ESG targets and ambitions, or a perception among key stakeholders that our ESG targets and ambitions are insufficient or unattainable, may adversely affect our reputation and our ability to attract capital and insurance coverage.

Strathcona does not assume any obligation to publicly update or revise such forward-looking information to reflect new events or circumstances, except as may be required pursuant to applicable laws. Any forward-looking information contained herein is expressly qualified by this cautionary statement.

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