Strathcona Resources Ltd. YE 2023 and Historical Reserves – Highlights – March 11, 2024

Strathcona, and its majority shareholder, Waterous Energy Fund (**"WEF"**), believe its year-end reserves are useful in assessing Strathcona's annual performance in three principal respects: (1) current year capital efficiency, (2) long-term resource capture and replacement, and (3) growth in intrinsic value per share.

With this being our first year as a public company, and the importance we place on our reserves as a performance measure, we have chosen to provide a detailed review of our annual independently evaluated reserves since year end 2016, being the years under WEF's stewardship. Strathcona's year-end 2023 reserves were prepared by McDaniel & Associates Consultants Ltd. (**"McDaniel"**) and Sproule Associates Limited (**"Sproule"**). Reserves since 2016, for Strathcona and its predecessor business (Northern Blizzard Resources Inc., Strath Resources Ltd., and Cona Resources Ltd.), were also each prepared by independent qualified reserves evaluators.

2023 Highlights

- Proved Developed Producing ("**PDP**"), Proved ("**1P**"), and Proved Plus Probable ("**2P**") reserves of 339 MMboe, 1,489 MMboe, and 2,612 MMboe respectively, reflecting year-over-year growth, per share, of 19%, 1%, and 1% respectively
- PDP finding and development costs ("**F&D**"), including changes in PDP future development costs ("**FDC**"), of $13.90 / boe, equating to a PDP recycle ratio of 2.4x; 7% organic growth in PDP reserves
- 199% organic 2P reserve replacement; 38.5 Year 2P Reserve Life Index
- 1P PV-10, After Tax, net of Debt of $51.13 per share, a 6% year-over-year increase

YE 2016 – YE 2023 Reserves Reconciliation

In the seven years since WEF's acquisition of Strathcona's predecessor businesses in early 2017, 1P and 2P reserves have increased approximately 20-fold, and, more importantly, approximately 3.4-fold *per share*[1,2] (an approximately 19% CAGR, per share). Approximately 90% of this increase has come through acquisitions, net of divestments[3] (which have totaled C$6.8 billion since 2017), with the remainder through organic additions[4], net of production (driven by C$2.3 billion of organic capex[5] since 2017).

The table below summarizes the key movements in reserves since YE 2016[3,4]; please see Appendix A for further detail on Strathcona's 2023 reserves and Appendix B for further detail on the reconciliation between 2016 and 2023. The complete statement of YE 2023 reserves data and required reporting in compliance with NI 51-101 will be included in Strathcona's Annual Information Form to be released in late March 2024.

	PDP	**1P**	**2P**
	(MMboe)	*(MMboe)*	*(MMboe)*
YE 2016	51.2	75.4	127.7
Organic Additions	14.2	23.0	19.6
Acquisitions / Dispositions	9.2	68.8	142.7
Production	(8.2)	(8.2)	(8.2)
YE 2017	**66.4**	**159.0**	**281.7**
Organic Additions	12.9	34.6	11.6
Acquisitions / Dispositions	3.7	49.6	90.9
Production	(11.8)	(11.8)	(11.8)
YE 2018	**71.2**	**231.3**	**372.4**
Organic Additions	11.7	20.7	38.8
Acquisitions / Dispositions	0.1	0.1	0.1
Production	(12.5)	(12.5)	(12.5)
YE 2019	**70.4**	**239.6**	**398.8**
Organic Additions	24.6	70.9	88.8
Acquisitions / Dispositions	26.0	353.1	474.7
Production	(19.0)	(19.0)	(19.0)
YE 2020	**102.0**	**644.6**	**943.2**
Organic Additions	35.6	51.3	108.8
Acquisitions / Dispositions	34.3	169.9	665.4
Production	(24.9)	(24.9)	(24.9)
YE 2021	**147.0**	**840.9**	**1,692.5**
Organic Additions	44.3	47.0	56.9
Acquisitions / Dispositions	110.0	493.4	652.2
Production	(41.7)	(41.7)	(41.7)
YE 2022	**259.6**	**1,339.6**	**2,359.9**
Organic Additions	74.7	71.2	113.1
Acquisitions / Dispositions	61.2	134.5	195.8
Production	(56.7)	(56.7)	(56.7)
YE 2023	**338.8**	**1,488.6**	**2,612.1**
YE 2016	51.2	75.4	127.7
Organic Additions	217.9	318.7	437.6
Acquisitions / Dispositions	244.5	1,269.4	2,221.7
Production	(174.9)	(174.9)	(174.9)
YE 2023	**338.8**	**1,488.6**	**2,612.1**

Organic vs. Inorganic Growth

Strathcona's allocation of capital between organic drilling and acquisitions has varied significantly year to year. The attractiveness of each is driven by our assessment of both current market conditions and risk. From a market perspective, the attractiveness of organic drilling rises and falls with current *commodity prices*, while the attractiveness of acquisitions is driven by current *asset prices*. At the same time, drilling on our existing land base will almost always involve lower technical risk than buying new interests.

Since YE 2016, Strathcona has organically grown PDP, 1P and 2P reserves at a 5%, 9%, and 6% CAGR respectively, including 7%, 1% and 2% in 2023. Organic growth in PDP reserves in 2023 was driven by strong performance from new wells in Cold Lake and the Montney, alongside positive technical revisions in Cold Lake due to better-than-expected base production performance.

The remainder of the per share growth in 1P and 2P reserves has come from acquisitions, which in 2023 primarily related to the acquisition of Pipestone and resulted in roughly flat per share 1P and 2P reserves. Importantly, while WEF and Strathcona view *organic* growth in PDP reserves as an important measure of its capital productivity, we do not believe changes in PDP related to acquisitions are particularly meaningful (including the 12% per share growth from Pipestone in 2023). WEF and Strathcona evaluate acquisitions based on their long-term intrinsic value (which may be primarily driven by the acquisition's undeveloped resource), not just current production.

Going forward, Strathcona intends to continue pursuing opportunistic acquisitions to increase its reserve base but will only do so if it believes it can grow per share value with a margin of safety. At the same time, Strathcona will continue to explore and delineate its resource base to grow reserves organically.

	PDP Reserves Growth / Share			1P Reserves Growth / Share			2P Reserves Growth / Share		
	Organic[6]	A&D[7]	Total[8]	Organic[6]	A&D[7]	Total[8]	Organic[6]	A&D[7]	Total[8]
	(%)	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*
2017	12%	(38%)	(26%)	20%	1%	20%	9%	17%	26%
2018	2%	(15%)	(14%)	14%	3%	17%	-	7%	6%
2019	(1%)	-	(1%)	4%	-	4%	7%	-	7%
2020	8%	(21%)	(13%)	22%	39%	61%	17%	24%	41%
2021	10%	(2%)	8%	4%	(6%)	(2%)	9%	26%	35%
2022	2%	55%	57%	1%	41%	42%	1%	23%	24%
2023	7%	12%	19%	1%	0%	1%	2%	(2%)	1%
CAGR	**5%**	**(5%)**	**1%**	**9%**	**10%**	**19%**	**6%**	**13%**	**19%**

Capital Efficiency

Strathcona closely tracks the efficiency of its capital program through its annual PDP F&D, which measures organic PDP reserve additions against organic capital spending. In 2023, Strathcona's PDP F&D was $13.90 per boe[9], which combined with an Organic Operating Netback of $33.18 per boe, equated to a PDP recycle ratio of 2.4x. Over the past seven years, Strathcona's PDP recycle ratio has averaged 2.4x, and has been above 2.0x every year for the past 4 years (including in 2020, when WTI averaged US$39 per bbl).

Importantly, Strathcona's 2023 capital spending included approximately $150 million of spending on major facility expansions which will add capacity for production growth in future years, but does not contribute to current year PDP reserves additions. Excluding major facility capital, PDP F&D costs would have been $11.89 per boe, which Strathcona believes is the best approximation of the capital necessary to sustain and replace current production (approximately $800 million per year at 185 Mboe per day).

Strathcona expects future capital expenditures (and PDP F&D) to increase in the near and medium term as a higher percentage of its capital spending is devoted towards debottlenecking and brownfield facility expansions. While these projects will require meaningful upfront investment, in the long term they are expected to add decades of low-cost production capacity, helping to unlock the value of Strathcona's large reserves base.

	Organic Capex[5]	Change in PDP FDC[10]	PDP F&D[9]	Organic Operating Netback[11]	PDP Recycle Ratio[12]
	(C$mm)	*(C$mm)*	*(C$/boe)*	*(C$/boe)*	*(x)*
2017	$144	($10)	$9.50	$19.47	2.1x
2018	$202	$31	$18.12	$17.70	1.0x
2019	$180	$14	$16.65	$20.63	1.2x
2020	$140	($5)	$5.51	$11.63	2.1x
2021	$231	$44	$7.72	$29.07	3.8x
2022	$476	$10	$10.97	$46.62	4.3x
2023	$919	$119	$13.90	$33.18	2.4x
Average					**2.4x**

Long-Term Resource Capture

As of YE 2023, Strathcona had a 2P reserve life of 38.5 years, based on Q4 2023 production of approximately 186 Mboe per day. Unlike for capital efficiency (above) and intrinsic value (below), where Strathcona believes the margin of safety inherent in the P90 confidence level of PDP and 1P reserves is appropriate, Strathcona uses its 2P reserves (which reflect a P50 confidence level) to assess the size of its long-term resource base.

In 2023, Strathcona replaced 199% of 2P reserves organically, primarily in Cold Lake and the Montney due to strong well performance and delineation. There is a phrase in the oil industry that "big fields get bigger", and this has certainly been the case for Strathcona's asset portfolio over the past several years, with organic 2P reserve replacement averaging 269%.

In addition to its annual delineation and exploration programs, since 2017, Strathcona's acquisitions have added 2P reserves at costs ranging of C$1 - C$6 / 2P boe (approximately C$3 / boe on average). These acquisition costs, when combined with the PDP F&Ds above, have therefore only increased "full-cycle" capital costs modestly.

While Strathcona expects its Reserve Life Index to fall over time as it invests capital to increase current production, it will continue to endeavor to replace its 2P reserves organically and inorganically. In addition, Strathcona holds approximately 927 MMboe of best estimate contingent resources (unrisked) not reflected in its 2P reserves, equating to an additional 14 years of resource life at current production levels.

	Organic 2P Replacement[13]	2P Acquisition Costs		2P Reserve Life	
		A&D[14]	$ / boe	Q4 Production	RLI[15]
	(%)	*(C$mm)*	*(C$ / boe)*	*(Mboe / d)*	*(Years)*
2016				18.3	19.1
2017	238%	$279	$1.95	23.1	33.4
2018	98%	$332	$3.66	35.4	28.8
2019	309%	-	n/a	34.7	31.5
2020	467%	$731	$1.54	59.3	43.6
2021	437%	$881	$1.34	75.1	61.7
2022	136%	$3,838	$5.88	143.4	45.1
2023	199%	$740	$3.78	186.1	38.5
Average	**269%**		**$3.02**		

Intrinsic Value Growth

Strathcona believes that the best measure of the intrinsic value of its assets is the present value of its 1P reserves, at a 10% discount rate, after all deductions for income taxes and debt ("**NAV**") per share. While no measure is perfect, WEF and Strathcona believe the P90 confidence level inherent in 1P reserves provide investors with a reasonable margin of safety regarding future operating performance, and while future commodity prices and interest rates are unknowable, year-end reserves provide a standardized approach for each. That being said, it is important to remember that changes in assumed future commodity prices by reserve evaluators year-to-year may overwhelm other value creation (*or destruction*) over the course of that year.

Since 2017 Strathcona has increased its NAV at a 21% CAGR, to approximately C$51 per share as of year-end 2023. In 2023, NAV increased 6%, with gains from Strathcona's capital program, acquisition of Pipestone Energy Corp. and debt paydown, being offset by a slightly lower price deck as of December 31, 2023 as compared to December 31, 2022. Since WEF's acquisition in early 2017, Strathcona has maintained a net debt to 1P PV-10, after-tax ratio of approximately 20%, which we view as a prudent long-term target.

	1P PV-10, After-Tax	YE Debt[16]	YE Shares[1,2]	NAV / Share[17]	NAV Growth	YE Debt / 1P PV-10 A-Tax	First 5 Year Average WTI[18]
	(C$mm)	*(C$mm)*	*(mm)*	*(C$ / sh)*	*(%)*	*(%)*	*(US$ / bbl)*
YE 2017	$1,286	$286	62.9	$15.90	n/a	22%	$63.98
YE 2018	$1,838	$390	78.1	$18.54	17%	21%	$68.85
YE 2019	$1,794	$422	78.1	$17.58	(5%)	24%	$66.21
YE 2020[19]	$2,550	$505	130.7	$15.65	(11%)	20%	$61.29
YE 2021[19]	$5,653	$912	173.6	$27.31	74%	16%	$70.22
YE 2022	$12,455	$3,010	195.2	$48.39	77%	24%	$82.97
YE 2023	$13,616	$2,665	214.2	$51.13	6%	20%	$76.92
CAGR / Avg.					**21%**	**21%**	

Market Comparison

While Strathcona's share price will be volatile and will naturally vary (sometimes significantly) versus its intrinsic value, over time, WEF and Strathcona believe that if we are successful in growing per share intrinsic value, our share price should follow suit. By way of example, looking at the 10 public Canadian E&P companies with total enterprise values greater than C$2 billion which have reported YE after-tax reserve values as of March 8, 2024, the median current market capitalizations of these companies versus their NAV is 105% (average 111%), with a minimum and maximum of 79% to 168%. As of March 8, 2024 Strathcona is currently trading at 49% of its NAV, the lowest of any company that has reported YE 2023 after-tax reserves, by a significant margin.

	1P PV-10, After-Tax[20]	YE Debt[16,20]	Fully-Diluted Shares[20,21]	NAV / Share[17]	3/8/2024 Share Price[22]	Price / NAV	YE Debt / 1P PV-10 A-Tax
	(C$mm)	*(C$mm)*	*(mm)*	*(C$ / sh)*	*(C$ / sh)*	*(%)*	*(%)*
ARC	$12,075	$1,148	604.4	$18.08	$23.44	130%	10%
Athabasca	$2,806	($164)	596.8	$4.98	$5.19	104%	(6%)
Baytex	$4,701	$2,355	827.3	$2.83	$4.30	152%	50%
Crescent Point	$9,374	$3,549	629.2	$9.26	$10.12	109%	38%
MEG	$10,351	$964	278.5	$33.71	$28.94	86%	9%
Paramount	$4,051	($590)	148.9	$31.17	$26.91	86%	(15%)
Tamarack Valley	$2,087	$910	567.0	$2.08	$3.48	168%	44%
Tourmaline	$20,909	$492	354.4	$57.61	$61.07	106%	2%
Vermilion	$3,842	$699	167.2	$18.80	$14.85	79%	18%
Whitecap	$7,960	$1,356	604.3	$10.93	$9.58	88%	17%
Average						**111%**	**17%**
Median						**105%**	**13%**
Strathcona	**$13,616**	**$2,665**	**214.2**	**$51.13**	**$24.87**	**49%**	**20%**

Strathcona is still a relative newcomer in the public markets and we are conscious that building a track record with our new public shareholders will take time. Hopefully this letter has outlined both what we have been focused on as a private company since 2017, and what our priorities will be going forward.

Signed

Adam Waterous, Executive Chairman

Rob Morgan, President and CEO

March 11, 2024

About Strathcona

Strathcona is one of North America's fastest growing oil and gas producers with operations focused on thermal oil, enhanced oil recovery and liquids-rich natural gas. Strathcona is built on an innovative approach to growth achieved through the consolidation and development of long-life oil and gas assets. Strathcona's common shares (symbol SCR) are listed on the Toronto Stock Exchange.

For more information about Strathcona, visit www.strathconaresources.com.

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Appendix A: Detailed 2023 Reserves Information

Summary of Oil and Gas Reserves (Forecast Prices and Costs) as of December 31, 2023

Reserves Category	Light & Medium Crude Oil Gross (mbbl)	Light & Medium Crude Oil Net (mbbl)	Heavy Crude Oil Gross (mbbl)	Heavy Crude Oil Net (mbbl)	Bitumen Gross (mbbl)	Bitumen Net (mbbl)	Conventional Natural Gas (Associated & Non-Associated Gas) Gross (mmcf)	Conventional Natural Gas (Associated & Non-Associated Gas) Net (mmcf)
Proved								
Developed Producing	925	719	92,897	80,576	119,623	83,009	452,900	409,622
Developed Non-Producing	1	1	826	765	-	-	5,257	4,780
Undeveloped	775	579	356,261	315,189	553,434	362,239	884,378	787,418
Total Proved	1,701	1,300	449,983	396,529	673,057	445,248	1,342,535	1,201,820
Total Probable	3,359	2,409	168,324	143,544	680,169	430,653	1,073,714	921,859
Total Proved Plus Probable	5,059	3,709	618,307	540,073	1,353,226	875,901	2,416,249	2,123,678

Reserves Category	Conventional Natural Gas (Solution Gas)[23] Gross (mmcf)	Conventional Natural Gas (Solution Gas)[23] Net (mmcf)	Natural Gas Liquids Gross (mbbl)	Natural Gas Liquids Net (mbbl)	Oil Equivalent Gross (mboe)	Oil Equivalent Net (mboe)
Proved						
Developed Producing	10,647	9,768	48,091	37,810	338,793	272,013
Developed Non-Producing	312	291	754	608	2,509	2,219
Undeveloped	8,865	7,959	88,001	72,563	1,147,344	883,133
Total Proved	19,824	18,018	136,846	110,981	1,488,647	1,157,365
Total Probable	25,497	22,630	88,447	67,230	1,123,501	801,251
Total Proved Plus Probable	45,321	40,648	225,294	178,211	2,612,148	1,958,616

Summary of Net Present Value of Future Net Revenue Attributable to Oil and Gas Reserves (Forecast Prices and Costs) as of December 31, 2023

	Before Deducting Income Taxes						After Deducting Income Taxes					
RESERVES CATEGORY	0%	5%	10%	15%	20%	Unit Value[24]	0%	5%	10%	15%	20%	Unit Value[25]
		(in $ millions)[26]				$/boe		(in $ millions)[26]				$/boe
Proved												
Developed Producing	6,322	6,252	5,585	5,002	4,531	20.53	6,322	6,252	5,585	5,002	4,531	20.53
Developed Non-Producing	60	50	44	38	35	19.62	60	50	44	38	35	19.62
Undeveloped	27,940	15,219	9,005	5,630	3,639	10.20	25,434	13,660	7,987	4,939	3,153	9.04
Total Proved	34,322	21,521	14,634	10,670	8,205	12.64	31,817	19,962	13,616	9,979	7,719	11.76
Total Probable	32,301	13,192	6,809	4,111	2,751	8.50	28,816	11,376	5,713	3,383	2,234	7.13
Total Proved plus Probable	66,624	34,714	21,442	14,781	10,956	10.95	60,632	31,337	19,329	13,361	9,953	9.87

Forecast Prices and Costs[27]

Year	Inflation (%)[28]	Exchange Rate (US$/Cdn$)[29]	Crude Oil: WTI Cushing Oklahoma 40 API ($US/bbl)	Crude Oil: Canadian Light Sweet Crude 40 API ($Cdn/bbl)	Crude Oil: Western Canadian Select 20.5 API ($Cdn/bbl)	Natural Gas: Alberta AECO-C Spot ($Cdn/mmbtu)	Natural Gas Liquids: Edmonton Pentanes Plus ($Cdn/bbl)	Natural Gas Liquids: Edmonton Butane ($Cdn/bbl)	Natural Gas Liquids: Edmonton Propane ($Cdn/bbl)	Natural Gas Liquids: Ethane Plant Gate ($Cdn/bbl)
2024	0.00	0.75	76.00	97.33	81.33	2.33	101.33	50.67	28.21	6.47
2025	2.00	0.75	76.00	97.25	84.67	3.64	101.33	50.67	33.03	10.09
2026	2.00	0.75	76.00	97.17	84.33	3.95	101.33	50.67	32.78	10.93
2027	2.00	0.75	77.52	99.12	86.02	4.03	103.36	51.68	33.44	11.15
2028	2.00	0.75	79.07	101.10	87.74	4.11	105.43	52.71	34.11	11.38
2029	2.00	0.75	80.65	103.12	89.50	4.19	107.54	53.77	34.79	11.60
2030	2.00	0.75	82.26	105.18	91.29	4.27	109.69	54.84	35.48	11.84
2031	2.00	0.75	83.91	107.29	93.11	4.36	111.88	55.94	36.19	12.07
2032	2.00	0.75	85.59	109.43	94.97	4.44	114.12	57.06	36.92	12.31
2033	2.00	0.75	87.30	111.62	96.87	4.53	116.40	58.20	37.66	12.56

Escalation of 2% per year thereafter

Reconciliation of Changes in Gross Reserves[30]

	Light & Medium Crude Oil (mbbl)	Heavy Crude Oil (mbbl)	Bitumen (mbbl)	Conventional Natural Gas: Non-Associated and Associated Gas (mmcf)	Conventional Natural Gas: Solution Gas (mmcf)	Natural Gas Liquids (mbbl)	Oil Equivalent (mboe)
Proved							
December 31, 2022	2,776	468,679	646,474	824,049	19,896	80,970	1,339,555
Extensions and improved recovery[31]	-	1,667	35,277	43,248	257	5,575	49,770
Technical revisions[32]	(873)	(2,505)	11,663	(12,895)	1,791	1,707	8,155
Discoveries[33]	-	-	-	-	-	-	-
Acquisitions	22	-	-	483,880	-	53,880	134,549
Dispositions	-	-	-	-	-	-	-
Economic factors[34]	8	292	-	892	69	371	831
Production	(232)	(19,580)	(20,355)	(52,423)	(2,192)	(7,466)	(56,750)
Infill drilling	-	1,430	-	55,785	3	1,809	12,537
December 31, 2023	1,701	449,983	673,057	1,342,535	19,824	136,846	1,488,647
Probable							
December 31, 2022	4,499	169,426	630,111	906,539	30,074	60,171	1,020,309
Extensions and improved recovery[31]	-	879	22,210	21,785	-	5,092	31,812
Technical revisions[32]	(1,186)	(2,729)	27,848	(2,303)	(4,514)	(1,365)	21,432
Discoveries[33]	-	-	-	-	-	-	-
Acquisitions	8	-	-	206,474	-	26,811	61,232
Dispositions	-	-	-	-	-	-	-
Economic factors[34]	37	31	-	(2,996)	(63)	(453)	(896)
Production	-	-	-	-	-	-	-
Infill drilling	-	717	-	(55,785)	-	(1,809)	(10,389)
December 31, 2023	3,359	168,324	680,169	1,073,714	25,497	88,447	1,123,501
Proved Plus Probable							
December 31, 2022	7,275	638,105	1,276,584	1,730,588	49,971	141,141	2,359,865
Extensions and improved recovery[31]	-	2,547	57,487	65,033	257	10,668	81,582
Technical revisions[32]	(2,059)	(5,234)	39,510	(15,198)	(2,723)	342	29,587
Discoveries[33]	-	-	-	-	-	-	-
Acquisitions	29	-	-	690,354	-	80,692	195,779
Dispositions	-	-	-	-	-	-	-
Economic factors[34]	45	323	-	(2,104)	6	(82)	(65)
Production	(232)	(19,580)	(20,355)	(52,423)	(2,192)	(7,466)	(56,750)
Infill drilling	-	2,147	-	-	3	-	2,148
December 31, 2023	5,058	618,307	1,353,226	2,416,249	45,321	225,294	2,612,146

Undiscounted Future Net Revenue by Reserves Category

Reserves Category ($ millions)	Revenue	Royalties	Operating Costs	Development Costs	Abandonment and Reclamation Costs	Future Net Revenue Before Income Taxes	Income Taxes	Future Net Revenue After Income Taxes
Total Proved	118,432	28,914	36,173	16,568	2,454	34,322	2,506	31,817
Total Probable	114,955	35,395	31,315	15,184	760	32,301	3,486	28,816
Total Proved plus Probable	233,386	64,309	67,488	31,751	3,214	66,624	5,991	60,632

Appendix B: Detailed Reconciliation of Changes in Reserves Since 2016

	Proved			Proved plus Probable		
MMboe	Cona	Strath	Combined/ Strathcona	Cona	Strath	Combined/ Strathcona
December 31, 2016	**75.4**	**-**	**75.4**	**127.7**	**-**	**127.7**
Extensions, improved recovery and infill drilling	8.0	9.4	17.4	7.7	11.5	19.2
Technical revisions	6.7	-	6.7	1.9	-	1.9
Discoveries	-	-	-	-	-	-
Economic factors	(1.1)	-	(1.1)	(1.4)	-	(1.4)
Acquisitions	-	68.9	68.9	-	142.8	142.8
Dispositions	(0.1)	-	(0.1)	(0.1)	-	(0.1)
Production	(6.3)	(2.0)	(8.3)	(6.3)	(2.0)	(8.3)
December 31, 2017	**82.7**	**76.3**	**159.0**	**129.4**	**152.4**	**281.8**
Extensions, improved recovery and infill drilling	17.9	9.3	27.2	24.3	35.3	59.6
Technical revisions and economic factors	19.5	(12.2)	7.3	5.1	(53.2)	(48.1)
Discoveries	-	-	-	-	-	-
Acquisitions	3.0	53.4	56.4	10.7	90.1	100.8
Dispositions	(6.9)	-	(6.9)	(10.0)	-	(10.0)
Production	(5.8)	(6.0)	(11.8)	(5.8)	(6.0)	(11.8)
December 31, 2018	**110.4**	**120.9**	**231.3**	**153.7**	**218.7**	**372.4**
Extensions, improved recovery and infill drilling	1.1	4.2	5.3	2.2	23.7	25.9
Technical revisions and economic factors	8.7	6.8	15.5	7.6	5.3	12.9
Discoveries	-	-	-	-	-	-
Acquisitions	0.1	-	0.1	0.1	-	0.1
Dispositions	-	-	-	-	-	-
Production	(5.0)	(7.5)	(12.5)	(5.0)	(7.5)	(12.5)
December 31, 2019	**115.3**	**124.3**	**239.6**	**158.6**	**240.1**	**398.7**
Extensions and improved recovery	7.5	-	7.5	17.5	-	17.5
Technical revisions	24.4	36.1	60.5	17.8	53.5	71.3
Discoveries	-	-	-	-	-	-
Economic factors	(4.5)	-	(4.5)	(9.7)	-	(9.7)
Infill drilling	7.4	-	7.4	9.7	-	9.7
Acquisitions	508.4	(155.3)	353.1	763.2	(288.5)	474.7
Dispositions	-	-	-	-	-	-
Production	(13.9)	(5.1)	(19.0)	(13.9)	(5.1)	(19.0)
December 31, 2020[1]	**644.6**	**-**	**644.6**	**943.2**	**-**	**943.2**
Extensions and improved recovery			2.3			16.6
Technical revisions			26.6			46.0
Discoveries			-			-
Economic factors			14.7			27.4
Infill drilling			7.6			18.9
Acquisitions			178.2			692.9
Dispositions			(8.3)			(27.5)
Production			(24.9)			(24.9)
December 31, 2021			**840.9**			**1,692.5**
Extensions and improved recovery			26.1			36.2
Technical revisions			(21.1)			(31.4)
Discoveries			-			-
Economic factors			13.1			26.4
Infill drilling			28.9			25.6
Acquisitions			493.4			652.2
Dispositions			-			-
Production			(41.7)			(41.7)
December 31, 2022			**1,339.6**			**2,359.9**
Extensions and improved recovery			49.8			81.6
Technical revisions			8.2			29.6
Discoveries			-			-
Economic factors			0.8			(0.1)
Infill drilling			12.5			2.1
Acquisitions			134.5			195.8
Dispositions			-			-
Production			(56.7)			(56.7)
December 31, 2023			**1,488.6**			**2,612.1**

[1] Strathcona information is from the PNG reserves evaluation of Strathcona Resources Ltd. performed by Sproule as at December 31, 2020, dated February 25, 2021. The reconciliation table in the 2020 reserves report presented Pengrowth as if it had been acquired on December 31, 2019 (instead of January 6, 2020); since the acquisition of Pengrowth occurred in 2020, the acquisition amount was adjusted using the PNG reserves evaluation of Pengrowth performed by Sproule as of Dec 31, 2019, dated February 20, 2020. As Strath reserves are included in the 2020 opening balances, the impact of the amalgamation of Strath and Cona on August 14, 2020 was adjusted for in the "Strath" column based on a combination of information from the 2020 reserves report, 2020 financial information and internally generated estimates.

Presentation of Reserves and Other Oil and Gas Information

In respect of 2023, Strathcona's reserves have been evaluated in accordance with Canadian reserve evaluation standards under National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities ("Canadian NI 51-101 Standards"). McDaniel & Associates Consultants Ltd. and Sproule Associates Limited, each an independent petroleum consulting firm based in Calgary, Alberta, have each evaluated the petroleum and natural gas reserves associated with Strathcona's interests in Alberta, British Columbia and Saskatchewan. For consistency in Strathcona's reserves reporting, McDaniel and Sproule used the forecast prices and costs of Sproule as at December 31, 2023 to prepare their reports.

In respect of 2016, information disclosed herein is derived from the PNG reserves evaluation of NBRI prepared by Ryder Scott as at December 31, 2016 dated January 27, 2017. In respect of 2017, information disclosed herein is derived from the addition of the PNG reserves evaluation of Cona performed by Ryder Scott as at December 31, 2017 dated January 26, 2018 and the PNG reserves evaluation of Strath performed by McDaniel as at December 31, 2017 dated March 23, 2018. In respect of 2018, information disclosed herein is derived from the addition of PNG reserves evaluation of Cona performed by Ryder Scott as at December 31, 2018 dated February 19, 2019 and the PNG reserves evaluation of Strath performed by McDaniel as at December 31, 2018 dated March 15, 2019. In respect of 2019, information disclosed herein is derived from the addition of PNG reserves evaluation of Cona performed by Sproule as at December 31, 2019 dated February 12, 2020 and the PNG reserves evaluation of Strath performed by McDaniel as at December 31, 2019 dated March 16, 2020. In respect of 2020, information disclosed herein is derived from the PNG reserves evaluation of Strathcona performed by Sproule as at December 31, 2020 dated February 25, 2021, as adjusted by Strathcona (Refer to the Appendix B for further details). In respect of 2021, information disclosed herein is derived from the PNG reserves evaluation of Strathcona performed by Sproule as at December 31, 2021 dated February 23, 2022. In respect of 2022, information disclosed herein is derived from the addition of PNG reserves evaluation of Strathcona performed by Sproule as at December 31, 2022 dated February 23, 2023 and PNG reserves evaluation of Strathcona by McDaniel as at December 31, 2022 dated February 1, 2023 and February 14, 2023. Refer to the Appendix B for further details.

Reserves volumes and net present values of future net revenue for periods prior to 2023 have been calculated using the forecast prices and costs of the applicable qualified reserves evaluator as at the year-end dates of their respective report. These price decks may not be consistent among the different evaluators.

The foregoing metrics do not have any standardized meanings or definitions and may not be comparable with the calculations of similar metrics of other entities.

Complete disclosure of our oil and gas reserves and other oil and gas information presented in accordance with Canadian NI 51-101 Standards will be contained within our Annual Information Form for the year ended December 31, 2023 (the "AIF"), which will be available on our website at www.strathconaresources.com and under our SEDAR+ profile at www.sedarplus.ca on or about March 26, 2024. Readers are also urged to review the audited financial statements for the year ended December 31, 2023 and related management's discussion & analysis to be filed on SEDAR+ on or about March 26, 2024 for more complete disclosure on our operations.

Specified Financial Measures

This letter includes references to certain financial measures and ratios which are not recognized under generally accepted accounting principles ("**GAAP**"). Non-GAAP financial measures and non-GAAP ratios are used by Strathcona to evaluate its financial performance, financial position or cash flow. Non-GAAP financial measures are financial measures disclosed by a company that (a) depict historical or expected future financial performance, financial position or cash flow of a company, (b) with respect to their composition, exclude amounts that are included in, or include amounts that are excluded from, the composition of the most directly comparable financial measure disclosed in the primary financial statements of the company, (c) are not disclosed in the financial statements of the company and (d) are not a ratio, fraction, percentage or similar representation. Non-GAAP ratios are financial measures disclosed by a company that are in the form of a ratio, fraction, percentage or similar representation that has a non-GAAP financial measure as one or more of its components, and that are not disclosed in the financial statements of the company.

These non-GAAP financial measures and non-GAAP ratios do not have standardized meanings or definitions as prescribed by GAAP and may not be comparable with the calculation of similar financial measures by other entities. For each measure, we have: (a) indicated the composition of the measure; (b) identified the most directly comparable GAAP financial measure and provided comparative detail where appropriate; (c) indicated the reconciliation of the measure to the most directly comparable GAAP financial measure to the extent one exists; and (d) provided details on the usefulness of the measure for the reader. These non-GAAP financial measures and non-GAAP ratios should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP.

"Organic Operating Netback" is calculated using sales volumes on the basis of prices received, which are net of blending costs but before the effects of commodity derivative instruments, less purchased product, related royalties, transportation and processing, production and operating. Organic Operating Netback presented in this document is adjusted to exclude operating income and production from properties acquired in the respective year. Management uses "Organic Operating Netback" to assess the profitability and efficiency of the Company's field operations before the impact of acquisitions.

The following table reconciles "Organic Operating Netback" to the nearest GAAP measure which is "Oil and natural gas sales" on the Consolidated Statements of Income and Comprehensive Income:

($ millions, unless otherwise indicated)	**Year Ended December 31, 2023**
Oil and natural gas sales	4,748.3
Sales of purchased products	46.3
Purchased product	(46.5)
Blending costs	(1,058.3)
Oil and natural gas sales, net of blending	3,689.8
Royalties	556.9
Production and operating	796.3
Transportation and processing	482.9
Field Operating Income	1,853.7
Operating income from properties acquired in the year	(58.2)
Organic Operating Income	1,795.5
Sales volumes (boe/d)	155,920
Less: sales volumes from properties acquired in the year (boe/d)	(7,651)
Organic Sales volumes (boe/d)	148,269
Organic Operating Netback ($/boe)	33.18

"Organic Capex" calculated as property, plant and equipment expeditures excluding capitalized overhead, expenditures on corporate assets and property, plant and equipment expenditures on acquired assets. Per Strath, Cona and Strathcona annual financial statements, adjusted for spending on properties acquired in the respective year by Strathcona.

The following table reconciles "Organic Capex" to the nearest GAAP measure which is "Property, plant and equipment expenditures" on the Consolidated Statement of Cash Flows:

($ millions)	**Year Ended December 31, 2023**
Property, plant and equipment expenditures	1,026.8
Less: capitalized overhead	(38.0)
Less: expenditures on corporate assets	(10.9)
Less: property, plant and equipment expenditures on assets acquired in the year	(59.2)
Organic Capex	918.7

Unaudited Financial Information

Certain financial and operating information included in this letter including, without limitation, capital expenditures, organic capex, PDP F&D, organic operating netbacks, recycle ratio, 2P acquisition costs, YE debt, YE shares, NAV, NAV growth, Price/NAV and Debt/PV-10 are based on estimated unaudited financial results for the year ended December 31, 2023, and are subject to the same limitations as discussed under Forward Looking Information set out below. These estimated amounts may change upon the completion of audited financial statements for the year ended December 31, 2023 and changes could be material.

Barrels of Oil Equivalent

This letter also contains references to "BOE" (barrels of oil equivalent), “MBOE” (one thousand barrels of oil equivalent), and “MMBOE” (one million barrels of oil equivalent). Strathcona has adopted the standard of six thousand cubic feet of gas to one barrel of oil (6 Mcf: 1 bbl) when converting natural gas to BOEs. BOE, MBOE and MMBOE may be misleading, particularly if used in isolation. The foregoing conversion ratios are based on an energy equivalency conversion method primarily applicable at the burner tip and do not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of oil as compared to natural gas is significantly different from the energy equivalent of 6:1, utilizing a conversion on a 6:1 basis may be misleading.

Definitions

1P	proved reserves
2P	proved plus probable reserves
CAGR	compound annual growth rate
Cona	Cona Resources Ltd.
F&D	finding & development
FDC	future development capital
McDaniel	McDaniel and Associates Consultants Ltd.
NAV	net asset value
NBRI	Northern Blizzard Resources Inc.
PDP	proved developed producing reserves
Pengrowth	Pengrowth Energy Corporation
Pipestone	Pipestone Energy Corp
PNG	Petroleum and Natural Gas
RLI	reserves life index
Ryder Scott	Ryder Scott Company-Canada
Sproule	Sproule Associates Limited
Strath	Strath Resources Ltd.
Strathcona	Strathcona Resources Ltd.
WEF	Waterous Energy Fund
YE	Year end
YE Shares	The number of Strathcona shares outstanding at the end of the applicable year

Forward-Looking Information

Certain statements contained in this document constitute forward-looking information within the meaning of applicable securities laws. The forward-looking information in this document is based on Strathcona’s current internal expectations, estimates, projections, assumptions and beliefs. Strathcona believes the material factors, expectations and assumptions reflected in the forward-looking information are reasonable as of the time of such information, but no assurance can be given that these factors, expectations and assumptions will prove to be correct, and such forward-looking information included in this document should not be unduly relied upon.

The use of any of the words “expect”, “anticipate”, “estimate”, “objective”, “ongoing”, “may”, “will”, “project”, “believe”, “depends”, “could” and similar expressions are intended to identify forward-looking information. In particular, but without limiting the generality of the foregoing, this document contains forward-looking information pertaining to the following: Strathcona’s business strategy and future plans, including in respect of opportunistic acquisitions and the impacts of any acquisitions on Strathcona's reserve base and share price; production growth as a result of Strathcona’s 2023 capital spending; future capital expenditures and PDP F&D; planned debottlenecking and brownfield facility expansions and the impact of such projects on Strathcona's reserves; expectations regarding Strathcona's future reserve life index and replacement of 2P reserves; and growth of per share intrinsic value and the impact thereof on Strathcona's share price. Additionally, statements relating to "reserves" are also deemed to be forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future.

All forward-looking information reflects Strathcona’s beliefs and assumptions based on information available at the time the applicable forward-looking information disclosed herein is disclosed and in light of Strathcona’s current expectations with respect to such things as: Strathcona's ability to generate sufficient cash flow to fund debt repayment; the success of Strathcona’s operations and growth and expansion projects; expectations regarding production growth, future well production rates and reserve volumes; expectations regarding Strathcona’s capital program, including the outlook for general economic trends, industry trends, prevailing and future commodity prices, foreign exchange rates and interest rates; the availability of third party services; prevailing and future royalty regimes and tax laws; future well production rates and reserve volumes; fluctuations in energy prices based on worldwide demand and geopolitical events; the impact of inflation; the integrity and reliability of Strathcona’s assets; decommissioning obligations; and the governmental, regulatory and legal environment. Management believes that its assumptions and expectations reflected in the forward-looking information contained herein *are reasonable based on the information available on the date such information disclosed herein is provided and the process used to prepare the information. However, it cannot assure readers that these expectations will prove to be correct.*

The forward-looking information included in this document is not a guarantee of future performance and 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: changes in commodity prices; changes in the demand for or supply of Strathcona's products; the continued impact, or further deterioration, in global economic and market conditions, including from inflation and/or certain geopolitical conflicts, such as the ongoing Russia/Ukraine conflict and the conflict in Israel, and other heightened geopolitical risks and the ability of Strathcona to carry on operations as contemplated in light of the foregoing; determinations by the Organization of the Petroleum Exporting Countries and other countries as to production levels; unanticipated operating results or production declines; changes in tax or environmental laws, climate change, royalty rates or other regulatory matters; changes in Strathcona's development plans or by third party operators of Strathcona's properties; competition from other producers; inability to retain drilling rigs and other services; failure to realize the anticipated benefits of Strathcona's acquisitions; incorrect assessment of the value of acquisitions; delays resulting from or inability to obtain required regulatory approvals; increased debt levels or debt service requirements; inflation; changes in foreign exchange rates; inaccurate estimation of Strathcona's oil and gas reserve and contingent resource volumes; limited, unfavourable or a lack of access to capital markets or other sources of capital; increased costs; a lack of adequate insurance coverage; the impact of competitors; and the other factors to be discussed under the "Risk Factors" section in the AIF, and from time to time in Strathcona's public disclosure documents, which are or will be available at www.sedarplus.ca. The foregoing risks should not be construed as exhaustive.

Any forward-looking information contained herein is expressly qualified by this cautionary statement. The forward-looking information contained in this document speaks only as of the date of this document and 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.

Notes

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[1] YE Shares have been adjusted to give effect to the amalgamation of Cona and Strath on August 14, 2020, where Cona shareholders received 3.254211965 Strathcona shares for each Cona share held.

[2] YE Shares have been adjusted to give effect to the amalgamation of Strathcona and Pipestone on October 3, 2023, where existing Strathcona shareholders received 0.089278 post-amalgamation Strathcona shares for each existing Strathcona share held.

[3] "Acquisitions / Dispositions" is calculated as a sum of acquisitions and dispositions.

[4] "Organic Additions" is calculated as a sum of extensions and improved recovery, infill drilling, technical revisions, discoveries and economic factors.

[5] “Organic Capex” is a non-GAAP financial measure which does not have a standardized meaning under IFRS: see “Specified Financial Measures” section of this press release. Organic Capex is calculated as property, plant and equipment expenditures excluding capitalized overhead, expenditures on corporate assets and property, plant and equipment expenditures on acquired assets during the year. Per Strath, Cona and Strathcona annual financial statements.

[6] Calculated as (Opening Reserves + Organic Additions – Production) / Opening Reserves - 1

[7] Calculated as Total Growth less Organic Growth

[8] Calculated as (Closing Reserves / Closing Shares) / (Opening Reserves / Opening Shares) - 1

[9] Calculated as (Organic Capex + Change in PDP FDC) / PDP organic reserve additions for the respective year.

[10] “PDP FDC” is calculated as the change in total PDP future development costs in the year excluding the impact of acquisitions and dispositions. Changes in forecast FDC occur annually as a result of development activities, acquisition and divestment activities and capital cost estimates that reflect the evaluators' best estimate of the capital required to bring the proved developed producing reserves on production. The aggregate of the exploration and development costs incurred in the most recent year and the change during the year in estimated FDC generally reflect the total finding and development costs related to reserves additions for that year.

[11] “Organic Operating Netback” is a non-GAAP financial measure which does not have a standardized meaning under IFRS: see “Specified Financial Measures” section of this press release.

[12] “PDP Recycle Ratio” as presented in this letter is used to measure the profit per barrel of oil to the cost of finding and developing that barrel of oil. The recycle ratio is calculated by dividing the organic operating netback by the F&D costs, including changes in FDC, in the period (excluding the impact of acquisitions and dispositions).

[13] “Organic 2P Replacement” is calculated as 2P reserves additions, excluding acquisitions and dispositions, divided by production for the respective year.

[14] A&D costs include consideration paid for property acquisitions and business combinations, including acquired debt (if applicable), per Strath, Cona, and Strathcona financial statements.

[15] “RLI” stands for Reserve Life Index, which is calculated by dividing reserves by annualized Q4 production for the respective year.

[16] Calculated as Debt, net of cash, and investments in public securities (where applicable).

[17] “NAV / Share” is calculated as “1P PV-10, After -Tax” minus “YE Debt” divided by “YE Shares”.

[18] Reflects average forecast WTI price in reserves evaluator price deck over first 5 years from effective date.

[19] After tax calculation for 2020 and 2021 was internally calculated using the 1P PV-10 Before-Tax cash flows from the applicable PNG reserves evaluation and the estimated tax pools available to Strathcona as at the applicable year-end.

[20] Based on publicly available information as posted under each respective company’s SEDAR+ profile at www.sedarplus.ca.

[21] Fully diluted shares for public comparables calculated as basic shares plus outstanding RSUs, PSUs etc., with a performance multiplier of 1x applied to PSUs, and the dilutive impact of stock options calculated based on the treasury stock method using the weighted average exercise price of total outstanding options.

[22] Reflect closing TMX prices on March 8, 2024.

[23] Conventional Natural Gas (Solution Gas) includes all gas produced in association with light and medium crude oil and heavy crude oil.

[24] Calculated using net present value of future net revenue before deducting income taxes, discounted at 10% per year, and net reserves. The unit values are based on net reserves volumes.

[25] Calculated using net present value of future net revenue after deducting income taxes, discounted at 10% per year, and net reserves. The unit values are based on net reserves volumes.

[26] Net present value of future net revenue includes all resource income, including the sale of oil, gas, by-product reserves, processing third party reserves and other income.

[27] Product sale prices will reflect these reference prices with further adjustments for quality and transportation to point of sale.

[28] Inflation rates for forecasting costs only. Prices inflated at 2% after 2024 where applicable.

[29] The exchange rate is used to generate the benchmark reference prices in this table.

[30] Gross reserves means Strathcona's working intertest reserves before calculation of royalties, and before consideration of Strathcona's royalty interests.

[31] Additions due to new wells drilled and booked during the year, and any reserve changes due to enhanced oil recovery.

[32] Technical revisions also include changes in reserves associated with changes in operating costs, capital costs and commodity price offsets.

[33] Additions where no reserves were previously booked.

[34] Changes to reserves volumes due to changes in price forecasts and/or inflation rates.