Strathcona Resources Ltd. Year-End 2024 Reserves Review – March 4, 2025

Fellow Shareholders,

Strathcona's board of directors views the company's year-end reserves report much in the way an anxious parent views their child's year-end report card. Like a parent, we have closely monitored each triumph and setback sustained throughout the course of the year, but by year-end it can be difficult to make sense of the final tally. While quarterly financial statements provide periodic clues, they only tell part of the story and inherently reveal more about the past than they do about the future.

Unlike our financials, our reserves tell the story of the year looking both forward and backward. Looking forward, they provide a forecast of what the future *might* look like, based on an in-depth assessment of our asset base and a standardized set of economic assumptions. Looking backward, they provide a year-over-year reconciliation of how those same forecasts from last year have proven conservative or optimistic based on *actual* performance since then. Much like a frank parent-teacher interview, their preparation by an independent third-party evaluator helps cut through the (often well-intentioned) optimism of management, providing a more unbiased assessment to the Board and our shareholders.

We believe Strathcona's reserves are useful in assessing the company's performance in four principal respects: (1) organic vs. inorganic growth (2) capital efficiency, (3) long-term resource capture and replacement, and (4) growth in intrinsic value per share, each of which is discussed in detail with respect to 2024 below.

2024 Reserves Highlights

- Proved Developed Producing ("**PDP**"), Proved ("**1P**"), and Proved Plus Probable ("**2P**") reserves of 367 MMboe, 1,534 MMboe, and 2,655 MMboe respectively, reflecting growth of 8%, 3%, and 2% respectively (10%, 4%, and 2% respectively for oil and condensate)[1], versus December 31, 2023

- PDP finding and development ("**F&D**") costs, including changes in future development costs ("**FDC**"), of $13.49 per boe, equating to a PDP recycle ratio of 2.4x

- 165% organic 2P reserve replacement; 39 Year 2P Reserve Life Index

- Growth in PDP, 1P, and 2P before-tax PV-10 net of debt ("NAV") per share[2] of 29%, 5% and 5% respectively, including dividends

2024 Reserves Summary

Strathcona's 2024 year-end reserves were prepared by McDaniel & Associates Consultants Ltd. ("**McDaniel**"). The complete statement of 2024 year-end reserves data and required reporting in compliance in National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101") is included in Strathcona's Annual Information Form for the year ended December 31, 2024, which is available on our website at www.strathconaresources.com and on SEDAR+. Readers are encouraged to review Strathcona's Annual Information Form for the year ended December 31, 2024 for complete disclosure of our reserves and other oil and gas information and our operations.

	Oil and Condensate[1]	**Natural Gas Liquids**[1]	**Conventional Natural Gas**	**Total**	**Before-Tax PV-10**
	(MMbbls)	*(MMbbls)*	*(Bcf)*	*(MMboe)*	*($mm)*
Developed Producing	263	26	470	367	$6,113
Developed Non-Producing	2	1	8	4	$75
Undeveloped	982	39	853	1,162	$8,783
Total Proved	**1,247**	**65**	**1,330**	**1,534**	**$14,971**
Probable	905	42	1,044	1,121	$7,026
Total Proved plus Probable	**2,152**	**107**	**2,375**	**2,655**	**$21,997**

YE 2016 – YE 2024 Reserves Reconciliation

The table below summarizes the key movements in Strathcona's gross reserves since year end 2016, being the year of Waterous Energy Fund's initial investment in Strathcona's predecessors. Please see Appendix A for further details on the reconciliation between 2016 and 2024.

	PDP	**1P**	**2P**
	(MMboe)	*(MMboe)*	*(MMboe)*
YE 2016	51.2	75.4	127.7
Organic Additions[3]	14.2	23.0	19.6
Acquisitions / Dispositions[4]	9.2	68.8	142.7
Production	(8.2)	(8.2)	(8.2)
YE 2017	**66.4**	**159.0**	**281.7**
Organic Additions[3]	12.9	34.6	11.6
Acquisitions / Dispositions[4]	3.7	49.6	90.9
Production	(11.8)	(11.8)	(11.8)
YE 2018	**71.2**	**231.3**	**372.4**
Organic Additions[3]	11.7	20.7	38.8
Acquisitions / Dispositions[4]	0.1	0.1	0.1
Production	(12.5)	(12.5)	(12.5)
YE 2019	**70.4**	**239.6**	**398.8**
Organic Additions[3]	24.6	70.9	88.8
Acquisitions / Dispositions[4]	26.0	353.1	474.7
Production	(19.0)	(19.0)	(19.0)
YE 2020	**102.0**	**644.6**	**943.2**
Organic Additions[3]	35.6	51.3	108.8
Acquisitions / Dispositions[4]	34.3	169.9	665.4
Production	(24.9)	(24.9)	(24.9)
YE 2021	**147.0**	**840.9**	**1,692.5**
Organic Additions[3]	44.3	47.0	56.9
Acquisitions / Dispositions[4]	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[3]	74.7	71.2	113.1
Acquisitions / Dispositions[4]	61.2	134.5	195.8
Production	(56.7)	(56.7)	(56.7)
YE 2023	**338.8**	**1,488.6**	**2,612.1**
Organic Additions[3]	95.7	112.8	110.2
Acquisitions / Dispositions[4]	-	(0.4)	(0.5)
Production	(67.0)	(67.0)	(67.0)
YE 2024	**367.4**	**1,534.0**	**2,654.8**

YE 2016	51.2	75.4	127.7
Organic Additions[3]	313.6	431.5	547.8
Acquisitions / Dispositions[4]	244.5	1,269.0	2,221.2
Production	(241.9)	(241.9)	(241.9)
YE 2024	**367.4**	**1,534.0**	**2,654.8**

1. Organic vs. Inorganic Growth and Technical Revisions

2024, our eighth year of operation, was similar to our first seven in that we increased reserves across all categories. It was different, however, in that for the first time in our history none of this increase came from acquisitions. While Strathcona will continue to look for acquisitions, any future such transaction will have to clear a high bar of adding per share value with a margin of safety, and in some years this bar will not be met.

Strathcona's reserves growth in 2024 was therefore entirely organic, with the largest contributors coming from our Lindbergh thermal project in Cold Lake, Plover Lake thermal project in Lloydminster, and Kakwa property in the Montney. Since inception, PDP, 1P and 2P reserves have grown organically at a 6%, 8% and 6% CAGR respectively, with 2024 being a record year for additions in the PDP and 1P categories.

Just as important as the *amount* of reserves growth is *how* reserves grew. Reserves can be added in essentially two ways: by booking new wells ("extensions", or in the case of movement between reserves categories, "transfers"[5]) or by increasing recoveries for previously booked wells ("technical revisions"). While both methods add reserves, the former comes with an associated capital cost while the latter is close to free. The more "free barrels" we can add, the better our capital efficiency.

Technical revisions also provide year-over-year accountability over how the prior year's reserves proved conservative or optimistic versus actual performance. If base production declined less than last year's PDP forecast or new wells outperformed last year's PUD forecast, it will typically lead to a positive technical revision, and vice versa. Just like an accounting ledger, our reserves must "balance" year-over-year, with extensions and transfers describing current year activity and technical revisions serving as the "mark-to-market" factor.

2024 was a strong year for technical revisions for Strathcona, particularly for our PDP reserves. Of the approximately 96 MMboe added to PDP, approximately 24 MMboe was from positive year-over-year technical revisions, with the largest gains coming from all three of our thermal properties in Cold Lake and our Cactus Lake polymer flood in Lloydminster. In each case, effective reservoir management led to a lower base decline than expected, giving the evaluator confidence there is more oil left in the existing wells than previously thought.

	PDP Growth / Share			**1P Growth / Share**			**2P 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%
2024	8%	-	8%	3%	-	3%	2%	-	2%
CAGR	**6%**	**(4%)**	**2%**	**8%**	**8%**	**17%**	**6%**	**11%**	**17%**

2. Capital Efficiency and Capital Intensity

Strathcona believes the best measure of the efficiency of its annual capital program is its PDP F&D, which measures organic PDP reserve additions against capital spending. Like the grade on a final exam, PDP F&D is easy to calculate and difficult to distort. In 2024, Strathcona's PDP F&D was $13.49 per boe (down 3% versus 2023), which combined with an operating netback of $32.94 per boe, equated to a recycle ratio of 2.4x.

Importantly, Strathcona's 2024 capital program included approximately $250 million of spending on major facility expansions which will add capacity for production growth in future years but have not yet contributed to PDP additions. In 2024, the largest major facility expenditures were the Lindbergh debottlenecking project, Meota West 2 OTSG addition, Meota Central development, and Kakwa 6-8 facility expansion. On a combined basis these projects will add more than 25 Mboe / d of facility capacity by 2026.

Excluding major facility capital (but including capitalized G&A and other corporate capital), PDP F&D costs would have been $11.51 per boe in 2024, which Strathcona believes is the best approximation of the capital necessary to sustain and replace current production (approximately $800 million per year at 190 Mboe per day of production).

Related to our PDP F&D is our depreciation, depletion and amortization expense (**"DD&A"**) per boe, which averaged $13.06 per boe in 2024 (up 1% versus 2023). Similar to F&D, DD&A is derived from the reserve evaluator's estimate of our future production versus our future capital expenditures, but also includes the depletion of the existing assets on our balance sheet and the depreciation of our corporate assets. The table below plots DD&A per boe since 2017, which shows that DD&A has generally risen and fallen alongside our F&D.

In a capital-intensive industry like oil and gas where capital is typically the largest expense, excluding DD&A in analyzing a company's profitability is akin to excluding the cost of the players on an NHL team. As a result, popular Wall Street metrics which exclude DD&A such as "DACF" or "EBITDA" are four letter words in Strathcona's offices. Instead, we focus on post-DD&A metrics such as Operating Earnings, which reflect the profitability of the business after accounting for the very real capital costs required to maintain current earning power.

	Organic Capex[9]	**Change in PDP FDC**[10]	**PDP F&D**[11]	**Organic Operating Netback**[12]	**PDP Recycle Ratio**[13]	**DD&A**
	(C$mm)	*(C$mm)*	*(C$/boe)*	*(C$/boe)*	*(x)*	*(C$/boe)*
2017	$144	($10)	$9.50	$19.47	2.1x	$16.47
2018	$202	$31	$18.12	$17.70	1.0x	$12.50
2019	$180	$14	$16.65	$20.63	1.2x	$13.26
2020	$140	($5)	$5.51	$11.63	2.1x	$8.01
2021	$231	$44	$7.72	$29.07	3.8x	$7.98
2022	$476	$10	$10.97	$46.62	4.3x	$9.55
2023	$919	$119	$13.90	$33.18	2.4x	$12.88
2024	$1,235	$56	$13.49	$32.94	2.4x	$13.06
Average					**2.4x**	

3. Long-Term Resource Capture and Development

As of December 31, 2024, Strathcona had approximately 2.7 billion boe of 2P reserves, equating to a reserve life index of 39 years, amongst the largest of any oil and gas company in North America with production above 100 Mboe / d. In addition, Strathcona holds approximately 1.0 billion boe of best estimate contingent resources (unrisked), equating to an additional 15 years of resource life at current production levels.

Year-over-year 2P reserves growth of 2% was driven by 52 MMboe of extensions from new well bookings (the largest being in Kakwa, mostly due to the conversion of contingent resource to reserves) and 58 MMboe in technical revisions due to outperformance of existing wells (the largest contributor being at Lindbergh and our Lloydminster thermal properties). On a combined basis, the 110 MMboe of reserve additions replaced 165% of production in 2024.

While 2P F&D costs[14] were an impressive $6.44 per boe in 2024 (equating to a 2P recycle ratio[15] of 5.1x), this metric is highly sensitive to changes in future development costs and therefore can be misleading (a small change in forecasted capital costs over 40 years can overwhelm one year's change in reserves).That being said, 2024 did see Strathcona achieve encouraging per well cost savings in several areas of its portfolio, mostly notable in the Montney and Lloydminster Conventional areas, which translated into reduced estimated future development costs of 6% and 11% respectively.

Strathcona's reserves base remains relatively undeveloped, with PDP representing only 14% of 2P reserves as of December 31, 2024. This is largely a result of our initial five years of operation, during which time our reserves became less developed each year – our Benjamin Button period. This was a period in which it was difficult to find investors who valued oil produced beyond the next 60 days (let alone the next 60 years), allowing Strathcona to acquire massive long-life reserves at reasonable prices. While this sunset industry mindset persists in some corners of the market today, those voices have become quieter as of late.

Over the past three years our reserves base has gradually become more developed as we have chosen to spend more capital organically, and we expect this trend to continue. With a reserves base as undeveloped as Strathcona's, our future success will come down to how efficiently we can spend capital to convert undeveloped resources into production and cash flow. While we are still early in our journey, our results over the past few years (detailed in section 2) are encouraging.

	Organic 2P Replacement[16]	RLI[17]		Reserves: PDP % of 2P
		2P	2C	
	(%)	*(Years)*	*(Years)*	*(%)*
2017	238%	33		24%
2018	98%	29		19%
2019	309%	32		18%
2020	467%	44		11%
2021	437%	62	28	9%
2022	136%	45	18	11%
2023	199%	38	14	13%
2024	165%	39	15	14%
Average	**256%**			

4. Intrinsic Value Growth and Capital Allocation

Strathcona's NAV, as measured by its before-tax PV-10 net of debt, grew 29%, 5% and 5% *per share* on a PDP, 1P, and 2P basis in 2024 inclusive of dividends. While the growth in 1P and 2P NAV was below the rate we have achieved historically, it is important to note that our year-end 2024 reserves assume lower near-term oil and gas prices versus year-end 2023.

For the first time in our history, 2024's growth figures included the benefit of dividends paid during the year. While becoming a dividend payer is a milestone we are proud of, we do not view paying a dividend as a goal in and of itself, but rather a byproduct of the fact that we are now generating more cash flow than we have good ideas for. In a perfect world, we would have the opposite problem (more high-return, low-risk opportunities than cash), but there are worse consolation prizes than a dividend.

2024 was a standout year for growth in our PDP NAV, driven by strong results from our drilling program, debt paydown and dividends. However, despite close to six-fold growth since 2020, PDP still only represents a small portion of our total value. In turn, any shareholder buying Strathcona is still implicitly placing a bet on the wells we will drill in the future, not just the ones we already have on production.

While investors are often tempted to value oil and gas businesses under a "liquidation" approach based solely on the value of PDP, we believe this approach comes with two problems. First, it typically biases one towards lower quality, shorter reserve life businesses which are inherently higher risk. Second, it presumes a state of the world almost certain to never happen, namely that the company in question will immediately cease reinvesting and hand 100% of its remaining cash flow to the investor.

In a capital-intensive business such as oil and gas, the value of existing production can quickly evaporate due to poor go-forward drilling returns, just like large production bases can quickly form from small ones if capital is profitably deployed. In the case of Strathcona, our future investment opportunity ($31.2 billion of future development capital on a 2P reserves basis) dramatically outweighs our current PDP PV-10 ($6.1 billion). To invest based on the latter instead of the former is a little like choosing a spouse based on who will be most fun on the honeymoon instead of the marriage… what starts with bliss can end in misery.

	Year-End / Annual			**NAV[2]**			**Change in NAV / Share[2]**			**First Year WTI[18]**
	Shares[19,20]	**Debt[21]**	**Dividends[22]**	**PDP**	**1P**	**2P**	**PDP**	**1P**	**2P**	
	(mm)	*($mm)*	*($mm)*	*($mm)*	*($mm)*	*($mm)*	*(%)*	*(%)*	*(%)*	*(US$/bbl)*
2017	62.9	$286		$880	$1,568	$2,527				$58.13
2018	78.1	$390		$1,051	$2,077	$3,286	(10%)	6%	4%	$63.00
2019	78.1	$422		$948	$1,997	$3,138	(21%)	(7%)	(6%)	$61.00
2020	130.7	$505		$907	$2,719	$4,224	(54%)	(16%)	(18%)	$46.00
2021	173.6	$912		$2,052	$6,399	$10,254	113%	87%	89%	$73.00
2022	195.2	$3,010		$5,048	$14,486	$21,190	59%	86%	73%	$86.00
2023	214.2	$2,665		$5,585	$14,634	$21,442	31%	(5%)	(6%)	$76.00
2024	214.2	$2,462	$107	$6,113	$14,971	$21,997	29%	5%	5%	$71.58
CAGR							**9%**	**16%**	**14%**	

5. Conclusion

Returning to our report card, we believe Strathcona's eighth year was a reasonably successful one. We maintained strong capital efficiency despite our largest ever capital program, and the size of the prize grew in all reserve categories. Of course, like all parents, we are naturally inclined to think our child is a genius, and we are conscious that according to our 2P reserves we still have 39 report cards to go. Fortunately, our first dividends mean Strathcona is finally off the payroll!

Signed

Adam Waterous, Executive Chairman

March 4, 2025

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 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**
Extensions and improved recovery			53.2			52.5
Technical revisions			61.0			60.8
Discoveries			-			-
Economic factors			(1.4)			(3.1)
Infill drilling			-			-
Acquisitions			-			-
Dispositions			(0.4)			(0.5)
Production			(67.0)			(67.0)
December 31, 2024			**1,534.0**			**2,654.8**

[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 2024, 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., an independent petroleum consulting firm based in Calgary, Alberta, has evaluated the petroleum and natural gas reserves associated with all of Strathcona's properties as at December 31, 2024 dated March 4, 2025.

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 A 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. In respect of 2023, information disclosed herein is derived from the addition of PNG reserves evaluation of Strathcona performed by Sproule as at December 31, 2023 dated March 11, 2024 and PNG reserves evaluation of Strathcona by McDaniel as of December 31, 2023 dated March 11, 2024. Refer to the Appendix A for further details.

Reserves volumes and net present values of future net revenue for periods prior to 2024 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.

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 used to assess the profitability and efficiency of Strathcona's field operations before the impact of acquisitions.

A quantitative reconciliation of "Organic Operating Netback" to the most comparable GAAP measure, "Oil and natural gas sales", is set forth below:

($ millions, unless otherwise indicated)	**Year Ended December 31, 2024**
Oil and natural gas sales	5,336.4
Sales of purchased products	75.0
Purchased product	(75.0)
Blending costs	(1,081.5)
Oil and natural gas sales, net of blending	4,254.9
Royalties	662.7
Production and operating	811.7
Transportation and processing	577.0
Field Operating Income	2,203.5
Operating income from properties acquired in the year	-
Organic Operating Income	2,203.5
Sales volumes (boe/d)	182,794
Less: sales volumes from properties acquired in the year (boe/d)	-
Organic Sales volumes (boe/d)	182,794
Organic Operating Netback ($/boe)	32.94

“Organic Capex” calculated as property, plant and equipment expenditures 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, 2024**
Property, plant and equipment expenditures	1,295.6
Less: capitalized overhead	(52.1)
Less: expenditures on corporate assets	(9.0)
Less: property, plant and equipment expenditures on assets acquired in the year	-
Organic Capex	1,234.5

Product Type Production and Reserve Information

National Instruments 51-101 - Standards of Disclosure for Oil and Gas Activities includes condensate within the natural gas liquids product type. The Company has disclosed condensate as combined with light oil and separately from other natural gas liquids in this letter since the price of condensate as compared to other natural gas liquids is currently significantly higher and the Company believes that this presentation provides a more accurate description of its operations and results therefrom. References to “oil and condensate" in this press release refer to, collectively, light and medium crude oil, heavy crude oil, bitumen and natural gas liquids. References to "natural gas" in this letter refer to conventional natural gas.

The Company's quarterly and year-to-date average daily production volumes, and the references to "natural gas", "crude oil" and "condensate", reported in this press release consist of the following product types, as defined in NI 51-101 and using a conversion ratio of 6 mcf : 1 bbl where applicable:

	Three Months Ended			**Year Ended**	
	December 31, 2024	December 31, 2023	September 30, 2024	**December 31, 2024**	December 31, 2023
Heavy crude oil (bbl/d)	**50,997**	52,736	50,494	**51,107**	53,707
Light and medium crude oil (bbl/d)	**617**	580	645	**651**	642
Total crude oil (bbl/d)	**51,614**	53,316	51,139	**51,758**	54,349
Bitumen (bbl/d)	**59,732**	59,845	58,610	**59,516**	55,768
NGLs (bbl/d)	**33,126**	30,509	30,555	**31,229**	20,389
Total liquids (bbl/d)	**144,472**	143,670	140,304	**142,503**	130,506
Conventional natural gas (mcf/d)	**256,386**	254,361	227,581	**243,456**	149,715
Total (boe/d)	**187,203**	186,064	178,235	**183,080**	155,459

The following is a reconciliation of product types as defined by NI 51-101 to "Total Oil and Condensate" as referenced in this letter:

2024

Reserves Category	NI 51-101 Light & Medium Oil (MMbbl)	NI 51-101 Heavy Oil (MMbbl)	NI 51-101 Bitumen (MMbbl)	Condensate (MMbbl)	**Total Oil and Condensate (MMbbl)**
Proved					
Developed Producing(1)	1	100	136	26	**263**
Developed Non-Producing(1)	-	1	-	1	**2**
Undeveloped(1)	1	369	562	50	**982**
Total Proved(1)	2	470	698	76	**1,247**
Probable(1)	5	167	685	48	**905**
Total Proved plus Probable(1)	6	638	1,383	125	**2,152**

(1) Figures may not add due to rounding

Reserves Category	NI 51-101 Natural Gas Liquids (MMbbl)	Less: Condensate (MMbbl)	**Natural Gas Liquids (MMbbl)**	NI 51-101 Natural Gas (Bcf)	**Natural Gas (Bcf)**	**Total (MMboe)**
Proved						
Developed Producing(1)	52	(26)	**26**	470	**470**	**367**
Developed Non-Producing(1)	1	(1)	**1**	8	8	**4**
Undeveloped(1)	88	(50)	**39**	853	**853**	**1,162**
Total Proved(1)	142	(76)	**65**	1,330	**1,330**	**1,534**
Probable(1)	90	(48)	**42**	1,044	**1,044**	**1,121**
Total Proved plus Probable(1)	232	(125)	**107**	2,375	**2,375**	**2,655**

(1) Figures may not add due to rounding

2023

Reserves Category	NI 51-101 Light & Medium Oil (MMbbl)	NI 51-101 Heavy Oil (MMbbl)	NI 51-101 Bitumen (MMbbl)	Condensate (MMbbl)	**Total Oil and Condensate (MMbbl)**
Proved					
Developed Producing(1)	1	93	120	26	**239**
Developed Non-Producing(1)	-	1	-	-	**1**
Undeveloped(1)	1	356	553	53	**964**
Total Proved(1)	2	450	673	80	**1,205**
Probable(1)	3	168	680	53	**905**
Total Proved plus Probable(1)	5	618	1,353	133	**2,109**

(1) Figures may not add due to rounding

Reserves Category	NI 51-101 Natural Gas Liquids (MMbbl)	Less: Condensate (MMbbl)	**Natural Gas Liquids (MMbbl)**	NI 51-101 Natural Gas (Bcf)	**Natural Gas (Bcf)**	**Total (MMboe)**
Proved						
Developed Producing[(1)]	48	(26)	**22**	464	**464**	**339**
Developed Non-Producing[(1)]	1	-	**-**	6	**6**	**3**
Undeveloped[(1)]	88	(53)	**35**	893	**893**	**1,147**
Total Proved[(1)]	137	(80)	**57**	1,362	**1,362**	**1,489**
Probable[(1)]	88	(53)	**35**	1,099	**1,099**	**1,124**
Total Proved plus Probable[(1)]	225	(133)	**92**	2,462	**2,462**	**2,612**

(1) Figures may not add due to rounding

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.
PUD	proved undeveloped reserves
PDP	proved developed producing reserves
2C	proved plus probable contingent resources
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 letter constitute forward-looking information within the meaning of applicable securities laws. The forward-looking information in this letter 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 letter 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 letter 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; future capital expenditures, including in respect of major facility expansions, and the benefits thereof; the declaration and payment of dividends, including the amount and timing thereof; and certain information related to contingent resources. 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 letter 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 the Middle East, and other heightened geopolitical risks, including the imposition of tariffs or other trade barriers, 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; failure to achieve anticipated results of its operations; 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, Strathcona's management discussion and analysis for the year ended December 31, 2024 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.

Declaration of dividends is at the sole discretion of the board of directors of Strathcona and will continue to be evaluated on an ongoing basis. There are numerous factors that may result in Strathcona changing, suspending or discontinuing its quarterly dividends, including changes to its free cash flow, operating results, capital requirements, financial position, debt levels, market conditions or corporate strategy and the need to comply with requirements under Strathcona's credit agreement and applicable laws respecting the declaration and payment of dividends. There are no assurances as to the continuing declaration and payment of future dividends or the amount or timing of any such dividends.

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

Notes

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[1] See “Product Type Production and Reserve Information” section of this Letter.

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

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

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

[5] For NI 51-101 purposes, transfers between categories are included within the Technical Revision category; references to technical revisions in the body of this letter exclude transfers.

[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] Organic Capex is a non-GAAP financial measure which does not have any standardized meaning under IFRS: see “Specified Financial Measures” section of this letter.

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

[12] “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.

[13] “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).

[14] “2P F&D” is calculated as (Organic Capex + Change in 2P FDC) / 2P organic reserve additions. 2P FDC is calculated as the change in total 2P future development costs in the year excluding the impact of acquisitions and dispositions.

[15] “2P Recycle Ratio” is calculated by dividing the organic operating netback by 2P F&D costs.

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

[17] “RLI” stands for Reserve Life Index, which is calculated by dividing gross 2P reserves or gross unrisked 2C resources by annualized Q4 production for the respective year.

[18] First Year WTI is the WTI price for the first forecast year from the reserve evaluator price deck used in the respective year-end reserve evaluation. Prior to the formation of Strathcona, the First Year WTI is from the Cona reserves report for the respective year.

[19] 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.

[20] 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.

[21] Calculated as Debt, net of cash (where applicable).

[22] Dividends paid by Cona in 2017 before the dividend program was suspended have been excluded.