STRATHCONA
RESOURCES LTD

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025

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

As at	Note	June 30, 2026	December 31, 2025
Assets			
Current			
Accounts receivable	**11**	**225**	172
Inventory		**51**	43
Prepaid expenses and deposits		**40**	37
Cross-currency swap asset	**6, 11**	**22**	—
Risk management asset	**11**	**37**	24
Other assets		**11**	—
Total current assets		**386**	276
Property, plant and equipment	**4**	**8,792**	8,493
Other assets		**18**	20
Total assets		**9,196**	8,789
Liabilities			
Current			
Accounts payable and accrued liabilities	**5**	**730**	619
Deferred revenue		**45**	29
Cross-currency swap liability	**6, 11**	**—**	5
Lease obligations	**7**	**20**	29
Decommissioning provision	**8**	**40**	42
Risk management liability	**11**	**24**	21
Contingent consideration	**4**	**33**	—
Total current liabilities		**892**	745
Debt	**6**	**1,949**	2,095
Lease obligations	**7**	**41**	45
Decommissioning provision	**8**	**217**	196
Deferred tax liability		**1,423**	1,303
Risk management liability	**11**	**87**	29
Contingent consideration	**4**	**—**	33
Total liabilities		**4,609**	4,446
Equity			
Share capital	**10**	**2,270**	2,270
Contributed surplus		**50**	50
Retained earnings		**2,267**	2,023
Total equity		**4,587**	4,343
Total liabilities and equity		**9,196**	8,789

Commitments and contingencies (Note 12)
Subsequent events (Notes 6 and 10)
See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

Cdn$ millions, except per share amounts (unaudited)

For the Three and Six Months Ended June 30,	Note	Three Months Ended 2026	Three Months Ended 2025	Six Months Ended 2026	Six Months Ended 2025
Revenues and other income					
Oil and natural gas sales	**9**	**1,486**	974	**2,607**	2,151
Sale of purchased products		**82**	14	**86**	21
Royalties		**(232)**	(96)	**(374)**	(208)
Oil and natural gas revenues		**1,336**	892	**2,319**	1,964
Gain (loss) on risk management contracts	**11**	**52**	19	**(19)**	(59)
Midstream revenue		**9**	7	**18**	7
Other income		**—**	5	**—**	6
		1,397	923	**2,318**	1,918
Expenses					
Purchased product		**80**	14	**84**	22
Blending costs		**417**	250	**723**	576
Production and operating		**171**	181	**356**	364
Transportation		**96**	94	**190**	182
General and administrative		**26**	21	**54**	40
Interest	**6**	**29**	46	**57**	84
Transaction related costs		**1**	14	**1**	15
Finance costs		**10**	15	**21**	27
Depletion, depreciation and amortization	**4**	**140**	156	**282**	303
Foreign exchange (gain) loss		**(2)**	(40)	**2**	(41)
Change in decommissioning liabilities	**8**	**1**	—	**14**	—
Loss on contingent consideration	**4**	**—**	—	**42**	—
		969	751	**1,826**	1,572
Gain on marketable securities		**—**	25	**—**	47
Income before income taxes		**428**	197	**492**	393
Income tax expense		**95**	39	**120**	82
Income and comprehensive income from continuing operations		**333**	158	**372**	311
Income and comprehensive income from discontinued operations, net of tax	**3**	**—**	73	**—**	125
Income and comprehensive income		**333**	231	**372**	436
Net income per share	**10**				
Continuing operations, basic and diluted		**1.55**	0.74	**1.73**	1.45
Discontinued operations, basic and diluted	**3**	**—**	0.34	**—**	0.59
Net income per share, basic and diluted		**1.55**	1.08	**1.73**	2.04

See accompanying notes to the condensed consolidated interim financial statements.

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

	Note	Share Capital	Contributed Surplus	Retained Earnings	Total Equity
Balance as at December 31, 2024		3,590	50	2,183	5,823
Dividends	**10**	—	—	(126)	(126)
Income and comprehensive income		—	—	436	436
Balance as at June 30, 2025		**3,590**	**50**	**2,493**	**6,133**
Balance as at December 31, 2025		2,270	50	2,023	**4,343**
Dividends	**10**	—	—	(128)	**(128)**
Income and comprehensive income		—	—	372	**372**
Balance as at June 30, 2026		**2,270**	**50**	**2,267**	**4,587**

See accompanying notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

Cdn$ millions (unaudited)

For the Three and Six Months Ended June 30,	Note	Three Months Ended **2026**	Three Months Ended 2025	Six Months Ended **2026**	Six Months Ended 2025
Cash flow from (used in) operating activities					
Net income		**333**	231	**372**	436
Items not involving cash	**13**	**203**	164	**528**	516
Decommissioning costs	**8**	**(9)**	(3)	**(28)**	(27)
Changes in non-cash working capital	**13**	**(24)**	(20)	**26**	(37)
		503	372	**898**	888
Cash flow (used in) from financing activities					
(Repayment) draw of Credit Facilities	**6**	**(153)**	290	**(176)**	752
Lease obligations	**7**	**(9)**	(102)	**(17)**	(150)
Debt issuance costs		**(2)**	(3)	**(2)**	(5)
Cash dividends paid	**10**	**(64)**	(64)	**(128)**	(120)
Subscription receipts		**—**	662	**—**	662
Changes in non-cash working capital	**13**	**—**	6	**—**	6
		(228)	789	**(323)**	1,145
Cash flow (used in) from investing activities					
Property, plant and equipment expenditures	**4**	**(233)**	(378)	**(531)**	(728)
Property acquisitions	**4**	**(1)**	(48)	**(26)**	(48)
Purchase of marketable securities		**—**	(105)	**—**	(564)
Subscription receipts funds in escrow		**—**	(662)	**—**	(662)
Payment of contingent consideration		**(42)**	—	**(42)**	—
Changes in non-cash working capital	**13**	**1**	32	**24**	(31)
		(275)	(1,161)	**(575)**	(2,033)
Change in cash		**—**	—	**—**	—
Cash, beginning of period		**—**	—	**—**	—
Cash, end of period		**—**	—	**—**	—
Cash interest paid		**28**	36	**57**	86

See accompanying notes to the condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

1. DESCRIPTION OF BUSINESS

Strathcona Resources Ltd. (“**Strathcona**” or the “**Company**”) is a corporation that exists under, and is governed by, the provisions of the Business Corporations Act (Alberta) (the “**ABCA**”). Strathcona's Common Shares are listed on the TSX under the trading symbol "SCR".

At June 30, 2026, approximately 60.2% of the Company’s shares were owned by certain entities comprising Waterous Energy Fund and its affiliates (collectively, “**WEF**”).

Strathcona is focused on the exploration, acquisition, development and production of heavy oil reserves in Western Canada. The condensed consolidated interim financial statements (the “**financial statements**”) include the results of Strathcona Resources Ltd. and its wholly owned subsidiaries.

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

2. BASIS OF PREPARATION

Preparation

These financial statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting, using the same accounting policies as those set out in Note 3 of the audited annual consolidated financial statements for the year ended December 31, 2025 which were prepared in accordance with IFRS® Accounting Standards (the “**Accounting Standards**”). Certain disclosures, which are normally required to be included in the notes to the audited annual consolidated financial statements, have been condensed or omitted. The financial statements should be read in conjunction with the Company’s audited annual consolidated financial statements and notes thereto for the year ended December 31, 2025.

In these financial statements, all amounts are expressed in Canadian dollars (“**CAD**” or “**C$**”) unless otherwise indicated, which is the Company’s functional and presentation currency. Strathcona's operations are presented herein as continuing operations. The Company's former Montney Segment was disposed of during the year ended December 31, 2025 and has been classified and presented as discontinued operations. See Note 3 - Discontinued Operations for additional information.

In preparing these financial statements, the Company applied the same accounting policies and key sources of estimation uncertainty as those that were applied to the Company’s audited annual consolidated financial statements for the year ended December 31, 2025.

New Accounting Standards

On January 1, 2026, Strathcona adopted Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures, relating to settling financial liabilities using an electronic payment system and the assessment of contractual cash flow characteristics of financial assets. There was no material impact to the Company’s financial statements.

No other standards, interpretations or amendments effective in 2026 had a material impact on the Company’s financial statements.

These financial statements were authorized for issue by the Board of Directors (the "**Board**") on August 5, 2026.

3. DISCONTINUED OPERATIONS

During the year ended December 31, 2025, the Company entered into three separate asset purchase and sale agreements to dispose of its Montney segment. The Montney segment represented a separate major line of business and geographical area of operations, therefore, its results have been classified as discontinued operations in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

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

4. PROPERTY, PLANT AND EQUIPMENT

	Note	Oil and natural gas properties	Exploration and evaluation assets	Corporate assets	Right of use assets	Total
Cost						
Balance as at December 31, 2025		11,582	120	64	141	**11,907**
Additions		530	—	1	2	**533**
Acquisition		1	25	—	—	**26**
Change in decommissioning provision	8	20	—	—	—	**20**
Balance as at June 30, 2026		**12,133**	**145**	**65**	**143**	**12,486**
Accumulated DD&A and Impairment						
Balance as at December 31, 2025		(3,281)	—	(50)	(83)	**(3,414)**
Depletion, depreciation and amortization		(263)	—	(3)	(14)	**(280)**
Balance as at June 30, 2026		**(3,544)**	**—**	**(53)**	**(97)**	**(3,694)**
Net book value, December 31, 2025		8,301	120	14	58	8,493
Net book value, June 30, 2026		**8,589**	**145**	**12**	**46**	**8,792**

For the three and six months ended June 30, 2026, $14 million and $30 million, respectively of direct and incremental overhead charges were capitalized (for the three and six months ended June 30, 2025 – $14 million and $26 million, respectively).

The calculation of depletion for the six months ended June 30, 2026 includes $8.95 billion of estimated, risk adjusted, future development costs required to bring the Company’s estimated proved plus probable reserves on production (December 31, 2025 – $9.36 billion). Depletion for the six months ended June 30, 2026 includes an adjustment related to oil inventory of $2 million (June 30, 2025 – $5 million).

Vawn Thermal Project - Contingent Consideration

In connection with the acquisition of the Vawn Thermal Project, completed in 2025, contingent consideration of $1 million is payable for each dollar per barrel that the Western Canadian Select ("**WCS**") benchmark crude oil price averages above C$70.00 per barrel in a specified three-month period, payable quarterly over the 14-quarter period following the close of the transaction, up to a maximum of $75 million. During the six months ended June 30, 2026, a $42 million increase in the fair value of the obligation was recorded as an unrealized loss in the Condensed Consolidated Interim Statements of Income and Comprehensive Income, based on the discounted present value of expected future payments using forecast WCS pricing and a 10% discount rate, resulting in a total estimated amount owing under the agreement of $75 million. During the second quarter, $42 million of this liability was settled.

Impairment of Property, Plant and Equipment

At June 30, 2026, the Company evaluated its cash-generating units ("**CGUs**") for indicators of impairment and impairment reversals and determined that no indicators were present.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	June 30, 2026	December 31, 2025
Accrued liabilities	**507**	396
Trade payables	**209**	213
Other liabilities	**14**	10
Accounts payable and accrued liabilities	**730**	619

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

6. DEBT

As at	June 30, 2026	December 31, 2025
Revolving Credit Facility - due Mar 28, 2030[(1)]	**1,719**	1,876
Term Credit Facility - due Mar 28, 2030[(1)]	**248**	240
Unamortized debt issuance costs	**(18)**	(21)
Debt	**1,949**	2,095

(1) The Company periodically borrows from its Revolving Credit Facility in US dollars ("**USD**" or "**US$**") and the Term Credit Facility is denominated in USD. The Company enters into cross-currency interest rate swap ("**CCS**") contracts concurrent with the applicable borrowing dates to take advantage of an interest rate arbitrage that results from the relationship between CAD and USD interest rates and forward foreign exchange curves. Foreign currency risk associated with these borrowings is offset at the time of borrowing using CCS contracts (see Note 11). Debt on the balance sheet includes the CAD equivalent of USD borrowings, translated at the period end exchange rate, which does not include the offsetting impact of CCS contracts. At June 30, 2026, the CCS contracts had an asset value of $22 million (December 31, 2025 - $5 million liability) and total debt includes an unrealized loss of $22 million (December 31, 2025 - unrealized gain of $5 million) related to USD borrowings on the Credit Facilities. Unrealized gains or losses on USD borrowings and offsetting unrealized gains or losses on CCS contracts are included in foreign exchange gains or losses on the Condensed Consolidated Interim Statements of Income and Comprehensive Income.

Bank Credit Facilities

(a) Covenant-Based Revolving Credit Facility and Term Credit Facility

On June 5, 2026, the Company exercised the $265 million accordion feature under the agreement governing its covenant-based credit facilities (the "**Credit Agreement**"), increasing the capacity of the covenant-based revolving credit facility (the "**Revolving Credit Facility**") to $3.51 billion at June 30, 2026 (December 31, 2025 - $3.24 billion). At June 30, 2026, the Company also had a US$175 million covenant-based term facility (December 31, 2025 - US$175 million) (the "Term Credit Facility" and together with the Revolving Credit Facility, the "**Credit Facilities**"). The Credit Facilities are with a syndicate of Canadian, U.S. and international financial institutions.

At June 30, 2026, the Credit Facilities had a maturity date of March 28, 2030. There are no mandatory payments on either the Revolving Credit Facility or the Term Credit Facility. Borrowings under the Revolving Credit Facility may be drawn and repaid from time to time by the Company in Canadian or U.S. dollars. Borrowings under the Term Credit Facility were made in a single upfront draw in U.S. dollars and amounts repaid by the Company may not be re-borrowed. The Credit Facilities are not subject to annual or semi-annual reviews.

The Credit Facilities bear interest at the applicable prime lending rate, base rate, Canadian Overnight Repo Rate Average ("**CORRA**") or Secured Overnight Financing Rate ("**SOFR**") plus applicable margins. The applicable margin charged by the lenders is dependent on the Company's Senior Debt to Adjusted EBITDA ratio (as defined below) for the most recently completed quarter. The Credit Facilities are guaranteed by the Company's subsidiaries, and are secured by a security interest in substantially all of the existing and future assets of the Company and its subsidiaries, including by way of a floating charge debenture granted by the Company and each of its subsidiaries.

On July 30, 2026, certain amendments were made to the Credit Facilities, including an extension of the maturity date to December 31, 2030 and a reset and increase in the amount of the accordion feature to $750 million.

At June 30, 2026, the Company had letters of credit outstanding under the Revolving Credit Facility of $2 million (December 31, 2025 - $2 million).

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

(b) Availability under bank credit facilities

Availability under the Company's Credit Facilities is calculated as follows:

As at	June 30, 2026	December 31, 2025
Revolving Credit Facility capacity	**3,505**	3,240
Term Credit Facility capacity[1]	**248**	240
Credit Facilities debt[1]	**(1,967)**	(2,116)
Unrealized loss (gain) on US borrowings	**22**	(5)
Letters of credit outstanding	**(2)**	(2)
Availability	**1,806**	1,357

[1] CAD equivalent converted at the period end exchange rate.

(c) Financial Covenants

The Credit Agreement has three financial covenants which are calculated quarterly (as set out below).

(i) Total Debt to Adjusted EBITDA Ratio – All debt, excluding capital leases and letters of credit constituting debt ("**Total Debt**"), each as defined in the Credit Agreement shall not exceed 4.0 times trailing 12-month net income before non-cash items, income taxes, interest expense and extraordinary and non-recurring losses, adjusted for material acquisitions or dispositions as if they occurred on the first day of the calculation period ("**Adjusted EBITDA**"). For the purposes of Adjusted EBITDA, lease payments are deducted from the calculation if a lease would have been considered an operating lease before the adoption of IFRS 16.

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

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

As at June 30, 2026, the Company was in compliance with such financial covenants.

Demand Letter of Credit Facility

At June 30, 2026, the Company had a $250 million (December 31, 2025 - $200 million) demand letter of credit facility with a financial institution (the "**LC Facility**"). The LC Facility is supported by an account performance security guarantee issued by Export Development Canada ("**EDC**") in favor of the financial institution. The Company and its subsidiaries have indemnified EDC for the amount of any payment made by EDC to the financial institution pursuant to such account performance security guarantee; however, the obligations under such indemnity are unsecured. The letters of credit outstanding under the LC Facility do not impact the Company's borrowing capacity under the Revolving Credit Facility. As at June 30, 2026, the Company had letters of credit in the amount of $53 million (December 31, 2025 - $57 million) outstanding under the LC Facility.

Interest Expense

	Three Months Ended		Six Months Ended	
For the Three and Six Months Ended June 30,	2026	2025	2026	2025
Credit Facilities interest	**29**	33	**57**	60
Senior Notes interest	**—**	12	**—**	24
Realized loss on interest rate swaps	**—**	1	**—**	—
Interest expense	**29**	46	**57**	84

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

7. LEASE OBLIGATIONS

As at	Note	June 30, 2026	December 31, 2025
Lease obligations, beginning of period		**74**	235
Leases acquired through acquisitions		**—**	8
Additions		**2**	8
Accretion		**3**	14
Settlements		**(18)**	(53)
Reclassified to liabilities associated with assets held for sale	3	**—**	(138)
Lease obligations, end of period		**61**	74
Current portion		**20**	29
Long-term portion		**41**	45

8. DECOMMISSIONING PROVISION

As at	Note	June 30, 2026	December 31, 2025
Balance, beginning of period		**238**	291
Additions		**3**	2
Liabilities acquired		**—**	11
Liabilities disposed		**—**	(2)
Settlements		**(28)**	(44)
Changes in estimates(1)		**31**	(21)
Accretion		**13**	27
Reclassified to liabilities associated with assets held for sale	3	**—**	(26)
Balance, end of period		**257**	238
Current portion		**40**	42
Long-term portion		**217**	196

(1) Subsequent changes to decommissioning liabilities for fully depleted end of life assets are recognized in the Condensed Consolidated Interim Statements of Income and Comprehensive Income in the period in which they arise.

At June 30, 2026, the estimated amount of undiscounted future cash flows required to settle the obligation was $1.82 billion inflated and $976 million uninflated (December 31, 2025 - $1.84 billion and $970 million, respectively). The decommissioning provision is discounted using a credit adjusted rate of 10.0% (December 31, 2025 – 10.0%) and assumes an inflation rate of 2.0% (December 31, 2025 – 2.0%). The decommissioning liabilities are estimated to be settled over periods extending to 2085, with the majority of expenditures expected to be incurred between 2026 and 2054. The present value of the decommissioning provision is sensitive to changes in the credit adjusted discount rate. A 1.0% decrease in the discount rate results in a $26 million increase in the decommissioning provision.

9. OIL AND NATURAL GAS SALES

		Three Months Ended		Six Months Ended	
For the Three and Six Months Ended June 30,	Note	2026	2025	2026	2025
Bitumen blend		**875**	548	**1,522**	1,270
Heavy oil, blended and raw		**610**	424	**1,083**	879
Light oil and condensate		**1**	1	**1**	1
Natural gas		**—**	1	**1**	1
Oil and natural gas sales - continuing operations		**1,486**	974	**2,607**	2,151
Oil and natural gas sales - discontinued operations	3	**—**	235	**—**	517
Oil and natural gas sales - continuing and discontinued operations		**1,486**	1,209	**2,607**	2,668

10. SHARE CAPITAL

(a) Share Capital

	Shares	$
Balance, December 31, 2025	**214**	**2,270**
Issuance - share pass-through	**7**	**220**
Cancellation - share pass-through	**(7)**	**(220)**
Balance as at June 30, 2026	**214**	**2,270**

Share Pass-Through Transactions

On March 5, 2026, one WEF limited partnership completed a share pass-through transaction that resulted in the disposition of 7,102,958 Strathcona common shares ("**the March Pass-through Transaction**"). Following the March Pass-through Transaction, WEF's ownership of Strathcona's outstanding common shares decreased from approximately 69.9% to approximately 66.6%.

The March Pass-through Transaction was comprised of a series of reorganizational steps, which included the issuance by Strathcona of 7,102,958 common shares to partners of the WEF limited partnership upon the dissolution of such limited partnership. Notwithstanding such issuance, the number of issued and outstanding common shares remained the same following completion of the March Pass-through Transaction.

On June 23, 2026, certain WEF limited partnerships completed a share pass-through transaction that resulted in the disposition of 13,551,243 Strathcona common shares (the **"June Pass-through Transaction"**). Following the June Pass-through Transaction, WEF's ownership of Strathcona's outstanding common shares decreased from approximately 66.6% to approximately 60.2%.

(b) Normal Course Issuer Bid

On March 12, 2026, the Toronto Stock Exchange approved Strathcona's normal course issuer bid ("**NCIB**") to acquire up to 5% of its issued and outstanding shares (up to a maximum of approximately 10.7 million common shares). The NCIB commenced on March 17, 2026 and will terminate on March 16, 2027 or such earlier time as the maximum number of common shares has been purchased or Strathcona decides not to make any further purchases. For the three and six months ended June 30, 2026, no common shares were purchased under the NCIB.

(c) Net Income per Share

Net income per share, basic and diluted, amounts are calculated as net income divided by the weighted average number of common shares outstanding. At June 30, 2026 and 2025, the Company had no dilutive instruments outstanding.

	Three Months Ended		Six Months Ended	
For the Three and Six Months Ended June 30,	**2026**	2025	**2026**	2025
Weighted average common shares (millions) – basic and diluted	**214**	214	**214**	214

(d) Dividends

During the three and six months ended June 30, 2026, Strathcona declared and paid dividends of $64 million ($0.30 per common share) and $128 million ($0.60 per common share), respectively (three and six months June 30, 2025 - $64 million ($0.30 per common share) and $120 million ($0.56 per common share), respectively).

On August 5, 2026, the Strathcona Board of Directors declared a quarterly dividend of $0.30 per common share to be paid on September 21, 2026 to all shareholders of record on September 11, 2026**.**

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

At June 30, 2026, the Company's financial instruments include accounts receivable, CCS contracts, risk management contracts, accounts payable and accrued liabilities, debt and contingent consideration.

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

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

The Company's risk management contracts and CCS contracts are classified as Level 2 in the fair value hierarchy. For purposes of estimating the fair value of risk management contracts and CCS contracts, the Company uses quoted market prices in active markets for identical assets or liabilities. The fair value of debt approximates its carrying amount given the indexed rates of interest.

The Company's activities expose it to a variety of financial risks that arise as a result of its exploration, development, production and financing activities. These risks include credit risk, liquidity risk and market risk. There have been no significant changes in the Company's risk management policies during the six months ended June 30, 2026.

Credit risk

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

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

The Company's maximum exposure to credit risk at June 30, 2026 is in respect of accounts receivable, CCS asset, and risk management assets, net of expected credit loss ("**ECL**") provision. As at June 30, 2026, $4 million of accounts receivable were past due, all of which were considered collectable (December 31, 2025 – $5 million).

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

As at	June 30, 2026	December 31, 2025
Oil and natural gas sales	**205**	158
Joint interest partners	**5**	7
Other	**18**	10
	228	175
ECL provision	**(3)**	(3)
Accounts receivable	**225**	172
Cross-currency swap asset	**22**	—
Risk management asset	**37**	24
Total credit exposure	**284**	196

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

The Company had two external customers exceeding 10% of total oil and natural gas sales that accounted for approximately $362 million (14%) and $362 million (14%) of the Company's revenue for the six months ended June 30, 2026 (June 30, 2025 – two external customers for $368 million (13%) and $254 million (10%)). Included in accounts receivable at June 30, 2026 was $205 million of accrued sales revenue for June 2026 production (December 31, 2025 - $158 million for December 2025 production). At June 30, 2026, the Company had three external customers exceeding 10% of the total accounts receivable balance that accounted for approximately $60 million (27%), $37 million (17%) and $22 million (10%) (December 31, 2025 – one external customer for $46 million (27%)).

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

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

Liquidity risk

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

At June 30, 2026, the Company had availability under the Credit Facilities of $1,806 million after considering letters of credit outstanding. At December 31, 2025, availability under the Revolving Credit Facility was $1,357 million, see Note 6. Future liquidity depends on the ability of the Company to access debt markets, availability under credit facilities, availability of additional equity, cash flow from operations and the ability to comply with financial covenants. Various industry risk factors, including uncertainty around improvements in global commodity prices and pipeline and transportation capacity constraints in Western Canada, may adversely affect the Company's future liquidity.

At June 30, 2026, the Company had working capital deficit of $448 million (December 31, 2025 - $396 million).

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

As at June 30, 2026	Note	Total	<1 year	1-3 years	4-5 years	> 5 years
Credit Facilities(1)	6	**1,945**	—	—	1,945	—
Accounts payable and accrued liabilities	5	**730**	730	—	—	—
Risk management contract liability		**111**	24	87	—	—
Lease obligations(2)	7	**81**	25	21	10	25
Contingent consideration	4	**33**	33	—	—	—
Total		**2,900**	812	108	1,955	25

(1) Contractual amount reflects contracted settlement price on CCS contracts and excludes future interest payments on borrowings.
(2) Amounts relate to undiscounted payments for lease obligations.

Market risk

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

As at June 30, 2026, the following table summarizes the fair values of the Company's risk management contracts (excluding cross-currency interest rate swaps):

As at	June 30, 2026			
	Commodity	Foreign Exchange	Interest Rate	Total
Risk management asset – current	**37**	**—**	**—**	**37**
Risk management liability – current	**(17)**	**(3)**	**(4)**	**(24)**
Risk management liability – long-term	**(41)**	**(19)**	**(27)**	**(87)**
Total liability	**(21)**	**(22)**	**(31)**	**(74)**

As at	December 31, 2025			
	Commodity	Foreign Exchange	Interest Rate	Total
Risk management asset – current	24	—	—	24
Risk management liability – current	(5)	(15)	(1)	(21)
Risk management liability – long-term	—	—	(29)	(29)
Total asset (liability)	19	(15)	(30)	(26)

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

The Company's gains and losses on risk management contracts were as follows:

For the Three and Six Months Ended June 30,	Three Months Ended 2026	2025	Six Months Ended 2026	2025
Gain (loss) on risk management contracts - realized	**12**	(5)	**28**	(6)
Gain (loss) on risk management contracts - unrealized	**40**	24	**(47)**	(53)
Total gain (loss) on risk management contracts	**52**	19	**(19)**	(59)

Commodity price risk

The Company's operational results and financial condition are largely dependent on the commodity price received for oil and natural gas production. Commodity prices may be impacted by global and regional factors including supply and demand fundamentals, inventory levels, exchange rates, global pandemic or natural disasters and respective responses from various levels of government, economic and geopolitical factors. Changes in commodity prices could have a significant positive or negative impact on Strathcona's net income.

As at June 30, 2026, the Company had the following crude oil sales contracts in place:

Term	Contract	Index	Currency	Volume	Units	Price
Jan 1, 2026 - Dec 31, 2026	Swap	WCS	USD	50,000	bbl/d	($12.00)

As at June 30, 2026, the Company had the following natural gas purchase contracts in place:

Term	Contract	Index	Currency	Volume	Units	Price
Jan 1, 2026 - Dec 31, 2026	Swap	AECO	CAD	100,000	GJ/d	$2.00
Jan 1, 2027 - Dec 31, 2028	Swap	AECO	CAD	110,000	GJ/d	$3.10

The fair value of the Company's risk management contracts as at June 30, 2026 are sensitive to fluctuations in commodity prices. With all other variables held constant, a 10% increase in commodity prices could increase the unrealized loss on risk management contracts by $2 million, impacting income before income taxes. A 10% decrease in commodity prices could reduce the unrealized gain on risk management contracts by $2 million, impacting income before income taxes.

Foreign exchange risk

The Company is exposed to fluctuations of the CAD to USD exchange rate given commodity pricing is directly influenced by USD denominated benchmark pricing.

The following table summarizes the Company's foreign exchange contracts on revenues as at June 30, 2026:

Term[(1)]	Contract	USD per Month	CAD/USD Floor	CAD/USD Ceiling
Mar 31, 2027 - Aug 31, 2028	Collar	100 million	1.3500	1.4500

(1) On the date that is three months prior to the start date for each month in the term, the Company is entered into the above collar if CAD/USD fixes at or above 1.3775. The collars have a European expiry date (i.e. exercise is based on CAD/USD on the last business day of the month).

Foreign exchange risk on USD denominated borrowings on the Credit Facilities is offset by entering into CCS contracts at the time of a USD borrowing. As part of the CCS, the CAD/USD foreign exchange rate at the beginning and end of the SOFR borrowing term is fixed so the Company does not have any foreign exchange risk on its USD borrowings. As at June 30, 2026, the Company had the following CCS contracts outstanding:

Notional (US$)	Maturity Date	Contract Price
1,127 million	July 22, 2026	CAD/USD 1.4000
175 million	July 29, 2026	CAD/USD 1.4229

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

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

As at	June 30, 2026	December 31, 2025
(US$)		
Assets	**233**	206
Liabilities	**(99)**	(89)
Net assets	**134**	117

With all other variables held constant, a $0.01 change in the CAD/USD foreign exchange rate at June 30, 2026 would result in a change in USD denominated monetary assets and liabilities and change in Income and Comprehensive Income before income taxes by $1 million (December 31, 2025 – $1 million).

Interest rate risk

The Company is exposed to movements in floating interest rates on the Credit Facilities. At June 30, 2026, the following interest rate risk management contracts were in place:

Notional (C$)	Term	Contract	Index	Contract Price
1,500 million	Dec 1, 2025 - Dec 1, 2026	Floor	CORRA	2.25%
1,500 million	Dec 1, 2026 - May 1, 2028	Floor	CORRA	2.75%
1,500 million	May 1, 2028 - Dec 1, 2031	Swaption[(1)]	CORRA	3.09%

(1) The swap counterparty has the option to enter into a CORRA swap on April 28, 2028.

At June 30, 2026, a 50 basis point increase in interest rates would result in an increase in annualized interest expense and decrease in income before income taxes of $10 million, while a decrease of 50 basis points would result in a decrease in annualized interest expense and increase in income before taxes of $4 million.

Capital management

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

12. COMMITMENTS AND CONTINGENCIES

As at June 30, 2026, the Company is committed to the following non-cancellable payments:

	Total	< 1 year	1-3 years	4-5 years	> 5 years
Transportation and processing	**2,609**	168	341	371	1,729
Capital	**183**	167	13	—	3
Other	**58**	16	41	1	—
Total	**2,850**	351	395	372	1,732

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

13. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in non-cash working capital

For the Three and Six Months Ended June 30,	Three Months Ended 2026	Three Months Ended 2025	Six Months Ended 2026	Six Months Ended 2025
Source (use) of cash:				
Accounts receivable	**74**	79	**(53)**	68
Inventory	**(5)**	3	**(10)**	4
Prepaid expenses and deposits	**(18)**	(19)	**(3)**	(32)
Other assets	**(11)**	—	**(11)**	4
Accounts payable and accrued liabilities	**(83)**	(24)	**111**	(84)
Deferred revenue	**20**	(21)	**16**	(22)
	(23)	18	**50**	(62)
Related to operating activities	**(24)**	(20)	**26**	(37)
Related to financing activities	**—**	6	**—**	6
Related to investing activities	**1**	32	**24**	(31)

Items not involving cash

For the Three and Six Months Ended June 30,	Note	Three Months Ended 2026	Three Months Ended 2025	Six Months Ended 2026	Six Months Ended 2025
Unrealized (gain) loss on risk management contracts	11	**(40)**	(24)	**47**	53
Finance costs		**10**	20	**21**	40
Depletion, depreciation and amortization		**140**	178	**282**	393
Unrealized (gain) loss on foreign exchange		**(3)**	(44)	**2**	(45)
Change in decommissioning liabilities	8	**1**	—	**14**	—
Loss on contingent consideration	4	**—**	—	**42**	—
Unrealized gain on marketable securities		**—**	(25)	**—**	(47)
Loss on settlement of other obligations	3	**—**	1	**—**	1
Gain on sale of assets, net	3	**—**	(5)	**—**	(5)
Deferred tax expense		**95**	63	**120**	126
		203	164	**528**	516

14. SEGMENT INFORMATION

The Chief Operating Decision Makers ("**CODMs**") of the Company are comprised of the Chief Financial Officer, Chief Operating Officer and Chief Commercial Officer.

After divesting the Montney segment in 2025, the Company's CODMs disaggregated the Lloydminster segment into Lloydminster Thermal and Lloydminster Conventional to better reflect ongoing operations.

The CODMs assess performance based on the distinct attributes of its oil production operations. Each segment encompasses a group of assets with a unique combination of geographic focus, hydrocarbon resource type and extraction method, resulting in its own discrete economic profile. Segment profit is measured using Operating Earnings, which is the profit measure regularly reviewed by the CODMs for the purposes of performance assessment and resource allocation. The Company operates through three business segments:

- Cold Lake, which includes the development and production of bitumen in the Cold Lake region of Northern Alberta;
- Lloydminster Thermal, which includes the development and production of heavy oil through thermal steam-assisted gravity drainage methods in Southwest Saskatchewan; and
- Lloydminster Conventional, which includes the development and production of heavy oil through both conventional and enhanced oil recovery initiatives primarily in Southeast Alberta and Southwest Saskatchewan.

Activities not directly attributable to an operating segment are reported under Corporate and Midstream.

Strathcona's midstream operations is comprised of the wholly-owned HRT, acquired in April 2025, which has throughput of approximately 40,000 barrels per day, the majority of which is committed under take-or-pay arrangements.

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

For the Three Months Ended June 30,	Cold Lake		Lloydminster Thermal[1]		Lloydminster Conventional[1]		Corporate and Midstream		Consolidated	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
Segment revenues										
Oil and natural gas sales	**875**	548	**388**	241	**223**	185	**—**	—	**1,486**	974
Sale of purchased product	**—**	—	**8**	—	**6**	5	**68**	9	**82**	14
Midstream sales	**—**	—	**—**	—	**—**	—	**9**	7	**9**	7
Royalties	**(173)**	(62)	**(32)**	(15)	**(27)**	(19)	**—**	—	**(232)**	(96)
Oil, natural gas, and midstream sales	**702**	486	**364**	226	**202**	171	**77**	16	**1,345**	899
Segment expenses										
Purchased product	**—**	—	**7**	—	**5**	5	**68**	9	**80**	14
Blending costs	**338**	208	**43**	7	**36**	35	**—**	—	**417**	250
Production and operating	**69**	78	**59**	52	**38**	45	**5**	6	**171**	181
Transportation	**23**	22	**64**	63	**9**	9	**—**	—	**96**	94
Depletion, depreciation and amortization	**44**	38	**58**	64	**35**	50	**3**	4	**140**	156
General and administrative	**9**	8	**9**	7	**8**	6	**—**	—	**26**	21
Finance costs	**1**	1	**1**	1	**—**	—	**8**	13	**10**	15
Other income	**—**	—	**—**	—	**—**	—	**—**	(5)	**—**	(5)
Interest	**—**	—	**—**	—	**—**	—	**29**	46	**29**	46
	484	355	**241**	194	**131**	150	**113**	73	**969**	772
Operating earnings	**218**	131	**123**	32	**71**	21	**(36)**	(57)	**376**	127
Gain on risk management contracts							**(52)**	(19)	**(52)**	(19)
Transaction related costs							**1**	14	**1**	14
Foreign exchange gain							**(2)**	(40)	**(2)**	(40)
Gain on marketable securities							**—**	(25)	**—**	(25)
Change in decommissioning liabilities							**1**	—	**1**	—
Income before income taxes									**428**	197
Deferred tax expense									**95**	39
Income and comprehensive income from continuing operations									**333**	158
Income and comprehensive income from discontinued operations, net of tax									**—**	73
Income and comprehensive income									**333**	231

(1) Comparative period has been revised to reflect current period presentation.

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

For the Three Months Ended June 30,	Cold Lake		Lloydminster Thermal(1)		Lloydminster Conventional(1)		Corporate and Midstream		Consolidated	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
Capital expenditures - continuing operations	**69**	98	**130**	120	**33**	27	**1**	—	**233**	245
Decommissioning costs - continuing operations	**—**	—	**—**	—	**—**	—	**9**	3	**9**	3

(1) Comparative period has been revised to reflect current period presentation.

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

For the Six Months Ended June 30,	Cold Lake		Lloydminster Thermal[1]		Lloydminster Conventional[1]		Corporate and Midstream		Consolidated	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
Segment revenues										
Oil and natural gas sales	**1,522**	1,270	**692**	492	**393**	389	**—**	—	**2,607**	2,151
Sale of purchased product	**2**	2	**8**	—	**6**	10	**70**	9	**86**	21
Midstream sales	**—**	—	**—**	—	**—**	—	**18**	7	**18**	7
Royalties	**(274)**	(131)	**(53)**	(33)	**(47)**	(44)	**—**	—	**(374)**	(208)
Oil, natural gas, and midstream sales	**1,250**	1,141	**647**	459	**352**	355	**88**	16	**2,337**	1,971
Segment expenses										
Purchased product	**2**	2	**7**	—	**5**	10	**70**	10	**84**	22
Blending costs	**589**	489	**75**	15	**59**	72	**—**	—	**723**	576
Production and operating	**148**	173	**122**	102	**76**	84	**10**	5	**356**	364
Transportation	**46**	43	**127**	123	**17**	16	**—**	—	**190**	182
Depletion, depreciation and amortization	**88**	81	**120**	123	**69**	92	**5**	7	**282**	303
General and administrative	**19**	15	**19**	13	**16**	12	**—**	—	**54**	40
Finance costs	**2**	1	**1**	2	**—**	—	**18**	24	**21**	27
Other income	**—**	—	**—**	—	**—**	—	**—**	(6)	**—**	(6)
Interest	**—**	—	**—**	—	**—**	—	**57**	84	**57**	84
	894	804	**471**	378	**242**	286	**160**	124	**1,767**	1,592
Operating earnings	**356**	337	**176**	81	**110**	69	**(72)**	(108)	**570**	379
Loss on risk management contracts							**19**	59	**19**	59
Transaction related costs							**1**	15	**1**	15
Foreign exchange loss (gain)							**2**	(41)	**2**	(41)
Gain on marketable securities							**—**	(47)	**—**	(47)
Change in decommissioning liabilities							**14**	—	**14**	—
Loss on contingent consideration							**42**	—	**42**	—
Income before income taxes									**492**	393
Deferred tax expense									**120**	82
Income and comprehensive income from continuing operations									**372**	311
Income and comprehensive income from discontinued operations, net of tax									**—**	125
Income and comprehensive income									**372**	436

(1) Comparative periods have been revised to reflect current period presentation.

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

For the Six Months Ended June 30,	Cold Lake		Lloydminster Thermal(1)		Lloydminster Conventional(1)		Corporate and Midstream		Consolidated	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
Capital expenditures - continuing operations	**147**	187	**290**	211	**93**	81	**1**	—	**531**	479
Decommissioning costs - continuing operations	**—**	—	**—**	—	**—**	—	**28**	26	**28**	26

(1) Comparative periods have been revised to reflect current period presentation.