



Advantage Announces Record 2023 Year-End Results, Reserves and Reduced Capital Guidance

(TSX: AAV)

Calgary, Alberta, March 4, 2024 - Advantage Energy Ltd. (“Advantage” or the “Corporation”) is pleased to report 2023 year-end financial and operating results as well as year-end 2023 reserves.

Advantage achieved exceptional results during 2023, including record production, improved well results, and significant share buybacks, while ending the year below our net debt target. Additional achievements included an unbudgeted \$10 million acquisition of 53 net Montney sections at Conroy and successfully executing a 17-day Glacier plant turnaround.

Following a comprehensive review of our capital program, we have materially reduced our planned 2024 capital expenditures by \$40 million to between \$220 million and \$250 million. Thanks to continued outperformance of our recent development program, we can deliver this reduced capital level without changing our production guidance or compromising our long-term adjusted funds flow (“AFF”) per share focus.

2023 Year-End Financial Highlights

- Cash provided by operating activities of \$323.3 million
- AFF^(a) of \$313.6 million or \$1.88/share (\$320.2 million Advantage^(b))
- Free cash flow (“FCF”)^(a) of \$30.8 million (\$54.0 million Advantage^(b))
- Cash used in investing activities and net capital expenditures^(a) were \$282.8 million (\$266.2 million Advantage^(b))
- Net income of \$101.6 million or \$0.61/share
- Operating expenses remained low at \$3.81/boe
- Net debt^(a) increased to \$222.0 million (\$195.9 million Advantage^(b))
- Repurchased 13.1 million shares (8% of the outstanding shares at December 31, 2022), returning \$117.3 million to shareholders. Subsequent to year-end, Advantage purchased an additional 2.4 million shares, returning an additional \$21 million to shareholders

(a) Specified financial measure which is not a standardized measure under International Financial Reporting Standards (“IFRS”) and may not be comparable to similar specified financial measures used by other entities. Please see “Specified Financial Measures” for the composition of such specified financial measure, an explanation of how such specified financial measure provides useful information to a reader and the purposes for which Management of Advantage uses the specified financial measure, and where required, a reconciliation of the specified financial measure to the most directly comparable IFRS measure.

(b) “Advantage” refers to Advantage Energy Ltd. only and excludes its subsidiary Entropy Inc.

2023 Operating Highlights

- Record annual average production of 60,678 boe/d (322.7 mmcf/d natural gas, 6,897 bbls/d liquids), in-line with budget
- Liquids production of 6,897 bbls/d (2,710 bbls/d oil, 1,166 bbls/d condensate, and 3,021 bbls/d NGLs), an increase of 13% over 2022
- Of all Alberta Montney gas wells drilled in 2023, 13 of the top 16 gas producers were Advantage's, based on IP90 rates
- At Glacier, 18 gross (16.0 net) wells were drilled with exceptional performance driving average well IP30 rates to 13.6 mmcf/d natural gas
- At Valhalla, 2 gross (2.0 net) wells were drilled with an average IP30 of 1,936 boe/d (7.5 mmcf/d natural gas, 499 bbls/d condensate and 180 bbls/d NGLs)
- At Wembley, 7 gross (7.0 net) wells were drilled with an average IP30 of 1,549 boe/d (3.7 mmcf/d natural gas, 605 bbls/d crude oil and 328 bbls/d NGLs)
- Phase 1b of Entropy's post-combustion integrated carbon capture and storage project at Glacier was commissioned in the fourth quarter of 2023 with costs below budget
- Entropy achieved a global first in carbon markets with a \$1 billion, 15-year fixed price carbon credit offtake agreement with Canada Growth Fund Inc. ("CGF") that has the potential to accelerate deployment of carbon capture and storage in Canada

2023 Reserves Highlights

- Proved Developed Producing ("PDP") reserves increased 8%, with finding and development ("F&D")^(a) costs of \$7.67/boe.
- Net present value of PDP reserves of \$1.4 billion (before tax, 10% discount rate) or \$8.58/share
- Total Proved ("1P") reserves increased 3%, with F&D^(a) costs of \$8.50/boe
- Net present value of 1P reserves of \$3.0 billion (before tax, 10% discount rate) or \$18.19/share
- Proved plus Probable ("2P") reserves increased 4%, with F&D^(a) costs of \$8.17/boe
- Net present value of 2P reserves of \$4.2 billion (before tax, 10% discount rate) or \$26.07/share
- PDP reserve additions replaced^(a) 151% of production
- Liquids reserves increased 26%, 10% and 10% for PDP, 1P and 2P, respectively
- 3-year recycle ratios^(a) were 2.4x for PDP, 2.0x for 1P and 2.2x for 2P based on fourth quarter 2023 operating netback^(a) of \$15.43/boe

2024 Capital Program Update

Advantage continuously reviews its capital program to adjust to rapidly changing supply/demand dynamics in North America. Our 2024 capital spending guidance has been revised to a range of \$220 million to \$250 million (from \$260 million to \$290 million). Budgetary reductions include at least two fewer wells, the deferral of debottlenecking and reliability projects, and a previously unbudgeted capital recovery. Production guidance remains unchanged, thanks to continued outperformance of our development program.

Significant discretionary capital remains in the budget for the second half of 2024, including a steady one-rig drilling program and the first phase of the 150 mmcf/d Progress gas plant project, currently on-schedule to be commissioned mid-year 2025. In the event that North American supply growth continues to overwhelm demand and create further downward pressure on futures pricing, any discretionary investments that fail to meet threshold metrics may be deferred allowing incremental FCF to be redeployed to the share buyback.

Based on current futures pricing, Advantage estimates capital spending will be approximately 75% of forecasted total AFF for 2024 and 2025, preserving balance sheet flexibility and optionality for opportunistic, counter-cyclical share repurchases.

Marketing Update

Advantage has hedged approximately 20% of its forecast natural gas production for summer 2024, 11% for winter 2024/25, 5% for summer 2025 and 6% for winter 2025/26. Advantage has only approximately 8% exposure to AECO volatility this summer through a combination of fixed price hedges and physical market diversification.

Conference call

Advantage's management team will host a conference call to discuss the Corporation's fourth quarter and full-year 2023 results on Tuesday, March 5, 2024 at 8:00 am Mountain Time (10:00 am Eastern Time). Advantage plans to regularly host quarterly earnings calls going forward.

To participate by phone, please call 1-888-664-6383 (North American toll-free) or 1-416-764-8650 (International). A recording of the conference call will be available for replay by calling 1-888-390-0541 and entering the conference replay code 665973#. The replay will be available until March 19, 2024.

To join the conference call without operator assistance, you may enter your details and phone number at <https://emportal.ink/3uKt3A7> to receive an instant automated call back. You may also stream the event via webcast at <https://app.webinar.net/ojY4L9AL5vb>.

Looking Forward

To maximize shareholder value, Advantage remains focused on growing AFF per share^(a) while maintaining a net debt^(a) target of \$200 million to \$250 million. Advantage's three-year plan is to deliver compounding AFF per share growth via careful capital allocation, with annual spending between \$220 million and \$300 million and production growth capped at 10%. All excess cash will be returned to shareholders via share buybacks.

With modern, low emissions-intensity assets and the Glacier carbon capture and sequestration asset, the Corporation continues to proudly deliver clean, reliable, sustainable energy, contributing to a reduction in global emissions by displacing high-carbon fuels. Advantage wishes to thank our employees, Board of Directors and our shareholders for their ongoing support.

Below are complete tables showing financial highlights, operating highlights and reserves results.

Financial Highlights

((\$000, except as otherwise indicated))	Three months ended December 31		Year ended December 31	
	2023	2022	2023	2022
Financial Statement Highlights				
Natural gas and liquids sales	147,137	223,200	541,100	950,458
Net income and comprehensive income ⁽³⁾ per basic share ⁽²⁾	41,026 0.25	113,962 0.63	101,597 0.61	338,667 1.81
Basic weighted average shares (000)	163,939	180,248	166,553	187,022
Cash provided by operating activities	89,048	112,558	323,345	502,378
Cash used in financing activities	(52,120)	(49,718)	(70,263)	(209,091)
Cash used in investing activities	(58,846)	(69,060)	(282,761)	(269,585)
Other Financial Highlights				
Adjusted funds flow ⁽¹⁾ per boe ⁽¹⁾ per basic share ⁽¹⁾⁽²⁾	82,494 13.11 0.50	124,205 24.29 0.69	313,570 14.16 1.88	516,790 25.39 2.76
Net capital expenditures ⁽¹⁾	39,938	49,687	282,796	241,790
Free cash flow ⁽¹⁾	42,556	74,518	30,774	275,000
Working capital surplus ⁽¹⁾	18,651	71,564	18,651	71,564
Bank indebtedness	212,854	177,200	212,854	177,200
Net debt ⁽¹⁾	222,022	121,336	222,022	121,336

⁽¹⁾ Specified financial measure which is not a standardized measure under International Financial Reporting Standards (“IFRS”) and may not be comparable to similar specified financial measures used by other entities. Please see “Specified Financial Measures” for the composition of such specified financial measure, an explanation of how such specified financial measure provides useful information to a reader and the purposes for which Management of Advantage uses the specified financial measure, and where required, a reconciliation of the specified financial measure to the most directly comparable IFRS measure.

⁽²⁾ Based on basic weighted average shares outstanding.

⁽³⁾ Net income and comprehensive income attributable to Advantage Shareholders.

Operating Highlights

	Three months ended		Year ended	
	December 31		December 31	
	2023	2022	2023	2022
Operating				
Production				
Crude oil (bbls/d)	3,254	1,854	2,710	1,972
Condensate (bbls/d)	1,264	1,092	1,166	1,082
NGLs (bbls/d)	3,345	2,680	3,021	3,039
Total liquids production (bbls/d)	7,863	5,626	6,897	6,093
Natural gas (Mcf/d)	363,124	299,684	322,687	298,053
Total production (boe/d)	68,384	55,573	60,678	55,769
Average realized prices (including realized derivatives) ⁽²⁾				
Natural gas (\$/Mcf)	2.84	5.65	3.24	5.55
Liquids (\$/bbl)	81.55	86.39	78.35	92.48
Operating Netback (\$/boe)				
Natural gas and liquids sales ⁽²⁾	23.39	43.66	24.43	46.69
Realized gain (losses) on derivatives ⁽²⁾	0.98	(4.76)	1.59	(7.08)
Processing and other income	0.39	0.60	0.34	0.45
Net sales of purchased natural gas ⁽²⁾	-	-	(0.01)	-
Royalty expense ⁽²⁾	(1.64)	(5.31)	(1.92)	(5.22)
Operating expense ⁽²⁾	(3.61)	(3.39)	(3.81)	(3.16)
Transportation expense ⁽²⁾	(4.08)	(4.43)	(4.09)	(4.43)
Operating netback ⁽¹⁾	15.43	26.37	16.53	27.25

⁽¹⁾ Specified financial measure which is not a standardized measure under IFRS and may not be comparable to similar specified financial measures used by other entities. Please see “Specified Financial Measures” for the composition of such specified financial measure, an explanation of how such specified financial measure provides useful information to a reader and the purposes for which Management of Advantage uses the specified financial measure, and where required, a reconciliation of the specified financial measure to the most directly comparable IFRS measure.

⁽²⁾ Specified financial measure which is a supplementary financial measure. Please see “Specified Financial Measures” for the composition of such supplementary financial measure.

Reserves Highlights

	PDP	1P	2P
2023 Reserves (million boe)	150.3	430.2	608.9
2023 F&D Cost (\$/per boe, including FDC) ⁽¹⁾	\$7.67	\$8.50	\$8.17
2023 Recycle ratio ⁽¹⁾	2.0	1.8	1.9
2022 Recycle ratio ⁽¹⁾	4.3	3.5	4.0
2023 Reserves Increase Over 2022	8.2%	3.2%	4.0%

⁽¹⁾ Specified financial measure which is not a standardized measure under IFRS and may not be comparable to similar specified financial measures used by other entities. Please see “Specified Financial Measures” for the composition of such specified financial measure, an explanation of how such specified financial measure provides useful information to a reader and the purposes for which Management of Advantage uses the specified financial measure, and where required, a reconciliation of the specified financial measure to the most directly comparable IFRS measure.

RESERVES SUMMARY TABLES

Company Gross (before royalties) Working Interest Reserves Summary as at December 31, 2023

	Light & Medium Crude Oil (mbbls)	Conventional Natural Gas (mmcf)	Natural Gas Liquids (mbbls)	Total Oil Equivalent (mboe)
Proved				
Developed Producing	4,278	819,376	9,462	150,303
Developed Non-producing	-	62,250	380	10,755
Undeveloped	8,343	1,455,505	18,210	269,137
Total Proved	12,622	2,337,130	28,051	430,195
Probable	6,795	957,328	12,334	178,683
Total Proved + Probable	19,416	3,294,457	40,385	608,878

(1) Table may not add due to rounding.

Company Net Present Value of Future Net Revenue using the IQRE Average Forecasts ⁽¹⁾⁽²⁾⁽³⁾(\$000)

	Before Income Taxes Discounted at		
	0%	10%	15%
Proved			
Developed Producing	2,489,682	1,392,412	1,139,988
Developed Non-producing	187,858	91,048	70,802
Undeveloped	4,805,440	1,467,675	923,922
Total Proved	7,482,980	2,951,135	2,134,712
Probable	4,287,209	1,277,958	870,359
Total Proved + Probable	11,770,188	4,229,092	3,005,071

(1) Advantage's light and medium oil, conventional natural gas and natural gas liquid reserves were evaluated using the IQRE Average Forecast (as defined herein) effective December 31, 2023 prior to the provision for income taxes, interests, debt services charges and general and administrative expenses. It should not be assumed that the discounted future net revenue estimated by Sproule (as defined herein) represents the fair market value of the reserves.

(2) Assumes that development of reserves will occur, without regard to the likely availability to the Corporation of funding required for that development.

(3) Future Net Revenue incorporates Managements' estimates of required abandonment and reclamation costs, including expected timing such costs will be incurred, associated with all wells, facilities and infrastructure.

(4) Table may not add due to rounding.

IQRE Average Forecasts

The net present value of future net revenue at December 31, 2023 was based upon light and medium oil, conventional natural gas and natural gas liquid pricing assumptions, which were computed by using the average of the forecasts ("**IQRE Average Forecast**") prepared by McDaniel & Associates Consultants Ltd., GLJ Petroleum Consultants and Sproule effective December 31, 2023. These forecasts are adjusted for reserves quality, transportation charges and the provision of any applicable sales contracts. The price assumptions used over the next seven years are summarized in the table below:

Year	Canadian	Alberta	Edmonton	Edmonton	Edmonton	Exchange Rate (\$US/\$Cdn)
	Light Sweet Crude 40° API (\$Cdn/bbl)	AECO-C Natural Gas (\$Cdn/mmbtu)	Edmonton Propane (\$Cdn/bbl)	Edmonton Butane (\$Cdn/bbl)	Edmonton Pentanes Plus (\$Cdn/bbl)	
2024	92.91	2.20	29.65	47.69	96.79	0.75
2025	95.04	3.37	35.13	48.83	98.75	0.75
2026	96.07	4.05	35.43	49.36	100.71	0.76
2027	97.99	4.13	36.14	50.35	102.72	0.76
2028	99.95	4.21	36.86	51.35	104.78	0.76
2029	101.94	4.30	37.60	52.38	106.87	0.76
2030	103.98	4.38	38.35	53.43	109.01	0.76

Company Gross (before royalties) Working Interest Reserves Reconciliation⁽²⁾

Proved	Light & Medium Crude Oil (Mbbbl)	Conventional Natural Gas (MMcf)	Natural Gas Liquids (Mbbbl)	Total Oil Equivalent (Mboe)
Opening balance Dec. 31, 2022	12,432	2,278,778	24,650	416,879
Extensions and improved recovery	2,607	502,415	7,752	94,095
Technical revisions ⁽¹⁾	(1,440)	(325,118)	(2,822)	(58,448)
Discoveries	-	-	-	-
Acquisitions	-	-	-	-
Dispositions	-	-	-	-
Economic factors	12	(1,164)	(1)	(184)
Production	(989)	(117,781)	(1,528)	(22,148)
Closing balance at Dec. 31, 2023	12,622	2,337,130	28,051	430,195

Proved Plus Probable	Light & Medium Crude Oil (Mbbl)	Conventional Natural Gas (MMcf)	Natural Gas Liquids (Mbbl)	Total Oil Equivalent (Mboe)
Opening balance Dec. 31, 2022	19,456	3,186,329	35,137	585,648
Extensions and improved recovery	4,028	484,625	9,859	94,658
Technical revisions ⁽¹⁾	(3,079)	(258,568)	(3,085)	(49,258)
Discoveries	-	-	-	-
Acquisitions	-	-	-	-
Dispositions	-	-	-	-
Economic factors	-	(146)	2	(22)
Production	(989)	(117,781)	(1,528)	(22,148)
Closing balance at Dec. 31, 2023	19,416	3,294,458	40,385	608,878

⁽¹⁾ Proved and Proved Plus Probable reserves have been reassigned to different areas to align with the Corporation's current development plan, which includes the expansion of processing facilities at Progress and Valhalla to develop reserves with higher liquid recoveries. Certain locations at Glacier have been removed and replaced by new locations at Valhalla. The removed locations are reported as negative technical revisions and replaced new locations categorized as extensions and improved recovery in the same table. Included in technical revisions, but not apparent due to the large negative revisions, are positive revisions at existing wells and locations due to increased performance, amounting to 15,647.2 Mboe Gross Proved and 17,983.7 Mboe Gross Proved Plus Probable.

⁽²⁾ Tables may not add due to rounding.

Company 2023 F&D Costs – Gross (before royalties) Working Interest Reserves including FDC

⁽¹⁾⁽²⁾⁽³⁾

	Proved	Proved + Probable
Net capital expenditures (\$000) ^(a)	266,187	266,187
Acquisitions	(10,159)	(10,159)
Net change in FDC (\$000)	45,375	114,752
Total capital (\$000)	301,403	370,780
Total mboe, end of year	430,195	608,878
Total mboe, beginning of year	416,879	585,648
Production, mboe	(22,148)	(22,148)
Reserve additions, mboe	35,464	45,378
2023 F&D costs (\$/boe) ⁽¹⁾	\$8.50	\$8.17
2022 F&D costs (\$/boe) ⁽¹⁾	\$7.48	\$6.62
Three-year average F&D costs (\$/boe) ⁽¹⁾	\$7.60	\$6.90

⁽¹⁾ F&D costs are calculated by dividing total capital by reserve additions during the applicable period. Total capital includes both capital expenditures incurred and changes in FDC required to bring the proved undeveloped and probable undeveloped reserves to production during the applicable period. Reserves additions are calculated as the change in reserves from the beginning to the ending of the applicable period excluding production.

⁽²⁾ The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated FDC generally will not reflect total finding and development costs related to reserves additions for that year. Changes in forecast FDC occur annually as a result of

development activities, acquisition and disposition activities and capital cost estimates that reflect Sproule's best estimate of what it will cost to bring the proved undeveloped and probable undeveloped reserves on production.

⁽³⁾ The change in FDC is primarily from incremental undeveloped locations.

The reserves by category and year-over-year changes compared to 2022 are indicated below:

Reserve Category	Light & Medium Crude Oil Million bbls	Conventional Natural Gas Tcf	Natural Gas Liquids Million bbls	Total Oil Equivalent Million boe	% Change from 2022
PDP	4.28	0.82	9.46	150.3	8%
1P	12.62	2.34	28.05	430.2	3%
2P	19.42	3.29	40.39	608.9	4%

The total number of 2P future well locations booked in the Sproule 2023 Reserves Report are illustrated in the following table:

Sproule Number of Gross Wells Booked			
	Developed	Undeveloped	Total
Glacier	281	199	480
Valhalla	22	51	73
Wembley	24	36	60
Progress	8	15	23
Total	335	301	636

The Corporation's audited consolidated financial statements for the fiscal year ended December 31, 2023 together with the notes thereto, and Management's Discussion and Analysis for the year ended December 31, 2023 have been filed on SEDAR+ and are available on the Corporation's website at <https://www.advantageog.com/investors/financial-reports>. The Corporation's audited consolidated financial statements for the fiscal year ended December 31, 2023 are also available on the Corporation's website via the same webpage. Upon request, Advantage will provide a hard copy of any financial reports free of charge.

For further information contact:

Craig Blackwood
Chief Financial Officer
(403) 718-8000

Brian Bagnell
Director, Commodities and Capital Markets
(403) 718-8000

OR

Investor Relations
Toll free: 1-866-393-0393

Advantage Energy Ltd.
2200, 440 - 2nd Avenue SW
Calgary, Alberta T2P 5E9
Phone: (403) 718-8000
Fax: (403) 718-8332
Web Site: www.advantageog.com
E-mail: ir@advantageog.com

Forward-Looking Information Advisory

The information in this press release contains certain forward-looking statements, including within the meaning of applicable securities laws. These statements relate to future events or our future intentions or performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "continue", "demonstrate", "expect", "may", "can", "will", "believe", "would" and similar expressions and include statements relating to, among other things, Advantage's position, strategy and development plans and the benefits to be derived therefrom; that the Corporation will grow its AFF per share while maintaining its net debt target; Advantage's net debt target; Advantage's three-year plan including its anticipated production growth and capital spending and its expectations regarding share buybacks; that Advantage is well positioned to generate significant shareholder value; Advantage's expected capital spending; the anticipated timing of completion of Advantage's Progress gas plant; that Advantage will preserve balance sheet flexibility for counter-cyclical share repurchases; and Advantage's natural gas hedging program, the percentage of its natural gas production that is hedged, and Advantage's expected exposure to AECO volatility. Advantage's actual decisions, activities, results, performance or achievement could differ materially from those expressed in, or implied by, such forward-looking statements and accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do, what benefits that Advantage will derive from them. In addition, forward-looking statements contained in this document include, statements relating to "reserves", which are by their nature forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the reserves described can be profitably produced in the future. The recovery and reserve estimates of Advantage's reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered.

These statements involve substantial known and unknown risks and uncertainties, certain of which are beyond Advantage's control, including, but not limited to: changes in general economic, market, industry and business conditions; actions by governmental or regulatory authorities including increasing taxes and changes in investment or other regulations; changes in tax laws, royalty regimes and incentive programs relating to the oil and gas industry; Advantage's success at acquisition, exploitation and development of reserves; unexpected drilling results; changes in commodity prices, currency exchange rates, net capital expenditures, reserves or reserves estimates and debt service requirements; the occurrence of unexpected events involved in the exploration for, and the operation and development of, oil and gas properties, including hazards such as fire, explosion, blowouts, cratering, and spills, each of which could result in substantial damage to wells, production and processing facilities, other property and the environment or in personal injury; changes or fluctuations in production levels; delays in anticipated timing of drilling and completion of wells; individual well productivity; competition from other producers; the lack of availability of qualified personnel or management; credit risk; changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced; our ability to comply with current and future environmental or other laws; stock market volatility and market valuations; liabilities inherent in oil and natural gas operations; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions; geological, technical, drilling and processing problems and other difficulties in producing petroleum reserves; ability to obtain required approvals of regulatory authorities; the risk that the Corporation may not have access to sufficient capital from internal and external sources; the risk that the Corporation may not grow its AFF per share while maintaining its net debt target; the risk that Advantage's future production may be less than anticipated; the risk that Advantage may not complete the Progress gas plant when anticipated; the risk that the Corporation may not buy back its shares with all excess cash; the risk that the Corporation may not have sufficient financial resources to acquire its common shares pursuant to its share buyback program in the future; the risk that Advantage may not generate significant shareholder value; and the risk that the Corporation may not continue to deliver clean, reliable, sustainable energy, or contribute to a reduction in global emissions. Many of these risks and uncertainties and additional risk factors are described in the Corporation's Annual Information Form which is available

at www.sedarplus.ca ("SEDAR+") and www.advantageog.com. Readers are also referred to risk factors described in other documents Advantage files with Canadian securities authorities.

With respect to forward-looking statements contained in this press release, Advantage has made assumptions regarding, but not limited to: conditions in general economic and financial markets; effects of regulation by governmental agencies; current and future commodity prices and royalty regimes; the Corporation's current and future hedging program; future exchange rates; royalty rates; future operating costs; future transportation costs and availability of product transportation capacity; availability of skilled labor; availability of drilling and related equipment; timing and amount of net capital expenditures; the impact of increasing competition; the price of crude oil and natural gas; the number of new wells required to achieve the budget objectives; that the Corporation will have sufficient cash flow, debt or equity sources or other financial resources required to fund its capital and operating expenditures and requirements as needed; that the Corporation's conduct and results of operations will be consistent with its expectations; that the Corporation will have the ability to develop the Corporation's properties in the manner currently contemplated; current or, where applicable, proposed assumed industry conditions, laws and regulations will continue in effect or as anticipated; that the Corporation will have sufficient financial resources to purchase its shares pursuant to its share buyback program in the future; and the estimates of the Corporation's production and reserves volumes and the assumptions related thereto (including commodity prices and development costs) are accurate in all material respects. Readers are cautioned that the foregoing lists of factors are not exhaustive.

The future acquisition by the Corporation of the Corporation's shares pursuant to a share buyback program, if any, and the level thereof is uncertain. Any decision to implement a share buyback program or acquire shares of the Corporation will be subject to the discretion of the board of directors of the Corporation and may depend on a variety of factors, including, without limitation, the Corporation's business performance, financial condition, financial requirements, growth plans, expected capital requirements and other conditions existing at such future time including, without limitation, contractual restrictions, satisfaction of the solvency tests imposed on the Corporation under applicable corporate law and receipt of regulatory approvals. There can be no assurance that the Corporation will buyback any shares of the Corporation in the future.

Management has included the above summary of assumptions and risks related to forward-looking information above and in its continuous disclosure filings on SEDAR+ in order to provide shareholders with a more complete perspective on Advantage's future operations and such information may not be appropriate for other purposes. Advantage's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Advantage will derive there from. Readers are cautioned that the foregoing lists of factors are not exhaustive. These forward-looking statements are made as of the date of this press release and Advantage disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

This press release contains information that may be considered a financial outlook under applicable securities laws about the Corporation's potential financial position, including, but not limited to, that the Corporation will grow its AFF per share while maintaining its net debt target, and Advantage's three-year plan including its anticipated capital spending, anticipated production growth cap and its share buyback expectations, all of which are subject to numerous assumptions, risk factors, limitations and qualifications, including those set forth in the above paragraphs. The actual results of operations of the Corporation and the resulting financial results will vary from the amounts set forth in this press release and such variations may be material. This information has been provided for illustration only and with respect to future periods are based on budgets and forecasts that are speculative and are subject to a variety of contingencies and may not be appropriate for other purposes. Accordingly, these estimates are not to be relied upon as

indicative of future results. Except as required by applicable securities laws, the Corporation undertakes no obligation to update such financial outlook. The financial outlook contained in this press release was made as of the date of this press release and was provided for the purpose of providing further information about the Corporation's potential future business operations. Readers are cautioned that the financial outlook contained in this press release is not conclusive and is subject to change.

Oil and Gas Information

Barrels of oil equivalent (boe) and thousand cubic feet of natural gas equivalent (mcf) may be misleading, particularly if used in isolation. Boe and mcf conversion ratios have been calculated using a conversion rate of six thousand cubic feet of natural gas equivalent to one barrel of oil. A boe and mcf conversion ratio of 6 mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Sproule Associates Limited ("Sproule") was engaged as an independent qualified reserve evaluator to evaluate Advantage's year-end reserves as of December 31, 2023 ("Sproule 2023 Reserves Report") and as of December 31, 2022 ("Sproule 2022 Reserve Report") in accordance with National Instrument 51-101 ("NI 51-101") and the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook"). The net present value of future net revenue of reserves at December 31, 2023 was based upon light and medium oil, conventional natural gas and natural gas liquid pricing assumptions, which were computed by using the IQRE Average Forecast effective December 31, 2023. Reserves are stated on a gross (before royalties) working interest basis unless otherwise indicated. It should not be assumed that the estimates of future net revenues presented herein represent the fair market value of the reserves. There are numerous uncertainties inherent in estimating quantities of crude oil, reserves and the future cash flows attributed to such reserves. Additional details are provided in the accompanying tables to this release and additional reserve information as required under NI 51-101 is included in our Annual Information Form which is available on SEDAR+ and at www.advantageog.com. The recovery and reserve estimates of reserves provided in this press release are estimates only, and there is no guarantee that the estimated reserves will be recovered. Actual reserves may eventually prove to be greater than, or less than, the estimates provided herein.

This press release discloses undeveloped drilling locations in two categories: (i) proved locations; and (ii) probable locations. Proved locations and probable locations are derived from the Sproule 2023 Reserves Report and account for drilling locations that have associated proved and/or probable reserves, as applicable. Of the 301 total undeveloped drilling locations identified herein, 242 are proved locations with 153 in Glacier, 51 in Valhalla, 27 in Wembley and 11 in Progress. Of the 59 probable locations, 46 are in Glacier, 0 in Valhalla, 9 in Wembley and 4 in Progress.

References in this press release to short-term production rates, such as IP30 and IP90, are useful in confirming the presence of hydrocarbons, however such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long term performance or of ultimate recovery. Additionally, such rates may also include recovered "load oil" fluids used in well completion stimulation. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production of Advantage.

This press release contains several oil and gas metrics, including reserve additions, F&D costs, operating netback and recycle ratios. The following oil and gas metrics are described below under "Specified Financial Measures": F&D costs, recycle ratios, reserve additions and operating netback. Such oil and gas metrics have been prepared by management and do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies and should not be used to make comparisons. Such metrics have been included herein to provide readers with additional measures to evaluate the

Corporation's performance; however, such measures are not reliable indicators of the future performance of the Corporation and future performance may not compare to the performance in previous periods and therefore such metrics should not be unduly relied upon. Management uses these oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare the Corporation's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this press release, should not be relied upon for investment or other purposes.

Specified Financial Measures

Throughout this press release, Advantage discloses certain measures to analyze financial performance, financial position, and cash flow. These non-GAAP and other financial measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other entities. The non-GAAP and other financial measures should not be considered to be more meaningful than GAAP measures which are determined in accordance with IFRS, such as net income (loss) and comprehensive income (loss), cash provided by operating activities, and cash used in investing activities, as indicators of Advantage's performance.

Non-GAAP Financial Measures

Adjusted Funds Flow

The Corporation considers adjusted funds flow to be a useful measure of Advantage's ability to generate cash from the production of natural gas and liquids, which may be used to settle outstanding debt and obligations, support future capital expenditures plans, or return capital to shareholders. Changes in non-cash working capital are excluded from adjusted funds flow as they may vary significantly between periods and are not considered to be indicative of the Corporation's operating performance as they are a function of the timeliness of collecting receivables and paying payables. Expenditures on decommissioning liabilities are excluded from the calculation as the amount and timing of these expenditures are unrelated to current production and are partially discretionary due to the nature of our low liability. Additionally, the Corporation discloses adjusted funds flow by legal entity (Advantage and Entropy) to allow users to assess the performance of each entity on a standalone basis. A reconciliation of the most directly comparable financial measure by legal entity has been provided below:

(\$000)	Year ended December 31, 2023		
	Advantage	Entropy	Consolidated
Cash provided by operating activities	331,064	(7,719)	323,345
Expenditures on decommissioning liability	4,043	-	4,043
Changes in non-cash working capital	(14,939)	1,121	(13,818)
Adjusted funds flow	320,168	(6,598)	313,570

(\$000)	Year ended December 31, 2022		
	Advantage	Entropy	Consolidated
Cash provided by operating activities	505,285	(2,907)	502,378
Expenditures on decommissioning liability	2,215	-	2,215
Changes in non-cash working capital	13,803	(1,606)	12,197
Adjusted funds flow	521,303	(4,513)	516,790

Net Capital Expenditures

Net capital expenditures include total capital expenditures related to property, plant and equipment, exploration and evaluation assets and intangible assets. Management considers this measure reflective of actual capital activity for the period as it excludes changes in working capital related to other periods and excludes cash receipts on government grants. Additionally, the Corporation discloses net capital expenditures by legal entity (Advantage and Entropy) to allow users to assess the performance of each entity on a standalone basis. A reconciliation of the most directly comparable financial measure by legal entity has been provided below:

(\$000)	Year ended December 31, 2023		
	Advantage	Entropy	Consolidated
Cash used in investing activities	268,872	13,889	282,761
Changes in non-cash working capital	(2,685)	2,720	35
Net capital expenditures	266,187	16,609	282,796

(\$000)	Year ended December 31, 2022		
	Advantage	Entropy	Consolidated
Cash used in investing activities	265,769	3,816	269,585
Changes in non-cash working capital	(27,853)	53	(27,800)
Project funding received	5	-	5
Net capital expenditures	237,921	3,869	241,790

Free Cash Flow

Advantage computes free cash flow as adjusted funds flow less net capital expenditures. Advantage uses free cash flow as an indicator of the efficiency and liquidity of Advantage's business by measuring its cash available after net capital expenditures to settle outstanding debt and obligations and potentially return capital to shareholders by paying dividends or buying back common shares. Additionally, the Corporation discloses free cash flow by legal entity (Advantage and Entropy) to allow users to assess the performance of each entity on a standalone basis. A reconciliation of the most directly comparable financial measure by legal entity has been provided below:

(\$000)	Year ended December 31, 2023		
	Advantage	Entropy	Consolidated
Cash provided by operating activities	331,064	(7,719)	323,345
Cash used in investing activities	(268,872)	(13,889)	(282,761)
Changes in non-cash working capital	(12,254)	(1,599)	(13,853)
Expenditures on decommissioning liability	4,043	-	4,043
Free cash flow	53,981	(23,207)	30,774

Year ended

(\$000)	December 31, 2022		
	Advantage	Entropy	Consolidated
Cash provided by operating activities	505,285	(2,907)	502,378
Cash used in investing activities	(265,769)	(3,816)	(269,585)
Changes in non-cash working capital	41,656	(1,659)	39,997
Expenditures on decommissioning liability	2,215	-	2,215
Project funding received	(5)	-	(5)
Free cash flow	283,382	(8,382)	275,000

Operating Netback

Operating netback is comprised of sales revenue and realized gains (losses) on derivatives, net of expenses resulting from field operations, including royalty expense, operating expense and transportation expense. Operating netback provides Management and users with a measure to compare the profitability of field operations between companies, development areas and specific wells. The composition of operating netback is as follows:

(\$000)	Three months ended December 31		Year ended December 31	
	2023	2022	2023	2022
Natural gas and liquids sales	147,137	223,200	541,100	950,458
Realized gains (losses) on derivatives	6,140	(24,344)	35,243	(144,134)
Processing and other income	2,484	3,091	7,627	9,082
Net sales of purchased natural gas	-	-	(247)	70
Royalty expense	(10,302)	(27,154)	(42,432)	(106,257)
Operating expense	(22,724)	(17,344)	(84,453)	(64,269)
Transportation expense	(25,664)	(22,637)	(90,603)	(90,093)
Operating netback	97,071	134,812	366,235	554,857

Non-GAAP Ratios

Adjusted Funds Flow per Share

Adjusted funds flow per share is derived by dividing adjusted funds flow by the basic weighted average shares outstanding of the Corporation. Management believes that adjusted funds flow per share provides investors an indicator of funds generated from the business that could be allocated to each shareholder's equity position.

(\$000, except as otherwise indicated)	Three months ended December 31		Year ended December 31	
	2023	2022	2023	2022
Adjusted funds flow	82,494	124,205	313,570	516,790
Weighted average shares outstanding (000)	163,939	180,248	166,553	187,022
Adjusted funds flow per share (\$/share)	0.50	0.69	1.88	2.76

Adjusted Funds Flow per boe

Adjusted funds flow per boe is derived by dividing adjusted funds flow by the total production in boe for the reporting period. Adjusted funds flow per boe is a useful ratio that allows users to compare the Corporation's adjusted funds flow against other competitor corporations with different rates of production.

(\$000, except as otherwise indicated)	Three months ended December 31		Year ended December 31	
	2023	2022	2023	2022
Adjusted funds flow	82,494	124,205	313,570	516,790
Total production (boe/d)	68,384	55,573	60,678	55,769
Days in period	92	92	365	365
Total production (boe)	6,291,328	5,112,716	22,147,470	20,355,685
Adjusted funds flow per boe (\$/boe)	13.11	24.29	14.16	25.39

Operating netback per boe

Operating netback per boe is derived by dividing each component of the operating netback by the total production in boe for the reporting period. Operating netback per boe provides Management and users with a measure to compare the profitability of field operations between companies, development areas and specific wells against other competitor corporations with different rates of production.

(\$000, except as otherwise indicated)	Three months ended December 31		Year ended December 31	
	2023	2022	2023	2022
Operating netback	97,071	134,812	366,235	554,857
Total production (boe/d)	68,384	55,573	60,678	55,769
Days in period	92	92	365	365
Total production (boe)	6,291,328	5,112,716	22,147,470	20,355,685
Operating netback per boe (\$/boe)	15.43	26.37	16.53	27.25

Finding and Development Costs ("F&D")

F&D cost is calculated based on adding net capital expenditures excluding acquisitions and dispositions, and the net change in future development capital ("FDC"), divided by reserve additions for the year from the Sproule 2023 Reserves Report and 2022 Reserves Report. Additionally, the Corporation discloses Three-year average F&D cost, which is calculated based on adding net capital expenditures excluding acquisitions and dispositions from 2023, 2022 and 2021, and the net change in FDC from 2023, 2022 and 2021, divided by reserve additions from 2023, 2022 and 2021 from the respective Sproule Reserve Reports.

Recycle Ratio

Recycle ratio is calculated by dividing Advantage's fourth quarter operating netback by the calculated F&D cost or FD&A cost of the applicable year and expressed as a ratio. Management uses recycle ratio to relate the cost of adding reserves to a recent operating netback.

Capital Management Measures

Working Capital

Working capital is a capital management financial measure that provides Management and users with a measure of the Corporation's short-term operating liquidity. By excluding short term derivatives and the current portion of provision and other liabilities, Management and users can determine if the Corporation's energy operations are sufficient to cover the short-term operating requirements. Working capital is not a standardized measure and therefore may not be comparable with the calculation of similar measures by other entities.

A summary of working capital as at December 31, 2023 and 2022 is as follows:

	December 31 2023	December 31 2022
Cash and cash equivalents	19,261	48,940
Trade and other receivables	53,378	92,816
Prepaid expenses and deposits	16,618	14,613
Trade and other accrued liabilities	(70,606)	(84,805)
Working capital surplus	18,651	71,564

Net Debt

Net debt is a capital management financial measure that provides Management and users with a measure to assess the Corporation's liquidity. Net debt is not a standardized measure and therefore may not be comparable with the calculation of similar measures by other entities. Additionally, the Corporation discloses net debt by legal entity (Advantage and Entropy) to allow users to assess the performance of each entity on a standalone basis. A summary of the reconciliation of net debt as at December 31, 2023 and 2022 is as follows:

	December 31, 2023		
(\$000)	Advantage	Entropy	Consolidated
Bank indebtedness	212,854	-	212,854
Unsecured debentures	-	27,819	27,819
Working capital surplus	(16,912)	(1,739)	(18,651)
Net debt	195,942	26,080	222,022

	December 31, 2022		
(\$000)	Advantage	Entropy	Consolidated
Bank indebtedness	177,200	-	177,200
Unsecured debentures	-	15,700	15,700
Working capital surplus	(60,450)	(11,114)	(71,564)
Net debt	116,750	4,586	121,336

Supplementary financial measures

“Corporate decline rate” is calculated by identifying the actual or forecasted production of all the wells onstream at the start of the year, then tracking their cumulative decline by the end of the year, expressed as a percentage.

“Average realized prices (including realized derivatives) natural gas” is comprised of natural gas sales, as determined in accordance with IFRS, divided by the Corporation’s natural gas production.

“Average realized prices (including realized derivatives) liquids” is comprised of crude oil, condensate and NGL’s sales, as determined in accordance with IFRS, divided by the Corporation’s crude oil, condensate and NGL’s production.

“Natural gas and liquids sales per boe” is comprised of natural gas sales and liquids sales, as determined in accordance with IFRS, divided by the Corporation’s total natural gas and liquids production.

“Operating expense per boe” is comprised of operating expense, as determined in accordance with IFRS, divided by the Corporation’s total production.

“Realized losses on derivatives per boe” is comprised of realized losses on derivatives, as determined in accordance with IFRS, divided by the Corporation’s total production.

“Reserve additions replaced” is calculated by dividing reserves net volume additions by the current annual production and expressed as a percentage. Management uses this measure to determine the relative change of its reserves base over a period of time.

“Reserves life index” is calculated by dividing the total volume of reserves by the fourth quarter production rate and expressed in years.

“Royalty expense per boe” is comprised of royalty expense, as determined in accordance with IFRS, divided by the Corporation’s total production.

“Transportation expense per boe” is comprised of transportation expense, as determined in accordance with IFRS, divided by the Corporation’s total production.

The following abbreviations used in this press release have the meanings set forth below:

<i>bbl</i>	<i>one barrel</i>
<i>bbls</i>	<i>barrels</i>
<i>bbls/d</i>	<i>barrels per day</i>
<i>boe</i>	<i>barrels of oil equivalent of natural gas, on the basis of one barrel of oil or NGLs for six thousand cubic feet of natural gas</i>
<i>boe/d</i>	<i>barrels of oil equivalent of natural gas per day</i>
<i>mbbl</i>	<i>thousand barrels</i>
<i>mboe</i>	<i>thousand barrels of oil equivalent of natural gas</i>
<i>mcf</i>	<i>thousand cubic feet</i>
<i>mcf/d</i>	<i>thousand cubic feet per day</i>
<i>mcfe</i>	<i>thousand cubic feet equivalent on the basis of six thousand cubic feet of natural gas for one barrel of oil or NGLs</i>
<i>mmcf</i>	<i>million cubic feet</i>
<i>mmcf/d</i>	<i>million cubic feet per day</i>
<i>mmbtu</i>	<i>million British thermal units</i>
<i>tcf</i>	<i>trillion cubic feet</i>
<i>Liquids</i>	<i>Includes NGLs, condensate and crude oil</i>

<i>NGLs and condensate</i>	<i>Natural Gas Liquids as defined in National Instrument 51-101</i>
<i>Natural Gas</i>	<i>Conventional Natural Gas as defined in National Instrument 51-101</i>
<i>Crude Oil</i>	<i>Light Crude Oil and Medium Crude Oil as defined in National Instrument 51-101</i>
<i>IP30</i>	<i>Average initial production rate over 30 consecutive days</i>
<i>IP90</i>	<i>Average initial production rate over 90 consecutive days</i>