CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and six months ended June 30, 2025 and 2024

Advantage Energy Ltd.

Consolidated Statements of Financial Position

(unaudited, expressed in thousands of Canadian dollars)	Notes	June 30 2025	December 31 2024
ASSETS			
Current assets			
Cash and cash equivalents	4	73,746	20,146
Trade and other receivables		76,756	83,188
Prepaid expenses and deposits		9,750	10,000
Derivative asset	7	50,424	50,358
Total current assets		**210,676**	**163,692**
Non-current assets			
Derivative asset	7	54,934	78,631
Inventory		3,274	3,537
Intangible assets	5	5,193	5,246
Property, plant and equipment	6	2,756,493	2,694,852
Total non-current assets		**2,819,894**	**2,782,266**
Total assets		**3,030,570**	**2,945,958**
LIABILITIES			
Current liabilities			
Trade and other accrued liabilities		91,336	116,609
Derivative liability	7	2,836	8,900
Financing liability	10	5,497	5,256
Unsecured debentures	11	202,085	105,026
Provisions and other liabilities	12	12,191	14,724
Total current liabilities		**313,945**	**250,515**
Non-current liabilities			
Derivative liability	7	4,584	4,624
Bank indebtedness	8	440,957	470,424
Convertible debentures	9	124,522	122,583
Financing liability	10	80,039	82,827
Provisions and other liabilities	12	120,366	127,669
Deferred income tax liability		270,116	253,166
Total non-current liabilities		**1,040,584**	**1,061,293**
Total liabilities		**1,354,529**	**1,311,808**
SHAREHOLDERS’ EQUITY			
Share capital	13	1,988,571	1,989,239
Convertible debentures	9	12,859	12,859
Contributed surplus		194,839	194,819
Deficit		(517,783)	(561,261)
Total shareholders’ equity attributable to Advantage shareholders		**1,678,486**	**1,635,656**
Non-controlling interest		(2,445)	(1,506)
Total shareholders’ equity		**1,676,041**	**1,634,150**
Total liabilities and shareholders’ equity		**3,030,570**	**2,945,958**

Commitments (note 18)

See accompanying Notes to the Condensed Consolidated Financial Statements

Advantage Energy Ltd.

Consolidated Statements of Comprehensive Income (Loss)

(unaudited, expressed in thousands of Canadian dollars, except per share amounts)

	Notes	Three months ended June 30 2025	Three months ended June 30 2024	Six months ended June 30 2025	Six months ended June 30 2024
Revenues					
Natural gas and liquids sales	16	164,593	104,081	386,383	239,978
Processing and other income		1,927	1,942	4,218	4,126
Royalty expense		(13,256)	(7,015)	(34,335)	(16,150)
Natural gas and liquids revenue		153,264	99,008	356,266	227,954
Gains on derivatives	7	92,557	1,654	9,172	12,084
Total revenues		**245,821**	**100,662**	**365,438**	**240,038**
Expenses					
Operating expense		35,533	25,150	72,014	50,232
Transportation expense		28,653	22,534	59,226	47,931
General and administrative expense		10,837	7,619	22,460	16,973
Transaction costs		-	3,141	-	3,141
Share-based compensation expense	14(b)	2,618	1,239	4,300	1,334
Depreciation and amortization expense	5,6	56,077	45,327	116,318	86,456
Finance expense		15,502	9,479	30,688	17,936
Foreign exchange loss (gain)		597	(66)	579	(255)
Other expenses (gains)		144	358	364	(245)
Total expenses		**149,961**	**114,781**	**305,949**	**223,503**
Income (loss) before taxes and non-controlling interest		**95,860**	**(14,119)**	**59,489**	**16,535**
Income tax recovery (expense)		(23,962)	1,569	(16,950)	(6,178)
Net income (loss) and comprehensive income (loss) before non-controlling interest		**71,898**	**(12,550)**	**42,539**	**10,357**
Net income (loss) and comprehensive income (loss) attributable to:					
Advantage shareholders		72,502	(12,084)	43,478	11,079
Non-controlling interest		(604)	(466)	(939)	(722)
		71,898	**(12,550)**	**42,539**	**10,357**
Net income (loss) per share attributable to Advantage shareholders					
Basic	15	0.43	(0.07)	0.26	0.07
Diluted	15	0.41	(0.07)	0.26	0.07

See accompanying Notes to the Condensed Consolidated Financial Statements

Advantage Energy Ltd.

Consolidated Statements of Changes in Shareholders' Equity

(unaudited, expressed in thousands of Canadian dollars)

	Share capital	Convertible debentures	Contributed surplus	Deficit	Non-controlling interest	Total shareholders' equity
Balance, December 31, 2024	1,989,239	12,859	194,819	(561,261)	(1,506)	**1,634,150**
Net income (loss) and comprehensive income (loss)	-	-	-	43,478	(939)	**42,539**
Share-based compensation (note 14(b))	-	-	5,217	-	-	**5,217**
Settlement of Performance Share Units (note 13(a))	6,298	-	(6,298)	-	-	**-**
Common shares repurchased (note 13(c))	(6,966)	-	1,101	-	-	**(5,865)**
Balance, June 30, 2025	**1,988,571**	**12,859**	**194,839**	**(517,783)**	**(2,445)**	**1,676,041**

	Share capital	Convertible debentures	Contributed surplus	Deficit	Non-controlling interest	Total shareholders' equity
Balance, December 31, 2023	1,952,241	-	187,034	(582,980)	101	**1,556,396**
Net income (loss) and comprehensive income (loss)	-	-	-	11,079	(722)	**10,357**
Share-based compensation (note 14(b))	-	-	1,665	-	-	**1,665**
Issuance of convertible debentures (note 9)	-	12,864	-	-	-	**12,864**
Settlement of Performance Share Units (note 13(a))	3,881	-	(4,952)	-	-	**(1,071)**
Common shares issued (note 13(a))	62,643	-	-	-	-	**62,643**
Common shares repurchased (note 13(c))	(29,000)	-	7,653	-	-	**(21,347)**
Balance, June 30, 2024	**1,989,765**	**12,864**	**191,400**	**(571,901)**	**(621)**	**1,621,507**

See accompanying Notes to the Condensed Consolidated Financial Statements

Advantage Energy Ltd.
Consolidated Statements of Cash Flows

(unaudited, expressed in thousands of Canadian dollars)

	Notes	Three months ended June 30 2025	Three months ended June 30 2024	Six months ended June 30 2025	Six months ended June 30 2024
Operating Activities					
Income (loss) before taxes and non-controlling interest		95,860	(14,119)	59,489	16,535
Add (deduct) items not requiring cash:					
Unrealized (gains) losses on derivatives	7	(72,876)	7,982	17,034	1,758
Share-based compensation expense	14(b)	2,618	1,239	4,300	1,334
Depreciation and amortization expense	5,6	56,077	45,327	116,318	86,456
Accretion expense	9,11,12(c)	2,163	848	3,944	1,579
Interest paid-in-kind	11	1,261	719	2,440	1,401
Other expenses (gains)		144	358	364	(245)
Expenditures on decommissioning liability	12(c)	(1,170)	(42)	(2,563)	(109)
Settlement of Performance Share Units		-	-	-	(1,071)
Changes in non-cash working capital	17	(3,993)	4,778	1,707	6,826
Cash provided by operating activities		**80,084**	**47,090**	**203,033**	**114,464**
Financing Activities					
Common shares repurchased	13	(2,971)	-	(5,865)	(21,347)
Common shares issued	13	-	62,105	-	62,105
Increase (decrease) in bank indebtedness	8	(5,376)	249,430	(29,467)	275,154
Net proceeds from convertible debentures	9	-	137,327	-	137,327
Net proceeds from unsecured debentures	11	50,413	-	90,551	8,845
Principal repayment of lease liability	12(b)	(248)	(177)	(480)	(360)
Principal repayment of financing liability	10	(1,296)	(1,183)	(2,547)	(2,339)
Changes in non-cash working capital	17	1,524	-	1,524	-
Cash provided by financing activities		**42,046**	**447,502**	**53,716**	**459,385**
Investing Activities					
Property, plant and equipment additions	6	(67,120)	(45,149)	(185,005)	(124,743)
Intangible assets additions	5	(168)	(264)	(270)	(804)
Asset acquisition		-	(445,475)	-	(445,475)
Asset dispositions	6	-	-	4,000	-
Changes in non-cash working capital	17	(27,942)	(3,443)	(21,874)	(2,736)
Cash used in investing activities		**(95,230)**	**(494,331)**	**(203,149)**	**(573,758)**
Increase in cash and cash equivalents		26,900	261	53,600	91
Cash and cash equivalents, beginning of period		46,846	19,091	20,146	19,261
Cash and cash equivalents, end of period		**73,746**	**19,352**	**73,746**	**19,352**
Cash interest paid		12,078	7,912	24,304	14,956
Cash income taxes paid		-	-	-	-

See accompanying Notes to the Condensed Consolidated Financial Statements

1. Business and structure of Advantage Energy Ltd.

Advantage Energy Ltd. and its subsidiaries (together "Advantage" or the "Corporation") is an energy producer with a significant position in the Western Canadian Sedimentary Basin. Additionally, the Corporation provides carbon capture and storage ("CCS") solutions to emitters of carbon dioxide through its subsidiary, Entropy Inc. ("Entropy"). Advantage is domiciled and incorporated in Canada under the Business Corporations Act (Alberta). Advantage's head office address is 2200, 440 – 2nd Avenue SW, Calgary, Alberta, Canada. The Corporation's common shares are listed on the Toronto Stock Exchange under the symbol "AAV". The Corporation's convertible debentures are listed on the Toronto Stock Exchange under the symbol "AAV.DB".

2. Basis of preparation

(a) Statement of compliance

The Corporation prepares its condensed consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards" or "IFRS") applicable to the preparation of interim financial statements, under International Accounting Standard 34, Interim Financial Reporting. The Corporation has consistently applied the same accounting policies as those set out in the audited consolidated financial statements for the year ended December 31, 2024, except as noted below. Certain disclosures included in the notes to the annual consolidated financial statements have been condensed in the following note disclosures or have been disclosed on an annual basis only. Accordingly, these condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2024, which have been prepared in accordance with IFRS Accounting Standards.

The accounting policies applied in these condensed consolidated financial statements are based on IFRS Accounting Standards issued and outstanding as of August 6, 2025, the date the Board of Directors approved the statements.

(b) Basis of measurement

The condensed consolidated financial statements have been prepared on the historical cost basis, except as detailed in the Corporation's accounting policies in the audited consolidated financial statements for the year ended December 31, 2024.

The methods used to measure fair values of derivative instruments are discussed in note 7.

(c) Functional and presentation currency

These condensed consolidated financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

2. Basis of preparation (continued)

(d) Basis of consolidation

These condensed consolidated financial statements include the accounts of the Corporation and all subsidiaries over which it has control, including Entropy, a private Canadian corporation of which Advantage owned 92% of the common shares. All inter-corporate balances, income and expenses resulting from inter-corporate transactions are eliminated.

(e) Future accounting pronouncements

IFRS 18 *Presentation and Disclosure in Financial Statements*

On April 9, 2024, the IASB issued IFRS 18, “Presentation and Disclosure in Financial Statements” (“IFRS 18”), which will replace International Accounting Standard 1, “Presentation of Financial Statements”. IFRS 18 will establish a revised structure for the Consolidated Statements of Comprehensive Income and improve comparability across entities and reporting periods. IFRS 18 is effective for annual periods beginning on or after January 1, 2027. The standard is to be applied retrospectively, with certain transition provisions. The Corporation is currently evaluating the impact of adopting IFRS 18 on the Consolidated Financial Statements.

Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*

On May 30, 2024, the IASB issued targeted amendments to IFRS 9, “Financial Instruments”, and IFRS 7, “Financial Instruments: Disclosures”. The amendments include new requirements not only for financial institutions but also for corporate entities which include clarifying the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. These new requirements will apply from January 1, 2026, with early application permitted. The Corporation is currently evaluating the impact of amendments to IFRS 9 and IFRS 7 on the Consolidated Financial Statements.

3. Segmented reporting

The Corporation has the following two key reportable operating segments, being Advantage and Entropy, based on the nature of each entity's business activities.

Adjusted funds flow

The Corporation considers adjusted funds flow to be a useful measure of the Corporation's ability to generate cash from its operations, 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. Adjusted funds flow does not have any standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other entities. A reconciliation of the most directly comparable financial measure has been provided below:

	Three months ended June 30		**Six months ended June 30**	
($000)	**2025**	**2024**	**2025**	**2024**
Cash provided by operating activities	80,084	47,090	203,033	114,464
Expenditures on decommissioning liability	1,170	42	2,563	109
Changes in non-cash working capital	3,993	(4,778)	(1,707)	(6,826)
Adjusted funds flow	**85,247**	**42,354**	**203,889**	**107,747**

The Corporation's chief operating decision makers regularly review adjusted funds flow generated by each of the Corporation's operating segments. Adjusted funds flow is a measure of profit or loss that provides the chief operating decision makers with the ability to assess the profitability of each operating segment.

3. Segmented reporting (continued)

As at June 30, 2025	Advantage	Entropy	Inter-Segment Eliminations	Consolidated
Total assets	2,869,867	204,572	(43,869)	3,030,570
Total liabilities	1,142,148	215,632	(3,251)	1,354,529
Net debt	569,859	147,606	-	717,465
For the three months ended June 30, 2025				
Cash provided by (used in) operating activities	82,501	(2,417)	-	80,084
Cash provided by (used in) financing activities	(9,846)	51,892	-	42,046
Cash used in investing activities	76,032	19,198	-	95,230
Net capital expenditures	48,840	18,448	-	67,288
Adjusted funds flow the for three months ended June 30, 2025				
Natural gas and liquids sales	164,593	-	-	164,593
Processing and other income	615	2,390	(1,078)	1,927
Royalty expense	(13,256)	-	-	(13,256)
Realized gains on derivatives	19,681	-	-	19,681
Total revenues (excluding unrealized gains and losses)	171,633	2,390	(1,078)	172,945
Operating expense	(34,806)	(727)	-	(35,533)
Transportation expense	(28,653)	-	-	(28,653)
General and administrative expense	(5,459)	(5,378)	-	(10,837)
Interest (expense) income	(12,241)	163	-	(12,078)
Other (expenses) income	(1,582)	(93)	1,078	(597)
Adjusted funds flow	**88,892**	**(3,645)**	**-**	**85,247**
Reconciliation to net income (loss) for the three months ended June 30, 2025				
Adjusted funds flow	88,892	(3,645)	-	85,247
Unrealized gains (losses) on derivatives	73,594	(718)	-	72,876
Share-based compensation expense	(2,603)	(15)	-	(2,618)
Depreciation and amortization expense	(55,104)	(1,255)	282	(56,077)
Interest paid-in-kind	-	(1,261)	-	(1,261)
Accretion expense	(1,313)	(850)	-	(2,163)
Other expenses	(144)	-	-	(144)
Income tax expense	(23,962)	-	-	(23,962)
Net income (loss)	**79,360**	**(7,744)**	**282**	**71,898**

3. Segmented reporting (continued)

For the six months ended June 30, 2025	Advantage	Entropy	Inter-Segment Eliminations	Consolidated
Cash provided by (used in) operating activities	206,416	(3,383)	-	203,033
Cash provided by (used in) financing activities	(38,270)	91,986	-	53,716
Cash used in investing activities	163,931	39,218	-	203,149
Net capital expenditures	143,011	38,264	-	181,275

Adjusted funds flow for the six months ended June 30, 2025				
Natural gas and liquids sales	386,383	-	-	386,383
Processing and other income	1,593	4,495	(1,870)	4,218
Royalty expense	(34,335)	-	-	(34,335)
Realized gains on derivatives	26,206	-		26,206
Total revenues (excluding unrealized gains and losses)	379,847	4,495	(1,870)	382,472
Operating expense	(70,664)	(1,350)	-	(72,014)
Transportation expense	(59,226)	-	-	(59,226)
General and administrative expense	(12,764)	(9,696)	-	(22,460)
Interest (expense) income	(24,783)	479	-	(24,304)
Other (expenses) income	(2,391)	(58)	1,870	(579)
Adjusted funds flow	**210,019**	**(6,130)**	**-**	**203,889**

Reconciliation to net income (loss) for the six months ended June 30, 2025				
Adjusted funds flow	210,019	(6,130)	-	203,889
Unrealized gains (losses) on derivatives	(17,527)	493	-	(17,034)
Share-based compensation expense	(4,234)	(66)	-	(4,300)
Depreciation and amortization expense	(114,385)	(2,543)	610	(116,318)
Interest paid-in-kind	-	(2,440)	-	(2,440)
Accretion expense	(2,603)	(1,341)	-	(3,944)
Other expenses	(364)	-	-	(364)
Income tax expense	(16,950)	-	-	(16,950)
Net income (loss)	**53,956**	**(12,027)**	**610**	**42,539**

3. Segmented reporting (continued)

As at June 30, 2024	Advantage	Entropy	Inter-Segment Eliminations	Consolidated
Total assets	2,787,732	75,970	(45,220)	2,818,482
Total liabilities	1,136,499	63,904	(3,428)	1,196,975
Net debt	619,391	55,274	-	674,665
For the three months ended June 30, 2024				
Cash provided by (used in) operating activities	47,958	(868)	-	47,090
Cash provided by (used in) financing activities	447,544	(42)	-	447,502
Cash used in investing activities	487,654	6,677	-	494,331
Net capital expenditures	485,198	5,690	-	490,888
Adjusted funds flow for the three months ended June 30, 2024				
Natural gas and liquids sales	104,081	-	-	104,081
Processing and other income	1,942	796	(796)	1,942
Royalty expense	(7,015)	-	-	(7,015)
Realized gains on derivatives	9,636	-	-	9,636
Total revenues (excluding unrealized gains and losses)	108,644	796	(796)	108,644
Operating expense	(24,717)	(433)	-	(25,150)
Transportation expense	(22,534)	-	-	(22,534)
General and administrative expense	(5,547)	(2,072)	-	(7,619)
Transaction costs	(3,141)	-	-	(3,141)
Interest (expense) income	(7,954)	42	-	(7,912)
Other (expenses) income	(720)	(10)	796	66
Adjusted funds flow	**44,031**	**(1,677)**	**-**	**42,354**
Reconciliation to net income (loss) for the three months ended June 30, 2024				
Adjusted funds flow	44,031	(1,677)	-	42,354
Unrealized losses on derivatives	(7,896)	(86)	-	(7,982)
Share-based compensation expense	(1,214)	(25)	-	(1,239)
Depreciation and amortization expense	(42,369)	(3,239)	281	(45,327)
Interest paid-in-kind	-	(719)	-	(719)
Accretion expense	(612)	(236)	-	(848)
Other expenses	(358)	-	-	(358)
Income tax recovery	1,569	-	-	1,569
Net income (loss)	**(6,849)**	**(5,982)**	**281**	**(12,550)**

3. Segmented reporting (continued)

For the six months ended June 30, 2024	Advantage	Entropy	Inter-Segment Eliminations	Consolidated
Cash provided by (used in) operating activities	117,242	(2,778)	-	114,464
Cash provided by financing activities	450,613	8,772	-	459,385
Cash used in investing activities	563,135	10,623	-	573,758
Net capital expenditures	561,374	9,648	-	571,022

Adjusted funds flow for the six months ended June 30, 2024				
Natural gas and liquids sales	239,978	-	-	239,978
Processing and other income	3,751	1,915	(1,540)	4,126
Royalty expense	(16,150)			(16,150)
Realized gains on derivatives	13,842	-	-	13,842
Total revenues (excluding unrealized gains and losses)	241,421	1,915	(1,540)	241,796
Operating expense	(49,214)	(1,018)	-	(50,232)
Transportation expense	(47,931)	-	-	(47,931)
General and administrative expense	(12,600)	(4,373)	-	(16,973)
Transaction costs	(3,141)	-	-	(3,141)
Interest (expense) income	(15,127)	171	-	(14,956)
Other (expenses) income	(2,346)	(10)	1,540	(816)
Adjusted funds flow	**111,062**	**(3,315)**	**-**	**107,747**

Reconciliation to net income (loss)				
Adjusted funds flow	111,062	(3,315)	-	107,747
Unrealized losses on derivatives	(1,489)	(269)	-	(1,758)
Share-based compensation expense	(1,242)	(92)	-	(1,334)
Depreciation and amortization expense	(83,286)	(3,733)	563	(86,456)
Interest paid-in-kind	-	(1,401)	-	(1,401)
Accretion expense	(1,125)	(454)	-	(1,579)
Settlement of Performance Share Units	1,071	-	-	1,071
Other income	245	-	-	245
Income tax expense	(6,178)	-	-	(6,178)
Net income (loss)	**19,058**	**(9,264)**	**563**	**10,357**

4. Cash and cash equivalents

	June 30 2025	December 31 2024
Cash at financial institutions	73,746	20,146

Cash at financial institutions earn interest at floating rates based on daily deposit rates. As at June 30, 2025 cash at financial institutions included US$0.5 million (December 31, 2024 - US$0.2 million). The Corporation only deposits cash with major financial institutions of high-quality credit ratings. Included in cash and cash equivalents as at June 30, 2025 is $63.9 million held by Entropy (December 31, 2024 - $14.5 million).

5. Intangible assets

Cost	
Balance at December 31, 2023	5,476
Additions	1,135
Balance at December 31, 2024	**6,611**
Additions	270
Balance at June 30, 2025	**6,881**
Accumulated amortization	
Balance at December 31, 2023	113
Amortization	1,252
Balance at December 31, 2024	**1,365**
Amortization	323
Balance at June 30, 2025	**1,688**
Net book value	
At December 31, 2024	5,246
At June 30, 2025	**5,193**

6. Property, plant and equipment

	Right-of-use assets	Exploration and evaluation assets	Natural gas and liquids assets	Carbon capture assets	Total
Cost					
Balance at December 31, 2023	3,253	15,961	3,456,026	39,609	3,514,849
Additions	1,366	-	266,744	35,179	303,289
Business combination	272	6,838	466,705	-	473,815
Asset dispositions [1]	-	-	(11,421)	-	(11,421)
Capitalized share-based compensation (note 14(b))	-	-	1,058	-	1,058
Capitalized interest paid-in-kind (note 11)	-	-	-	1,646	1,646
Changes in decommissioning liability (note 12(c))	-	-	37,373	(126)	37,247
Transfers	-	(5,879)	5,879	-	-
Lease expiries	-	(1,747)	-	-	(1,747)
Expired right-of-use assets	(73)	-	-	-	(73)
Balance at December 31, 2024	**4,818**	**15,173**	**4,222,364**	**76,308**	**4,318,663**
Additions	184	-	147,011	37,994	185,189
Asset dispositions [1]	-	-	(4,000)	-	(4,000)
Capitalized share-based compensation (note 14(b))	-	-	917	-	917
Capitalized interest paid-in-kind (note 11)	-	-	-	3,234	3,234
Changes in decommissioning liability (note 12(c))	-	-	(7,111)	(593)	(7,704)
Expired right-of-use assets	(73)	-	-	-	(73)
Balance at June 30, 2025	**4,929**	**15,173**	**4,359,181**	**116,943**	**4,496,226**
Accumulated depreciation					
Balance at December 31, 2023	1,523	-	1,423,881	243	1,425,647
Depreciation	823	-	193,918	3,496	198,237
Expired right-of-use assets	(73)	-	-	-	(73)
Balance at December 31, 2024	**2,273**	**-**	**1,617,799**	**3,739**	**1,623,811**
Depreciation	519	-	113,961	1,515	115,995
Expired right-of-use assets	(73)	-	-	-	(73)
Balance at June 30, 2025	**2,719**	**-**	**1,731,760**	**5,254**	**1,739,733**
Net book value					
At December 31, 2024	2,545	15,173	2,604,565	72,569	2,694,852
At June 30, 2025	**2,210**	**15,173**	**2,627,421**	**111,689**	**2,756,493**

[1] Advantage disposed of non-core assets in 2025 and 2024 that were acquired through the business combination in 2024. These assets were removed from natural gas and liquids properties with no gain or loss recognized.

During the six months ended June 30, 2025, Advantage capitalized general and administrative expenditures directly related to development activities of $2.7 million, included in additions (year ended December 31, 2024 - $6.5 million).

Advantage included future development costs of $2.6 billion (December 31, 2024 - $2.8 billion) in natural gas and liquids properties costs subject to depreciation.

During the six months ended June 30, 2025, Entropy capitalized borrowing cost that was paid-in-kind, directly related to funding CCS development activities of $3.2 million (year ended December 31, 2024 - $1.6 million).

6. Property, plant and equipment (continued)

For the three and six months ended June 30, 2025, the Corporation evaluated its property, plant and equipment for indicators of any potential impairment. As a result of this assessment, no indicators were identified, and no impairment test was performed for the three and six months ended June 30, 2025.

7. Financial risk management

Financial assets and liabilities recorded or disclosed at fair value in the statements of financial position are categorized based on the level associated with the inputs used to measure their fair value.

Fair value is determined following a three-level hierarchy:

Level 1: Quoted prices in active markets for identical assets and liabilities. The Corporation does not have any financial assets or liabilities that require Level 1 inputs.

Level 2: Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly. Such inputs can be corroborated with other observable inputs for substantially the complete term of the contract.

Derivative assets and liabilities are categorized as Level 2 in the fair value hierarchy and measured at fair value on a recurring basis. For derivative assets and liabilities, pricing inputs include quoted forward prices for commodities, foreign exchange rates, interest rates, volatility, and risk-free rate discounting, all of which can be observed or corroborated in the marketplace. The actual gains and losses realized on eventual cash settlement can vary materially due to subsequent fluctuations as compared to the valuation assumptions.

Level 3: Fair value is determined using inputs that are not observable.

The Corporation's natural gas embedded derivative is categorized as Level 3 in the fair value hierarchy as the volatility derived from historic PJM electricity prices and the long-term portion of the PJM electricity forward price are unobservable inputs.

The Corporation's unsecured debentures – derivative liability is categorized as Level 3 in the fair value hierarchy as multiple inputs such as volatility, probability of a future change of control event and share price are unobservable inputs.

7. Financial risk management (continued)

The Corporation enters into financial risk management derivative contracts to manage the Corporation's exposure to commodity price risk and foreign exchange risk. The table below summarizes the realized gains (losses) and unrealized gains (losses) on derivatives recognized in net income (loss).

	Three months ended June 30		Six months ended June 30	
	2025	**2024**	**2025**	**2024**
Realized gains (losses) on derivatives				
Natural gas	11,943	10,465	15,423	15,128
Crude oil	6,763	-	8,705	-
Foreign exchange	249	(86)	(171)	4
Natural gas embedded derivative	726	(743)	2,249	(1,290)
Total	**19,681**	**9,636**	**26,206**	**13,842**
Unrealized gains (losses) on derivatives				
Natural gas	52,608	22,401	(5,440)	13,240
Crude oil	5,005	(4,911)	3,009	(4,911)
Foreign exchange	891	(92)	1,237	(939)
Natural gas embedded derivative	15,090	(25,294)	(16,333)	(8,880)
Unsecured debenture derivative	(718)	(86)	493	(268)
Total	**72,876**	**(7,982)**	**(17,034)**	**(1,758)**
Gains (losses) on derivatives				
Natural gas	64,551	32,866	9,983	28,368
Crude oil	11,768	(4,911)	11,714	(4,911)
Foreign exchange	1,140	(178)	1,066	(935)
Natural gas embedded derivative	15,816	(26,037)	(14,084)	(10,170)
Unsecured debenture derivative	(718)	(86)	493	(268)
Total	**92,557**	**1,654**	**9,172**	**12,084**

The fair value of financial risk management derivatives has been allocated to current and non-current assets and liabilities based on the expected timing of cash settlements. The following table summarizes the estimated fair market value of the Corporation's outstanding financial risk management derivative contracts.

	June 30 2025	December 31 2024
Derivative type		
Natural gas derivative asset	21,764	27,204
Crude oil derivative liability	10,061	7,052
Foreign exchange derivative asset (liability)	496	(741)
Natural gas embedded derivative asset	65,617	81,950
Unsecured debentures derivative liability (note 11)	(72,579)	(40,344)
Net derivative asset	**25,359**	**75,121**
Consolidated statement of financial position classification		
Current derivative asset	50,424	50,358
Non-current derivative asset	54,934	78,631
Current derivative liability	(2,836)	(8,900)
Non-current derivative liability	(4,584)	(4,624)
Unsecured debentures derivative liability (note 11)	(72,579)	(40,344)
Net derivative asset	**25,359**	**75,121**

7. Financial risk management (continued)

(a) Commodity price risk

The Corporation's commodity derivative contracts are classified as Level 2 within the fair value hierarchy. As at June 30, 2025 and August 6, 2025, the Corporation had the following commodity derivative contracts in place:

Description of Derivative	Term	Volume	Price
Natural gas - AECO			
Fixed price swap	July 2025 to October 2025	135,064 Mcf/d	$2.62/Mcf
Fixed price swap	November 2025 to March 2026	132,694 Mcf/d	$3.58/Mcf
Fixed price swap	April 2026 to October 2026	66,347Mcf/d	$3.17/Mcf
Fixed price swap	November 2026 to March 2027	71,086 Mcf/d	$3.27/Mcf
Fixed price swap	April 2027 to March 2028	14,217 Mcf/d	$3.23/Mcf
Natural gas - Chicago			
Fixed price swap	July 2025 to October 2025	4,739 Mcf/d	$5.10/Mcf
Natural gas - Dawn			
Fixed price swap	July 2025 to October 2025	47,391 Mcf/d	$4.04/Mcf
Fixed price swap	November 2025 to March 2026	28,435 Mcf/d	$4.65/Mcf
Fixed price swap	April 2026 to October 2026	28,435 Mcf/d	$4.52/Mcf
Fixed price swap	November 2026 to March 2027	9,478 Mcf/d	$4.25/Mcf
Crude oil – WTI NYMEX			
Fixed price swap	July 2025 to December 2025	4,000 bbls/d	US $72.36/bbl
Fixed price swap	January 2026 to June 2026	1,000 bbls/d	US $63.08/bbl

7. Financial risk management (continued)

(a) Commodity price risk (continued)

Natural Gas - Embedded Derivative

Advantage is party to a long-term natural gas supply agreement, delivering 25,000 MMbtu/d of natural gas for a 10-year period. Commercial terms of the agreement are based upon a spark-spread pricing formula, providing Advantage exposure to PJM electricity prices, back-stopped with a natural gas price collar. The contract contains an embedded derivative as a result of the spark-spread pricing formula and the natural gas price collar. The Corporation defined the host contract as a natural gas sales arrangement with a fixed price of US $2.50/MMbtu. The Corporation will realize derivative gains or losses when the price received under the contract deviates from US $2.50/MMbtu. As at June 30, 2025 the fair value of the natural gas embedded derivative resulted in an asset of $65.6 million (December 31, 2024 – $82.0 million asset).

The below table provides the impact to the valuation of the natural gas embedded derivative by adjusting the inputs below:

$ millions	**Increase**	**(Decrease)**
10% change in PJM electricity price	15.1	(20.6)
1% change in implied inflation rate	0.2	(0.2)

7. Financial risk management (continued)

(b) Foreign exchange risk

The Corporation's foreign exchange derivative contracts are classified as Level 2 within the fair value hierarchy. As at June 30, 2025, the Corporation had the following foreign exchange derivative contracts in place:

Description of Derivative	Term	Notional Amount	Rate
Forward rate - CAD/USD			
Average rate currency swap	July 2025	US $ 3,000,000/month	1.3969
Average rate currency swap	August 2025 to December 2025	US $ 1,000,000/month	1.4320

(c) Capital management

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 current derivatives, financing liability, provisions and other liabilities and unsecured debentures, Management and users can determine if the Corporation's 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 June 30, 2025 and December 31, 2024 is as follows:

	June 30 2025	December 31 2024
Cash and cash equivalents	73,746	20,146
Trade and other receivables	76,756	83,188
Prepaid expenses and deposits	9,750	10,000
Trade and other accrued liabilities	(91,336)	(116,609)
Working capital surplus (deficit)	**68,916**	**(3,275)**

7. Financial risk management (continued)

(c) Capital management (continued)

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.

A summary of the reconciliation of net debt as at June 30, 2025 and December 31, 2024 is as follows:

	June 30 2025	December 31 2024
Bank indebtedness (note 8)	440,957	470,424
Convertible debentures (note 9)	143,750	143,750
Unsecured debentures (note 11)	201,674	101,000
Working capital (surplus) deficit	(68,916)	3,275
Net debt	**717,465**	**718,449**

Advantage's capital structure as at June 30, 2025 and December 31, 2024 is as follows:

	June 30 2025	December 31 2024
Shares outstanding (note 13)	167,015,022	166,931,440
Share closing market price ($/share)	11.83	9.86
Market capitalization	**1,975,788**	**1,645,944**
Net debt	717,465	718,449
Total capitalization	**2,693,253**	**2,364,393**

8. Bank indebtedness

	June 30 2025	December 31 2024
Revolving credit facility	445,000	475,000
Unamortized financing fees	(4,043)	(4,576)
Balance, end of period	**440,957**	**470,424**

In June 2025, the Credit Facility was renewed with no changes to the borrowing base of $650 million, comprised of a $60 million extendible revolving operating loan facility from one financial institution and a $590 million extendible revolving loan facility from a syndicate of financial institutions. The Credit Facility has a tenor of two years with a maturity date in June 2027 and is subject to an annual review and extension by the lenders. The Corporation had letters of credit of $8.5 million outstanding at June 30, 2025 (December 31, 2024 - $5.5 million). The Corporation did not have any financial covenants at June 30, 2025 and December 31, 2024.

9. Convertible debentures

	Convertible Debentures (# of Debentures)	Liability Component	Equity Component
Balance, December 31, 2023	-	-	-
Issuance of convertible debentures	143,750	126,261	17,489
Issuance costs	-	(5,694)	(788)
Deferred income tax liability	-	-	(3,842)
Accretion of discount	-	2,016	-
Balance, December 31, 2024	**143,750**	**122,583**	**12,859**
Accretion of discount	-	1,939	-
Balance, June 30, 2025	**143,750**	**124,522**	**12,859**

The Corporation has $143.8 million aggregate principal amount of convertible unsecured subordinated debentures (the "Debentures") at a price of $1,000 per debenture outstanding as at June 30, 2025. The Debentures will mature and be repayable on June 30, 2029 and accrue interest at the rate of 5.0% per annum.

The fair value of the Debentures at June 30, 2025 was $155.5 million using quoted market prices on the TSX.

10. Financing liability

The Corporation has take-or-pay volume commitment with a 12.5% working interest partner in the Corporation's Glacier Gas Plant, with a term due to expire in 2035. The volume commitment agreement is treated as a financing transaction with an effective interest rate associated with the financing transaction of 9.1%.

A reconciliation of the financing liability is provided below:

	Six months ended June 30, 2025	Year ended December 31, 2024
Balance, beginning of the year	88,083	92,897
Interest expense	3,924	8,272
Financing payments	(6,471)	(13,086)
Balance, end of period	**85,536**	**88,083**
Current financing liability	5,497	5,256
Non-current financing liability	80,039	82,827

11. Unsecured debentures

During the six months ended June 30, 2025, Entropy issued unsecured debentures for gross proceeds of $95.0 million (June 30, 2024 - $10.0 million) and incurred $4.4 million of issuance costs (June 30, 2024 - $1.2 million). For the six months ended June 30, 2025, Entropy incurred interest of $5.7 million which was paid-in-kind (June 30, 2024 - $2.0 million).

The exchange features of the unsecured debentures meet the definition of a derivative liability, as the exchange features allow the unsecured debentures to be potentially exchanged for a variable amount of common shares in certain situations, and as such does not meet the fixed-for-fixed criteria for equity classification. The unsecured debenture - derivative liability is classified as Level 3 within the fair value hierarchy.

The following table provides a summary of the outstanding aggregate principal balance of Entropy's unsecured debentures.

	Six months ended June 30, 2025	Year ended December 31, 2024
Aggregate principal balance, beginning of the year	101,000	40,807
Unsecured debentures issued	95,000	55,000
Interest paid-in-kind	5,674	5,193
Aggregate principal balance, end of period	**201,674**	**101,000**

The following tables disclose the components associated with the unsecured debentures at initial recognition. The changes in the unsecured debentures are as follows:

	Six months ended June 30, 2025	Year ended December 31, 2024
Balance, beginning of the year	64,682	27,819
Initial recognition	67,946	39,159
Issuance costs	(4,449)	(3,528)
Accretion expense	1,327	1,232
Balance, end of period	**129,506**	**64,682**

The changes in the unsecured debentures - derivative liability related to the exchange features are as follows:

	Six months ended June 30, 2025	Year ended December 31, 2024
Balance, beginning of the year	40,344	18,444
Initial recognition	32,728	21,034
Revaluation	(493)	866
Balance, end of period	**72,579**	**40,344**

The Corporation determined the value of the conversion feature using a probability weighted Black-Scholes calculation. Unobservable inputs used to determine the valuation at June 30, 2025 includes estimated share price, estimated timing of an IPO, share price volatility and credit spread. The below table provides the impact to the valuation of the derivative liability by adjusting the inputs below:

$ millions	**Increase**	**(Decrease)**
$1 change in estimated share price	17.5	(17.5)
1% change in credit spread	4.3	(4.5)
1 year change in estimated timing of an IPO	7.8	(7.3)

12. Provisions and other liabilities

	Six months ended June 30, 2025	Year ended December 31, 2024
Performance Awards (note 14 (c))	2,293	2,312
Deferred Share Units (note 14 (d))	5,459	4,869
Deferred revenue (a)	5,117	5,639
Lease liability (b)	2,524	2,820
Decommissioning liability (c)	117,164	126,753
Balance, end of period	**132,557**	**142,393**
Current provisions and other liabilities	12,191	14,724
Non-current provisions and other liabilities	120,366	127,669

(a) Deferred revenue

Deferred revenue represents an advance payment received by Advantage in consideration for the future sales of natural gas. Deferred revenue is recognized over the course of the 10-year natural gas supply agreement (note 7(a)).

	Six months ended June 30, 2025	Year ended December 31, 2024
Balance, beginning of the year	5,639	6,603
Additions	-	240
Recognized in natural gas and liquids sales	(522)	(1,204)
Balance, end of period	**5,117**	**5,639**
Current deferred revenue	660	852
Non-current deferred revenue	4,457	4,787

(b) Lease liability

The Corporation incurs lease payments related to its office leases and other miscellaneous equipment. The Corporation has recognized a lease liability in relation to all lease arrangements measured at the present value of the remaining lease payments.

A reconciliation of the lease liability is provided below:

	Six months ended June 30, 2025	Year ended December 31, 2024
Balance, beginning of the year	2,820	1,967
Additions	184	1,366
Leases acquired	-	272
Interest expense	88	160
Lease payments	(568)	(945)
Balance, end of period	**2,524**	**2,820**
Current lease liability	1,087	929
Non-current lease liability	1,437	1,891

12. Provisions and other liabilities (continued)

(c) Decommissioning liability

The Corporation's decommissioning liability results from net ownership interests in natural gas and liquids assets including well sites, gathering systems, facilities and carbon capture equipment, all of which will require future costs of decommissioning under environmental legislation. These costs are expected to be incurred between 2025 and 2075. A risk-free rate of 3.56% (December 31, 2024 – 3.30%) and an inflation factor of 2.0% (December 31, 2024 – 2.0%) were used to calculate the fair value of the decommissioning liability at June 30, 2025. As at June 30, 2025, the total estimated undiscounted, uninflated cash flows required to settle the Corporation's decommissioning liability was $163.9 million (December 31, 2024 – $168.7 million).

A reconciliation of the decommissioning liability is provided below:

	Six months ended June 30, 2025	**Year ended December 31, 2024**
Balance, beginning of the year	126,753	62,155
Accretion expense	678	2,141
Liabilities incurred	1,312	12,229
Liabilities disposed	(2,339)	(1,990)
Liabilities acquired	-	28,269
Revaluation of liabilities acquired	-	24,694
Change in estimates	(398)	4,647
Effect of change in risk-free rate	(6,279)	(2,333)
Liabilities settled	(2,563)	(3,059)
Balance, end of period	**117,164**	**126,753**
Current decommissioning liability	4,000	7,000
Non-current decommissioning liability	113,164	119,753

13. Share capital

(a) Authorized

The Corporation is authorized to issue an unlimited number of shares without nominal or par value.

	Common Shares (# of shares)	Share capital ($000)
Balance at December 31, 2023	162,225,180	1,952,241
Issuance of common shares	5,910,000	62,643
Shares issued on Performance Share Unit settlements (note 14 (a))	1,251,060	-
Contributed surplus transferred on Performance Share Unit vesting	-	3,891
Shares purchased and cancelled under NCIB	(2,454,800)	(29,536)
Balance at December 31, 2024	**166,931,440**	**1,989,239**
Shares issued on Performance Share Unit settlements (note 14 (a))	668,382	-
Contributed surplus transferred on Performance Share Unit vesting	-	6,298
Shares purchased and cancelled under NCIB	(584,800)	(6,966)
Balance at June 30, 2025	**167,015,022**	**1,988,571**

(b) Issued

For the six months ended June 30, 2025, the Corporation issued 0.7 million common shares in connection with Corporation’s Performance Award Incentive Plan (note 14(a)).

(c) Normal Course Issuer Bid ("NCIB")

For the six months ended June 30, 2025, the Corporation purchased 0.6 million common shares for cancellation for a total of $5.9 million. Share capital was reduced by $7.0 million while contributed surplus was increased by $1.1 million, representing the excess average carrying value of the common shares over the purchase price.

On May 8, 2025, the TSX approved the renewal of the NCIB. The NCIB commenced on May 14, 2025 and will terminate on May 13, 2026. Pursuant to the NCIB, Advantage was approved to purchase for cancellation, from time to time, as it considered advisable, up to a maximum of 14,415,014 common shares of the Corporation.

Purchases pursuant to the NCIB are made on the open market through the facilities of the TSX or alternative trading systems. The price that Advantage paid for its common shares under the NCIB was the prevailing market price on the TSX at the time of such purchase, including commissions. All common shares acquired under the NCIB were cancelled.

14. Long-term compensation plans

(a) Restricted and Performance Award Incentive Plan – Performance Share Units

Under the Restricted and Performance Award Incentive Plan, service providers can be granted two types of equity incentive awards: Restricted Share Units and Performance Share Units. As at June 30, 2025, no equity Restricted Share Units have been granted. Performance Share Units granted vest over three years from the grant date and are subject to a Payout Multiplier that is determined based on the achievement of corporate performance measures during that three-year period, as approved by the Board of Directors.

The following table is a continuity of Performance Share Units:

	Performance Share Units
Balance at December 31, 2023	**2,819,414**
Granted	882,858
Vested	(1,191,708)
Forfeited	(178,864)
Balance at December 31, 2024	**2,331,700**
Granted	1,226,938
Vested	(617,476)
Forfeited	(5,023)
Balance at June 30, 2025	**2,936,139**

On March 27, 2025, 0.6 million Performance Share Units vested which were settled with the issuance of 0.7 million common shares in April 2025.

(b) Share-based compensation expense

Share-based compensation expense after capitalization for the three and six months ended June 30, 2025, and 2024 are as follows:

	Three months ended June 30		**Six months ended June 30**	
	2025	**2024**	**2025**	**2024**
Total share-based compensation	3,182	1,570	5,217	1,665
Capitalized	(564)	(331)	(917)	(331)
Share-based compensation expense	**2,618**	**1,239**	**4,300**	**1,334**

14. Long-term compensation plans (continued)

(c) Performance Award Incentive Plan - Performance Awards

Under the Performance Award Incentive Plan, service providers can be granted cash Performance Awards. Such grants vest over three years from the grant date are subject to a Payout Multiplier that is determined based on the achievement of corporate performance measures during that three-year period, as approved by the Board of Directors. Performance Awards are expensed to general and administrative expense with the recording of a current and non-current liability (note 12) until eventually settled in cash.

The following table is a continuity of the Corporation's liability related to outstanding Performance Awards:

	Six months ended June 30, 2025	Year ended December 31, 2024
Balance, beginning of the year	2,312	6,687
Performance Award expense	849	543
Interest expense	35	61
Performance Awards settled	(903)	(4,979)
Balance, end of period	**2,293**	**2,312**
Current	985	1,074
Non-current	1,308	1,238

(d) Deferred Share Units

Deferred Share Units are issued to Directors of the Corporation. Each Deferred Share Unit entitles participants to receive cash equal to the Corporation's common shares, multiplied by the number of DSUs held. All Deferred Share Units vest immediately upon grant and become payable upon retirement of the Director from the Board.

The following table is a continuity of Deferred Share Units:

	Deferred Share Units
Balance at December 31, 2023	536,680
Granted	69,653
Settled	(112,498)
Balance at December 31, 2024	**493,835**
Granted	52,919
Settled	(85,220)
Balance at June 30, 2025	**461,534**

The expense related to Deferred Share Units is calculated using the fair value method based on the Corporation's share price at the end of each reporting period and is charged to general and administrative expense. The following table is a continuity of the Corporation's liability related to outstanding Deferred Share Units:

	Six months ended June 30, 2025	Year ended December 31, 2024
Balance, beginning of the year	4,869	4,579
Granted	551	672
Revaluation of outstanding Deferred Share Units	984	576
Settled	(945)	(958)
Balance, end of period	**5,459**	**4,869**

15. Net income (loss) per share attributable to Advantage shareholders

The calculations of basic and diluted net income (loss) per share are derived from both net income (loss) attributable to Advantage shareholders and weighted average shares outstanding, calculated as follows:

	Three months ended June 30		Six months ended June 30	
	2025	**2024**	**2025**	**2024**
Net income (loss) attributable to Advantage shareholders				
Basic	72,502	(12,084)	43,478	11,079
Diluted	74,663	(12,084)	43,478	11,079
Weighted average shares outstanding				
Basic	167,179,498	161,362,006	167,001,262	160,902,872
Convertible debentures	9,859,396	-	-	-
Performance Share Units	3,746,409	-	3,231,784	3,765,082
Diluted	180,785,303	161,362,006	170,233,046	164,667,954
Net income (loss) per share attributable to Advantage shareholders				
Basic ($/share)	0.43	(0.07)	0.26	0.07
Diluted ($/share)	0.41	(0.07)	0.26	0.07

In computing diluted per share amounts at June 30, 2025, the Entropy common shares potentially issuable on the conversion of the unsecured debentures were excluded as they were determined to be anti-dilutive. If the aggregate principal balance of unsecured debentures were converted at June 30, 2025, Advantage's ownership would have been 52% (June 30, 2024 – 73%).

16. Revenues

Advantage's revenue is comprised of natural gas, crude oil, condensate and NGLs sales to multiple customers. For the three and six months ended June 30, 2025, and 2024, natural gas and liquids sales was as follows:

	Three months ended June 30		Six months ended June 30	
	2025	**2024**	**2025**	**2024**
Crude oil	57,501	28,151	129,788	50,143
Condensate	6,525	11,342	15,522	21,906
NGLs	15,649	15,465	35,792	30,001
Liquids	**79,675**	**54,958**	**181,102**	**102,050**
Natural Gas	84,918	49,123	205,281	137,928
Natural gas and liquids sales	**164,593**	**104,081**	**386,383**	**239,978**

At June 30, 2025, receivables from contracts with customers, which are included in trade and other receivables, were $46.4 million (December 31, 2024 - $63.2 million).

Advantage markets its natural gas and liquids production to major North American marketers, three of which each account for greater than 10% of natural gas and liquids sales. These customers account for 31%, 25%, and 13%, respectively, of the Corporation's total natural gas and liquids sales.

17. Supplementary cash flow information

Changes in non-cash working capital is comprised of:

	Three months ended June 30		Six months ended June 30	
	2025	**2024**	**2025**	**2024**
Source (use) of cash:				
Trade and other receivables	13,294	10,279	6,432	12,158
Prepaid expense and deposits	(142)	2,597	250	4,574
Trade and other accrued liabilities	(42,600)	(12,123)	(25,273)	(7,906)
Inventory	(101)	620	(101)	620
Deferred revenue	(200)	(825)	(522)	(825)
Performance Awards	(213)	449	(19)	(4,593)
Deferred Share Units	(449)	338	590	62
	(30,411)	**1,335**	**(18,643)**	**4,090**
Related to operating activities	(3,993)	4,778	1,707	6,826
Related to financing activities	1,524	-	1,524	-
Related to investing activities	(27,942)	(3,443)	(21,874)	(2,736)
	(30,411)	**1,335**	**(18,643)**	**4,090**

17. Supplementary cash flow information (continued)

The following table provides a detailed breakdown of the cash and non-cash changes in financing liabilities arising from financing activities:

	Three months ended June 30		Six months ended June 30	
	2025	**2024**	**2025**	**2024**
Cash flows				
Common shares repurchased	(2,971)	-	(5,865)	(21,347)
Common shares issued	-	65,010	-	65,010
Issuance costs on shares issued	-	(2,905)	-	(2,905)
Draws on Credit Facility	30,000	515,000	50,000	570,000
Repayment of Credit Facility	(35,000)	(260,000)	(80,000)	(290,000)
Bankers' acceptance and other fees	(1,410)	(10,553)	(1,410)	(14,821)
Proceeds from unsecured debentures	53,000	-	95,000	10,000
Issuance costs on unsecured debentures	(2,587)	-	(4,449)	(1,155)
Proceeds from convertible debentures	-	143,750	-	143,750
Issuance costs on convertible debentures	-	(6,423)	-	(6,423)
Lease payments	(292)	(214)	(568)	(426)
Financing payments	(3,253)	(3,254)	(6,471)	(6,507)
Net cash flows	**37,487**	**440,411**	**46,237**	**445,176**
Non-cash changes				
Amortization of bankers' acceptance and other fees	1,034	4,983	1,943	9,975
Lease liability interest expense	44	37	88	66
Financing liability interest expense	1,957	2,071	3,924	4,168
Changes in non-cash working capital	1,524	-	1,524	-
Total non-cash changes	**4,559**	**7,091**	**7,479**	**14,209**
Cash provided by financing activities	**42,046**	**447,502**	**53,716**	**459,385**

18. Commitments

At June 30, 2025, Advantage had commitments relating to building operating cost, processing commitments, and transportation commitments. The estimated remaining payments are as follows:

	Payments due by period						
($ millions)	**Total**	**2025 6 months**	**2026**	**2027**	**2028**	**2029**	**Beyond**
Building operating cost [1]	1.8	0.4	0.8	0.6	-	-	-
Processing	178.0	14.3	28.1	28.1	28.2	26.4	52.9
Transportation	682.4	50.4	96.4	88.8	60.0	50.7	336.1
Total commitments	**862.2**	**65.1**	**125.3**	**117.5**	**88.2**	**77.1**	**389.0**

[1] Excludes fixed lease payments which are included in the Corporation's lease liability.

ABBREVIATIONS

Crude Oil and Natural Gas Liquids		Natural Gas	
bbl	barrel	Mcf	thousand cubic feet
bbls	barrels	MMcf	million cubic feet
Mbbls	thousand barrels	bcf/d	billion cubic feet per day
NGLs	natural gas liquids	Mcf/d	thousand cubic feet per day
BOE or boe	barrel of oil equivalent	MMcf/d	million cubic feet per day
Mboe	thousand barrels of oil equivalent	Mcfe	thousand cubic feet of natural gas equivalent, using the ratio of 6 Mcf of natural gas being equivalent to one bbl of oil
MMboe	million barrels of oil equivalent	MMcfe/d	million cubic feet of natural gas equivalent per day
boe/d	barrels of oil equivalent per day	MMbtu	million British Thermal Units
bbls/d	barrels of oil per day	MMbtu/d	million British Thermal Units per day
		GJ/d	Gigajoules per day

Other

AECO	a notional market point on the NGTL system, located at the AECO 'C' hub in Southeastern Alberta, where the purchase and sale of natural gas is transacted
CCS	means "Carbon Capture and Storage"
Henry Hub	a central delivery location, located near Louisiana's Gulf Coast connecting several intrastate and interstate pipelines, that serves as the official delivery location for futures contracts on the NYMEX
MSW	means "Mixed Sweet Blend", the reference price paid for conventionally produced light sweet crude oil at Edmonton, Alberta
NCIB	means "Normal course issuer bid"
PJM	a regional transmission organization that coordinates the movement of wholesale electricity in the Mid Atlantic region of the US
TSX	Toronto Stock Exchange
WTI	means "West Texas Intermediate", the reference price paid in U.S. dollars at Cushing, Oklahoma for the crude oil standard grade
Crude oil	Light Crude Oil and Medium Crude Oil as defined in National Instrument 51-101
Natural gas	"Conventional Natural Gas" and "Shale Gas" as defined in National Instrument 51-101
"NGLs" & "condensate"	Natural Gas Liquids as defined in National Instrument 51-101
Liquids	Total of crude oil, condensate and NGLs

Directors

Jill T. Angevine [2][3]
Michael Belenkie
Deirdre M. Choate[1][4]
Donald M. Clague [1][2]
Daniel S. Farb[3][4]
John L. Festival[3]
Norman W. MacDonald[2][4]
Larry S. Massaro[2]
Katherine L. Minyard[1][3]
David G. Smith[1][4]

[1] Member of Audit Committee
[2] Member of Reserves and Health, Safety and Environment Committee
[3] Member of Compensation Committee
[4] Member of Governance & Sustainability Committee

Officers

Michael Belenkie, President and CEO
Craig Blackwood, CFO
Neil Bokenfohr, Senior Vice President
John Quaife, Vice President, Finance
Darren Tisdale, Vice President, Geosciences
Geoff Keyser, Vice President, Corporate Development
Brian Bagnell, Vice President, Commodities and Capital Markets

Corporate Secretary

Jay P. Reid, Partner
Burnet, Duckworth and Palmer LLP

Auditors

PricewaterhouseCoopers LLP

Bankers

The Bank of Nova Scotia
National Bank of Canada
Royal Bank of Canada
Canadian Imperial Bank of Commerce
ATB Financial
The Toronto – Dominion Bank
Business Development Bank of Canada
Wells Fargo Bank N.A., Canadian Branch

Independent Reserve Evaluators

McDaniels & Associates Consultants Ltd.

Legal Counsel

Burnet, Duckworth and Palmer LLP

Transfer Agent

Computershare Trust Company of Canada

Corporate Office

2200, 440 – 2nd Avenue SW
Calgary, Alberta T2P 5E9
(403) 718-8000

Contact Us

Toll free: 1-866-393-0393
Email: ir@advantageog.com
Visit our website at www.advantageog.com

Toronto Stock Exchange Trading Symbols

AAV: Common shares
AAV.DB: Debentures