

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") of ARC Resources Ltd. ("ARC" or the "Company") is Management's analysis of the financial performance and significant trends and external factors that may affect future performance. It is dated April 30, 2019 and should be read in conjunction with the unaudited condensed interim consolidated financial statements (the "financial statements") as at and for the three months ended March 31, 2019, and the MD&A and audited consolidated financial statements as at and for the year ended December 31, 2018, as well as ARC's Annual Information Form ("AIF"), each of which is filed on SEDAR at www.sedar.com. All financial information is reported in Canadian dollars and all per share information is based on diluted weighted average common shares, unless otherwise noted.

This MD&A contains non-GAAP measures and forward-looking statements. Readers are cautioned that the MD&A should be read in conjunction with ARC's disclosure under the headings "Non-GAAP Measures", "Forward-looking Information and Statements", and "Glossary" included at the end of this MD&A.

ABOUT ARC RESOURCES LTD.

ARC is a dividend-paying Canadian energy company headquartered in Calgary, Alberta. ARC's activities focus on the exploration, development and production of conventional crude oil, condensate, natural gas liquids ("NGLs") and natural gas in western Canada with an emphasis on the development of properties with a large volume of hydrocarbons in place commonly referred to as "resource plays".

ARC has maintained its strategy of **risk-managed value creation** since inception which has delivered value to shareholders, including payment of a regular dividend. ARC's low-cost structure, disciplined capital allocation decisions, marketing strategies, portfolio management, low debt, and strategic optionality have all contributed to ARC's success.

Highlights

Table 1

	2019 YTD	2018	2017	2016	2015
Production ⁽¹⁾					
Crude oil and condensate (bbl/d)	26,461	30,741	30,030	35,136	36,192
Natural gas (MMcf/d)	632.5	570.2	525.8	475.6	444.9
NGLs (bbl/d)	7,183	6,955	5,273	4,274	3,819
Total production (boe/d)	139,054	132,724	122,937	118,671	114,167
Daily production per thousand shares ⁽²⁾	0.39	0.38	0.35	0.34	0.34
Net income (loss)	(54.6)	213.8	388.9	201.3	(342.7)
Net income (loss) per share	(0.15)	0.60	1.10	0.57	(1.01)
Funds from operations ⁽³⁾	186.2	819.0	731.9	633.3	773.4
Funds from operations per share ⁽³⁾	0.53	2.31	2.07	1.80	2.27
Capital expenditures ⁽⁴⁾	213.7	679.4	829.7	453.4	541.6
Net debt ⁽³⁾	796.3	702.7	728.0	356.5	985.1
Net debt to annualized funds from operations (ratio) ⁽³⁾	1.1	0.9	1.0	0.6	1.3
Return on average capital employed (%) ⁽⁵⁾⁽⁶⁾	5	8	14	7	(7)
Proved plus probable reserves (MMboe) ⁽⁷⁾⁽⁸⁾	n/a	878.9	836.1	736.7	686.9
Proved plus probable reserves per share (boe)	n/a	2.5	2.4	2.1	2.0

(1) Reported production amount is based on Company interest before royalty burdens.

(2) Daily production per thousand shares represents annual average daily production divided by the diluted weighted average common shares for the respective three months ended March 31, 2019 and for the respective annual periods ended December 31, 2018, 2017, 2016 and 2015.

(3) Refer to Note 11 "Capital Management" in the financial statements and to the section entitled "Funds from Operations" contained within this MD&A.

(4) Prior to expenditures for land purchases and property acquisitions and dispositions.

(5) Non-GAAP measure that does not have any standardized meaning under International Financial Reporting Standards ("IFRS") and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP Measures" contained within this MD&A.

(6) For the 2019 YTD period, Return on average capital employed ("ROACE") is calculated for the 12 months ended March 31, 2019.

(7) As determined by ARC's independent reserves evaluator with an effective date of December 31 for the years shown in accordance with the Canadian Oil and Gas Evaluation ("COGE") Handbook.

(8) Company gross reserves are the gross interest reserves before deduction of royalties and without including any royalty interests. For more information, see ARC's AIF as filed on SEDAR at www.sedar.com and the news release entitled "ARC Resources Ltd. Announces 118 MMboe of Total Proved Plus Probable Reserve Additions in 2018, Replacing 245 Per Cent of Production, and Delivers Record Proved Producing Reserve Additions of 82 MMboe" dated February 7, 2019.

QUARTERLY RESULTS ⁽¹⁾

Global crude oil and North American natural gas markets have experienced continued volatility over the past eight quarters. In addition, the structure of ARC's business has transformed during this period as the Company has focused its asset base through strategic dispositions and organic growth in core areas to position itself for long-term success.

Exhibit 1



(1) The details contained in the graphs above are included in the "Quarterly Historical Review" section of this MD&A.

(2) Refer to Note 11 "Capital Management" in the financial statements and to the section entitled "Funds from Operations" contained within this MD&A.

(3) Net debt to annualized funds from operations. Refer to the section entitled "Capitalization, Financial Resources and Liquidity" contained within this MD&A.

Trends in earnings and funds from operations are primarily associated with fluctuations in revenues which reflect changes in production levels and commodity prices. Realized risk management gains and losses serve to partially mitigate the effect of volatile commodity prices and impact on quarterly funds from operations, while changes in the Canadian value of ARC's US dollar-denominated long-term debt and unrealized risk management gains and losses also impact earnings. The following significant items impacted the Company's financial and operating results over the past eight quarters:

- In the first quarter of 2019, ARC recognized an unrealized loss on risk management contracts of \$146.5 million.
- In the fourth quarter of 2018, ARC recognized an unrealized gain on risk management contracts of \$194.9 million.
- In the third quarter of 2018, ARC disposed of its non-core Redwater assets for proceeds of \$130.3 million, and recognized a \$22.8 million reversal of impairment.
- In the second quarter of 2018, ARC recognized an unrealized loss on risk management contracts of \$122.1 million.
- In the first quarter of 2018, ARC completed asset dispositions for proceeds of \$98.3 million, and recognized a gain on disposal of \$80.1 million.
- In the fourth quarter of 2017, ARC reclassified certain Exploration and evaluation ("E&E") assets in Alberta as held for sale and an associated impairment charge of \$9.7 million was recognized in E&E expense.
- In the third quarter of 2017, ARC recognized an unrealized gain on foreign exchange of \$33.6 million.
- In the second quarter of 2017, ARC recognized a reversal of previously recognized impairment on its assets in its Northern Alberta cash generating unit ("CGU") of \$75.0 million.

ANNUAL GUIDANCE

ARC's 2019 capital program of \$775 million focuses on liquids growth to deliver a meaningful cash flow per share increase over the long term, while maintaining ARC's strong financial position and dividend. The 2019 budget includes investment in multi-year infrastructure development projects that will add facility capacity at Attachie West and Dawson in northeast British Columbia, and Ante Creek in northern Alberta. The majority of the production associated with these infrastructure projects is expected to be added in 2020 and 2021. Annual average production is expected to be in the range of 135,000 to 142,000 boe per day in 2019. Additional details on ARC's 2019 capital program and 2019 guidance can be found in the November 8, 2018 news release entitled, *"ARC Resources Ltd. Announces \$775 Million Capital Program for 2019 That Will Advance Multi-year Infrastructure Development Projects at Attachie West, Dawson, and Ante Creek"* available on ARC's website at www.arcresources.com and as filed on SEDAR at www.sedar.com.

Table 2 is a summary of ARC's 2019 annual guidance and a review of 2019 year-to-date results.

Table 2

	2019 Guidance	2019 YTD Actual	% Variance from Guidance
Production			
Crude oil (bbl/d)	18,000 - 22,000	18,251	—
Condensate (bbl/d)	7,500 - 8,500	8,210	—
Crude oil and condensate (bbl/d)	25,500 - 30,500	26,461	—
Natural gas (MMcf/d)	620 - 630	632.5	—
NGLs (bbl/d)	6,000 - 6,500	7,183	11
Total (boe/d)	135,000 - 142,000	139,054	—
Expenses (\$/boe)			
Operating	5.30 - 5.70	5.24	(1)
Transportation	2.60 - 2.90	2.96	2
G&A expense before share-based compensation plans	1.10 - 1.30	1.24	—
G&A - share-based compensation plans ⁽¹⁾	0.35 - 0.50	0.62	24
Interest and financing ⁽²⁾	0.70 - 0.90	0.85	—
Current income tax (per cent of funds from operations)	2 - 7	3	—
Capital expenditures before land purchases and net property acquisitions (dispositions) (\$ millions)	775	213.7	N/A
Weighted average shares (millions)	353	353	—

(1) Comprises expenses recognized under the Restricted Share Unit ("RSU") and Performance Share Unit ("PSU") Plan, Share Option Plan and Long-term Restricted Share Award ("LTRSA") Plan, and excludes compensation expense under the Deferred Share Unit ("DSU") Plan. In periods where substantial share price fluctuation occurs, ARC's general and administrative ("G&A") expense is subject to greater volatility.

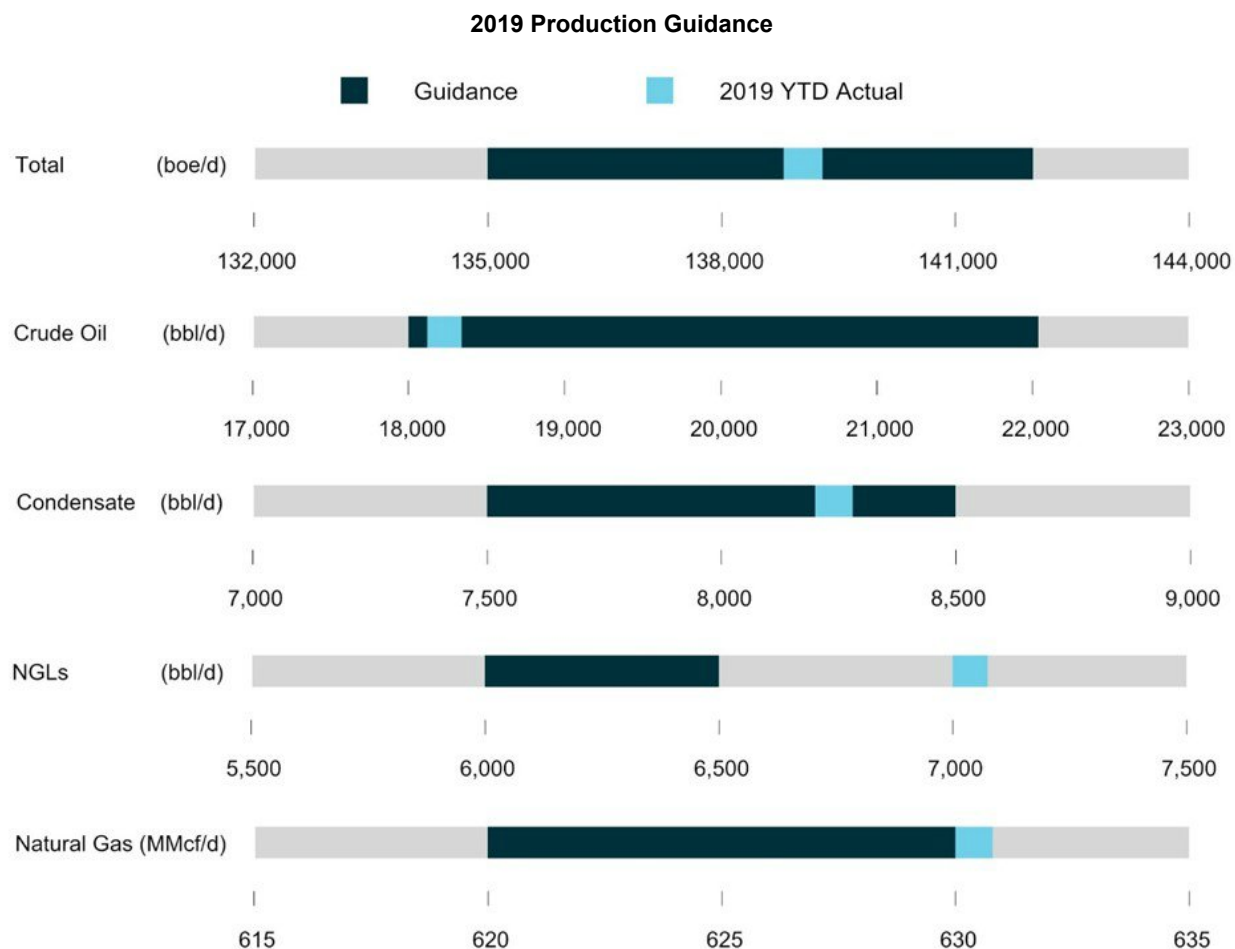
(2) Excludes accretion of asset retirement obligations ("ARO").

ARC's 2019 guidance is based on full-year 2019 estimates; certain variances exist between 2019 year-to-date actual results and 2019 full-year guidance estimates due to the cyclical and seasonal nature of operations. ARC expects full-year 2019 actual results to closely approximate guidance.

Production variances from guidance at March 31, 2019 include:

- NGLs production is above the guidance range due to strong results from lower Montney development across ARC's Montney asset base.

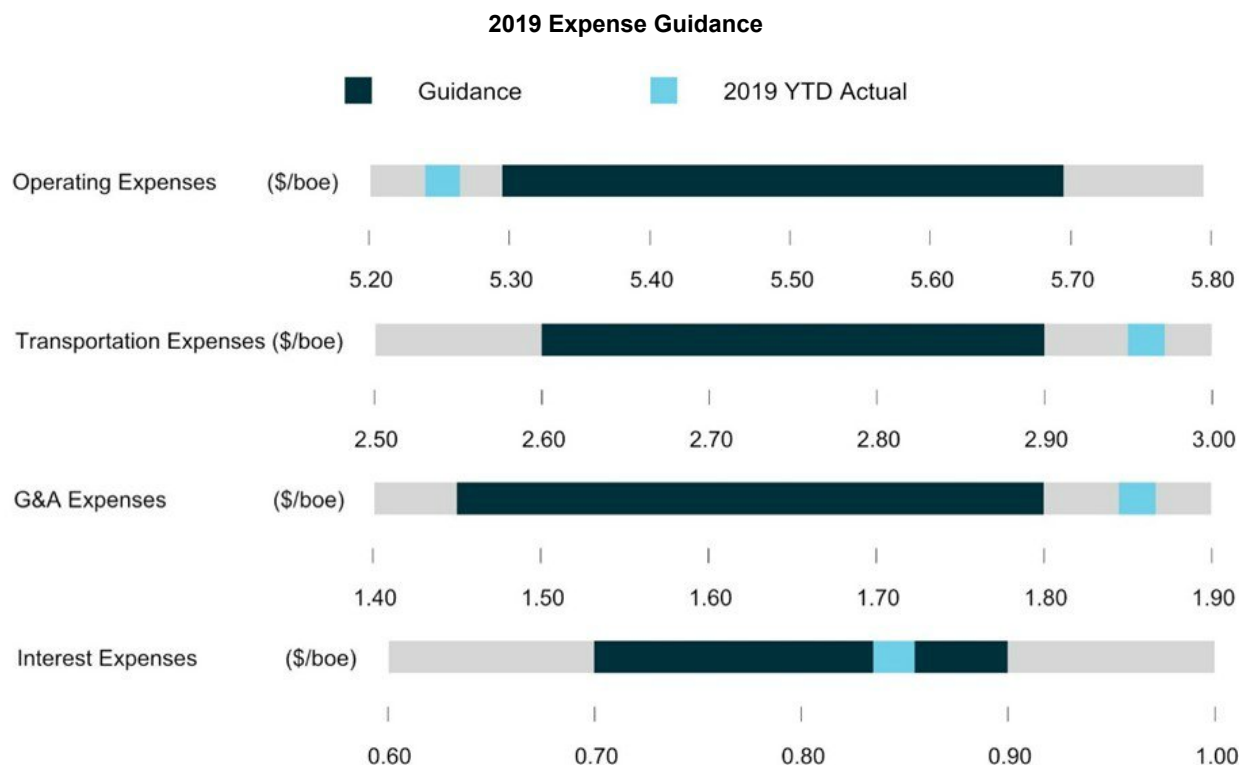
Exhibit 2



Expense variances from guidance at March 31, 2019 include:

- Operating expense is below the guidance range, however is expected to trend towards guidance as the year progresses with third-party pipeline maintenance, significant turnarounds, and anticipated spring break-up impacts to production and field operations expected in the second quarter of 2019. Additional maintenance activities are also planned for the third quarter of 2019.
- Transportation expense is above the guidance range due to additional transportation agreements which have been assigned temporarily to a third party as part of ARC's physical marketing diversification efforts, and is directly offset by an increase to revenue. There is no impact to ARC's operating netback or funds from operations as a result of these agreements. ARC expects that transportation expense will increase slightly in the second half of the year as new transportation arrangements for Sunrise Phase II and Attachie West come into effect.
- G&A expense is above the guidance range due to an increase in the fair value of ARC's share-based compensation plans as a result of the appreciation of ARC's common share price during the first quarter of 2019.

Exhibit 2a



The guidance information presented is intended to provide shareholders with information on Management's expectations for results from operations. Readers are cautioned that the guidance may not be appropriate for other purposes.

2019 FIRST QUARTER FINANCIAL AND OPERATIONAL RESULTS

Financial Highlights

Table 3

(\$ millions, except per share and volume data)	December 31, 2018	Three Months Ended		% Change
		March 31, 2019	March 31, 2018	
Net income (loss)	159.7	(54.6)	54.9	(199)
Net income (loss) per share	0.45	(0.15)	0.16	(194)
Funds from operations ⁽¹⁾	208.6	186.2	201.0	(7)
Funds from operations per share ⁽¹⁾	0.59	0.53	0.57	(7)
Dividends per share ⁽²⁾	0.15	0.15	0.15	—
Average daily production (boe/d)	136,502	139,054	131,016	6

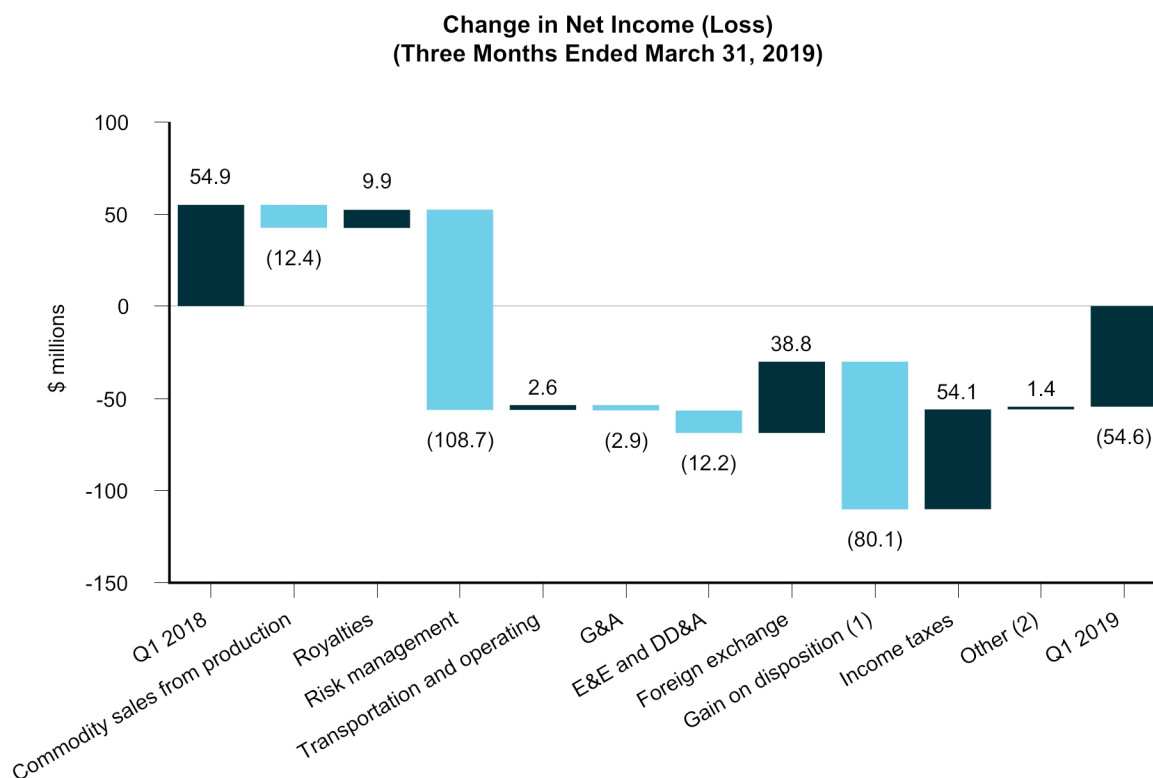
(1) Refer to Note 11 "Capital Management" in the financial statements and to the section entitled "Funds from Operations" contained within this MD&A.

(2) Dividends per share are based on the number of shares outstanding at each dividend record date.

Net Income (Loss)

In the first quarter of 2019, ARC recognized a net loss of \$54.6 million (\$0.15 per share), \$109.5 million less than ARC's first quarter 2018 net income of \$54.9 million (\$0.16 per share). The decrease in net income is primarily due to a loss on risk management contracts of \$126.2 million compared to a loss of \$17.5 million in the prior period and no recorded gain on disposition in the first quarter of 2019 compared to \$80.1 million recognized in the first quarter of 2018. This was partially offset by a gain on foreign exchange of \$13.6 million compared to a loss on foreign exchange of \$25.2 million and decreased income taxes of \$54.1 million from the first quarter of 2018.

Exhibit 3



(1) Includes gains related to disposals of Property, plant and equipment ("PP&E").

(2) Includes sales of commodities purchased from third parties, interest income, other income, commodities purchased from third parties and interest and financing charges.

Funds from Operations

ARC considers funds from operations to be a key measure of operating performance as it demonstrates ARC's ability to generate the necessary funds to maintain production at current levels, fund future growth through capital investment, and to repay debt. Management believes that such a measure provides an insightful assessment of ARC's operations on a continuing basis by eliminating certain non-cash charges and actual settlements of ARO, the timing of which is discretionary. Funds from operations is not a standardized measure and therefore may not be comparable with the calculation of similar measures by other entities.

ARC reports funds from operations in total and on a per share basis. Refer to Note 11 "Capital Management" in the financial statements. Table 4 is a reconciliation of ARC's net income (loss) to funds from operations and cash flow from operating activities:

Table 4

(\$ millions)	Three Months Ended		
	December 31, 2018	March 31, 2019	March 31, 2018
Net income (loss)	159.7	(54.6)	54.9
Adjusted for the following non-cash items:			
Depletion, depreciation and amortization ("DD&A") and impairment	125.6	139.0	126.1
Accretion of ARO	2.0	1.9	3.6
E&E expense	4.4	—	0.7
Deferred tax expense (recovery)	64.1	(30.2)	22.1
Unrealized loss (gain) on risk management contracts	(194.9)	146.5	46.1
Unrealized loss (gain) on foreign exchange	47.2	(17.7)	26.9
Gain on disposal of petroleum and natural gas properties	—	—	(80.1)
Other	0.5	1.3	0.7
Funds from operations	208.6	186.2	201.0
Net change in other liabilities	(12.1)	0.8	(6.0)
Change in non-cash working capital	28.1	(58.7)	4.6
Cash flow from operating activities	224.6	128.3	199.6

Details of the change in funds from operations from the three months ended March 31, 2018 to the three months ended March 31, 2019 are included in Table 5 below:

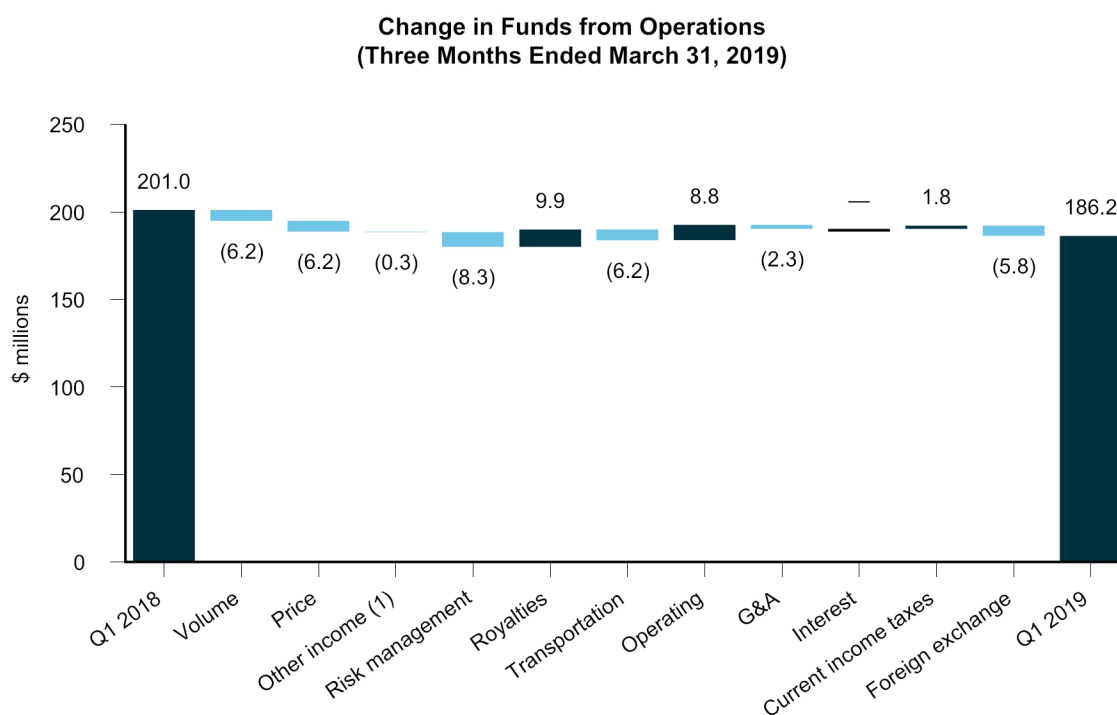
Table 5

	Three Months Ended	
	March 31	
	\$ millions	\$/Share
Funds from operations – 2018	201.0	0.57
Volume variance		
Crude oil and liquids	(21.2)	(0.06)
Natural gas	15.0	0.04
Price variance		
Crude oil and liquids	(22.7)	(0.06)
Natural gas	16.5	0.05
Sales of commodities purchased from third parties	(9.4)	(0.02)
Interest income	0.6	—
Other income	0.1	—
Realized gain on risk management contracts	(8.3)	(0.02)
Royalties	9.9	0.03
Expenses		
Commodities purchased from third parties	8.4	0.02
Operating	8.8	0.02
Transportation	(6.2)	(0.02)
G&A	(2.3)	(0.01)
Interest and financing ⁽¹⁾	—	—
Current income taxes	1.8	0.01
Realized gain on foreign exchange	(5.8)	(0.02)
Funds from operations – 2019	186.2	0.53

(1) Excludes accretion of ARO

Funds from operations decreased by seven per cent in the first quarter of 2019 to \$186.2 million (\$0.53 per share) from \$201.0 million (\$0.57 per share) generated in the first quarter of 2018. The decrease primarily reflects weaker crude oil and liquids prices, lower crude oil and liquids production, lower realized gain on risk management contracts, higher transportation expense, and lower realized gain from foreign exchange. Higher natural gas prices, increased natural gas production, lower royalties and operating expense partially offset the decrease.

Exhibit 4



(1) Includes sales of commodities purchased from third parties, interest income, other income, and commodities purchased from third parties.

2019 Net Income (Loss) and Funds from Operations Sensitivity

Table 6 illustrates sensitivities of operating items (prior to the impact of gains or losses on risk management contracts) to operational and business environment changes and the resulting impact on net income (loss) and funds from operations:

Table 6

			Impact on Annual Funds from Operations ⁽⁵⁾		Impact on Annual Net Income	
	Assumption	Change	Notional Amount (\$ millions)	\$/Share	Notional Amount (\$ millions)	\$/Share
Business Environment ⁽¹⁾						
Crude oil price ⁽²⁾	63.72	10%	44.5	0.126	44.5	0.126
Natural gas price ⁽²⁾	2.79	10%	21.6	0.061	21.6	0.061
Cdn\$/US\$ exchange rate ⁽²⁾⁽³⁾	1.33	5%	20.1	0.057	20.1	0.057
Operational ⁽⁴⁾						
Crude oil and liquids production volumes (bbl/d)	33,644	1%	4.2	0.012	2.8	0.008
Natural gas production volumes (MMcf/d)	632.5	1%	4.2	0.012	1.8	0.005
Operating expense (\$/boe)	5.24	1%	1.8	0.005	1.8	0.005
G&A expense (\$/boe)	1.86	1%	0.7	0.002	0.7	0.002

(1) Calculations are performed independently and may not be indicative of actual results that would occur when multiple variables change at the same time.

(2) Prices and rates are indicative of ARC's average realized prices for the three months ended March 31, 2019. See Table 11 of this MD&A for additional details. The calculated impact on funds from operations and net income (loss) would only be applicable within a limited range of these amounts.

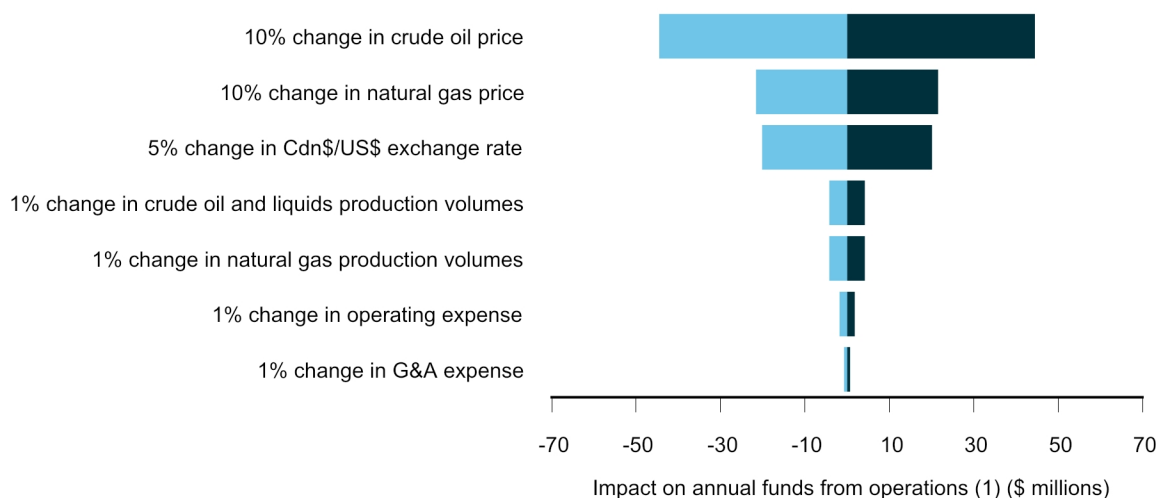
(3) Includes impact of foreign exchange on natural gas, crude oil, condensate, and NGLs prices that are presented in US dollars.

(4) Operational assumptions are based upon results for the three months ended March 31, 2019.

(5) Refer to Note 11 "Capital Management" in the financial statements and to the section entitled "Funds from Operations" contained within this MD&A.

Exhibit 5

Funds from Operations Sensitivity (Prior to Risk Management Contracts)



(1) Refer to Note 11 "Capital Management" in the financial statements and to the section entitled "Funds from Operations" contained within this MD&A.

Production

Table 7

Production	Three Months Ended			% Change
	December 31, 2018	March 31, 2019	March 31, 2018	
Light and medium crude oil (bbl/d)	19,229	17,866	24,283	(26)
Heavy crude oil (bbl/d)	863	385	754	(49)
Condensate (bbl/d)	8,458	8,210	5,505	49
Natural gas (MMcf/d)	603.3	632.5	564.9	12
NGLs (bbl/d)	7,402	7,183	6,332	13
Total production (boe/d)	136,502	139,054	131,016	6
Natural gas production (%)	74	76	72	4
Crude oil and liquids production (%)	26	24	28	(4)

During the three months ended March 31, 2019, crude oil and liquids production decreased nine per cent as compared to the same period in the prior year. Increases in condensate and NGLs production were more than offset by the drop in crude oil production due primarily to the sale of non-core assets throughout 2018. Additionally, production from certain areas was impacted at times during the first quarter of 2019 with wells being shut-in to accommodate completions of offsetting wells.

During the three months ended March 31, 2019, natural gas production increased 12 per cent as compared to the prior year. The increase was largely driven by the start-up of the Sunrise Phase II gas processing facility during the third quarter of 2018, as well as continued drilling and completions activity in northeast British Columbia.

Exhibit 6

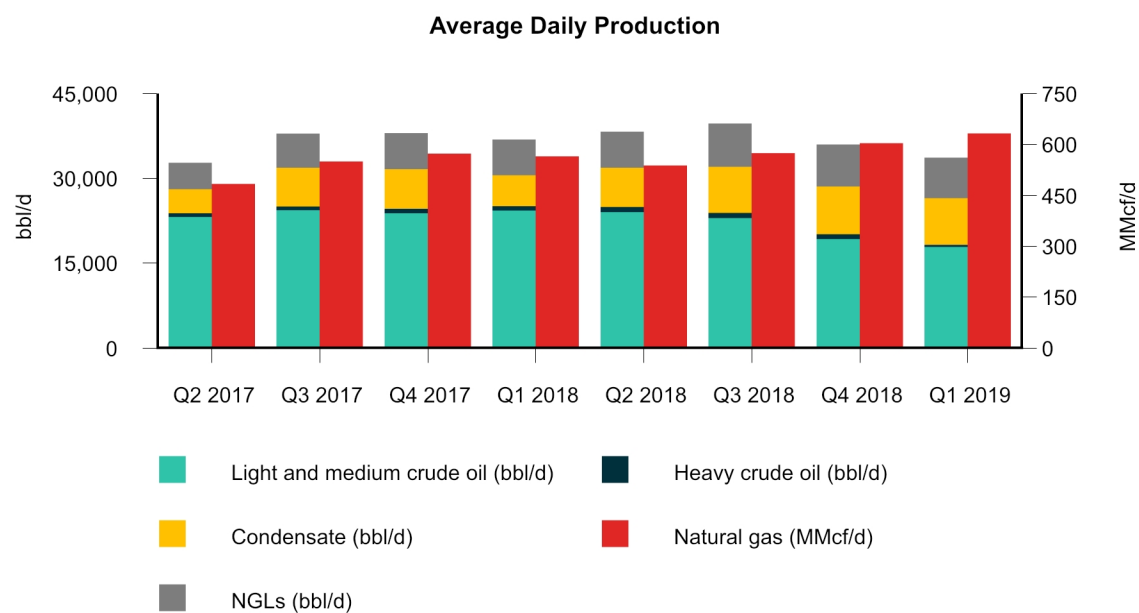


Table 8 summarizes ARC's production by core area for the first quarter of 2019 and 2018:

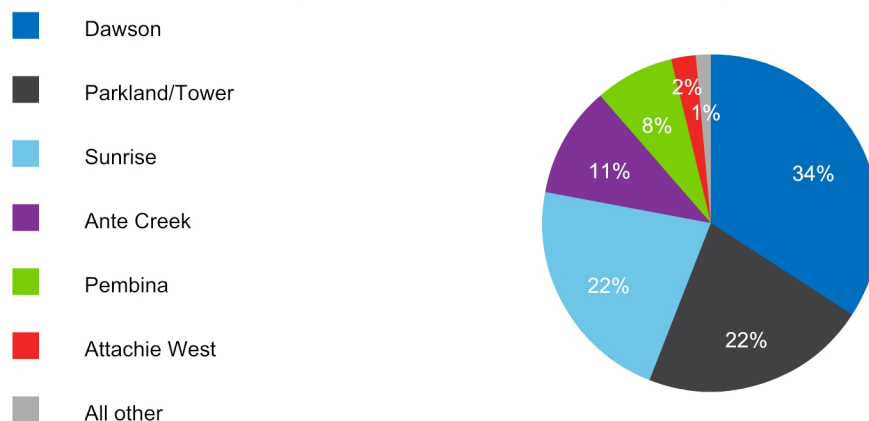
Table 8

Three Months Ended March 31, 2019					
Production Core Area	Total (boe/d)	Crude Oil (bbl/d)	Condensate (bbl/d)	Natural Gas (MMcf/d)	NGLs (bbl/d)
Dawson	47,447	—	2,794	257.2	1,794
Parkland/Tower	30,272	4,515	2,860	116.3	3,513
Sunrise	30,578	—	44	183.0	28
Ante Creek	14,817	5,309	394	46.9	1,293
Pembina	10,550	8,061	153	11.1	489
Attachie West	3,272	—	1,773	8.9	22
All other	2,118	366	192	9.1	44
Total	139,054	18,251	8,210	632.5	7,183

Three Months Ended March 31, 2018					
Production Core Area	Total (boe/d)	Crude Oil (bbl/d)	Condensate (bbl/d)	Natural Gas (MMcf/d)	NGLs (bbl/d)
Dawson	43,740	—	2,266	240.3	1,430
Parkland/Tower	29,533	6,441	1,945	109.9	2,833
Sunrise	21,963	—	48	131.3	29
Ante Creek	15,467	5,726	421	48.5	1,236
Pembina	11,340	8,819	159	11.4	464
Attachie West	576	—	286	1.7	8
All other	8,397	4,051	380	21.8	332
Total	131,016	25,037	5,505	564.9	6,332

Exhibit 7

**Production by Core Area
(Three Months Ended March 31, 2019)**



Commodity Sales from Production

Commodity sales from production decreased by four per cent for the first quarter of 2019 compared to the same period in 2018. The decrease primarily reflects lower crude oil production and weaker crude oil realized pricing offset by increased production of condensate and natural gas, as well as a higher average realized natural gas price.

A breakdown of commodity sales from production by product is outlined in Table 9:

Table 9

Commodity Sales from Production (\$ millions)	December 31, 2018	Three Months Ended		
		March 31, 2019	March 31, 2018	% Change
Crude oil	80.1	104.7	156.6	(33)
Condensate	44.5	47.9	38.4	25
Natural gas ⁽¹⁾	158.0	158.8	127.3	25
NGLs	19.9	16.4	17.9	(8)
Total commodity sales from production	302.5	327.8	340.2	(4)

(1) Includes \$4.6 million of natural gas transportation revenue from contracts assigned temporarily to third parties for the three months ended March 31, 2019 (\$nil for the three months ended March 31, 2018).

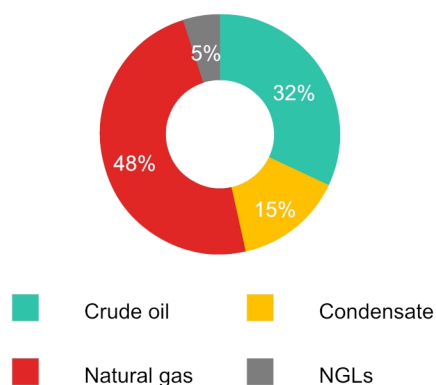
While ARC's production mix, on a per boe basis, is weighted more heavily to natural gas than to crude oil and liquids, ARC's commodity sales contribution is typically more heavily weighted to its crude oil and liquids production as seen in Table 10:

Table 10

% of Commodity Sales from Production by Product Type	Three Months Ended		
	December 31, 2018	March 31, 2019	March 31, 2018
Crude oil and liquids	48	52	63
Natural gas	52	48	37
Total commodity sales from production	100	100	100

Exhibit 8

**Commodity Sales from Production by Product
(Three Months Ended March 31, 2019)**



Commodity Prices

A listing of benchmark commodity prices and ARC's realized commodity prices are outlined in Table 11:

Table 11

	December 31, 2018	Three Months Ended March 31, 2019	March 31, 2018	% Change
Average Benchmark Prices				
NYMEX Henry Hub Last Day Settlement (US\$/MMBtu)	3.64	3.15	3.00	5
Chicago Citygate Monthly Index (US\$/MMBtu)	3.63	3.32	3.27	2
AECO 7A Monthly Index (Cdn\$/Mcf)	1.90	1.94	1.85	5
WTI crude oil (US\$/bbl)	59.34	54.90	62.89	(13)
Cdn\$/US\$ exchange rate	1.32	1.33	1.27	5
WTI crude oil (Cdn\$/bbl)	78.33	73.02	79.87	(9)
Mixed Sweet Stream ("MSW") Price at Edmonton (Cdn\$/bbl)	43.63	66.46	72.15	(8)
Condensate Stream Price at Edmonton (Cdn\$/bbl)	60.45	67.14	78.93	(15)
ARC Average Realized Prices Prior to Gain or Loss on Risk Management Contracts				
Crude oil (\$/bbl)	43.30	63.72	69.50	(8)
Condensate (\$/bbl)	57.25	64.81	77.42	(16)
Natural gas (\$/Mcf)	2.85	2.79	2.50	12
NGLs (\$/bbl)	29.12	25.43	31.39	(19)
Total average realized commodity price prior to gain or loss on risk management contracts (\$/boe)	24.09	26.20	28.85	(9)

Benchmark Commodity Prices

Global crude oil prices, on average, were weaker in the first quarter of 2019 compared to both the prior quarter and the first quarter of 2018. Concerns of lower demand due to the ongoing trade war between China and the US, coupled with the supply impact of the waivers granted by the US for Iranian imports resulted in lower crude oil prices at the end of 2018. Subsequently, crude oil prices recovered during the first quarter of 2019. Expected and unexpected crude oil supply disruptions resulted in an undersupplied global market. OPEC and Canada mandated supply cuts that began in January 2019, while Venezuela experienced further degradation of its energy industry due to mass power outages and additional sanctions imposed by the US.

Canadian stream prices improved significantly throughout the first quarter of 2019 as compared to the previous quarter due to the Alberta government mandated, province-wide crude oil production curtailments that took effect in January 2019. MSW pricing relative to the first quarter of 2018 was down, mainly due to a lower global benchmark price.

Henry Hub natural gas prices were weaker in the first quarter of 2019 compared to the prior quarter, but stronger as compared to the period ending March 31, 2018. In the fourth quarter of 2018, prices strengthened significantly due to growing concerns over very low seasonal US inventory levels, along with a colder-than-average start to winter. During the first quarter of 2019, Henry Hub prices weakened as temperatures moderated and inventory concerns abated. Over the medium-term, record increases in US natural gas production have been largely offset by rising US domestic and export demand, keeping the market relatively balanced.

Western Canadian natural gas prices were relatively flat as compared to the fourth quarter of 2018 and slightly stronger than the first quarter of 2018. Local weather demand and low inventory levels helped buoy pricing despite continued egress constraints.

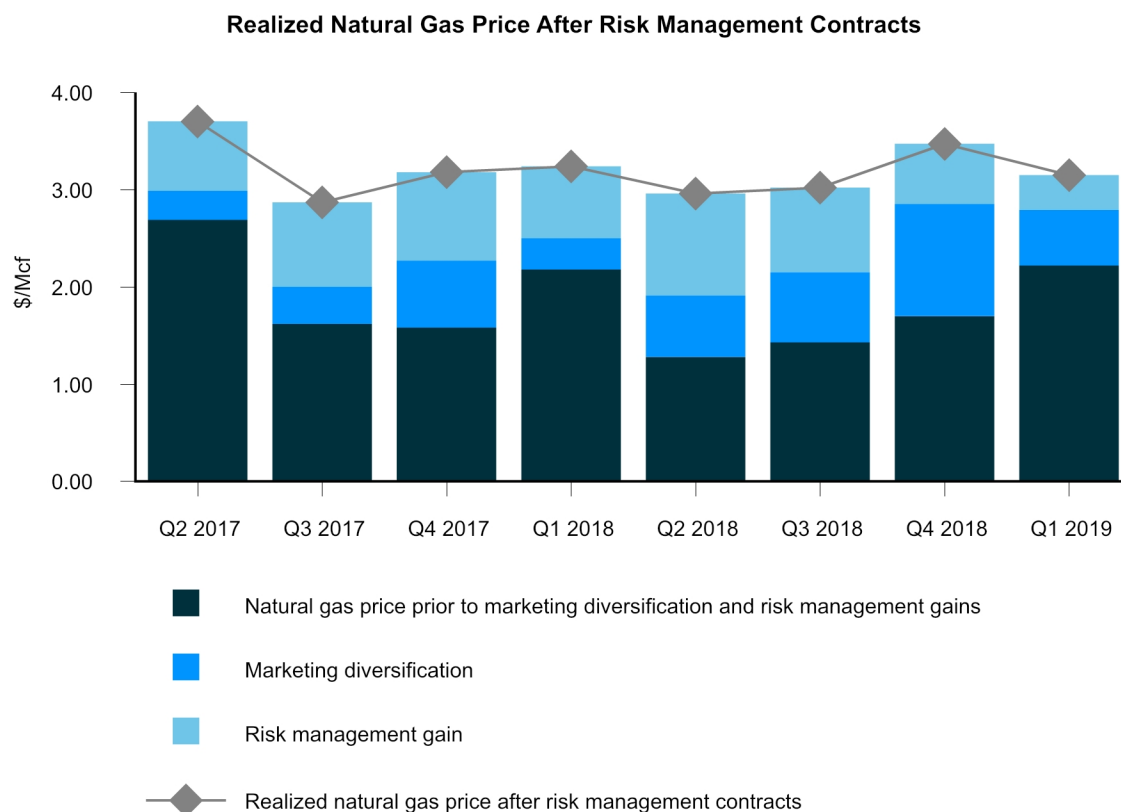
ARC's Realized Commodity Prices

During the three months ended March 31, 2019, ARC's realized crude oil price decreased eight per cent compared to the same period in 2018, reflecting lower WTI benchmark prices. ARC's realized condensate price decreased 16 per cent compared to the first quarter 2018 due to lower benchmark prices as well as wider condensate differentials.

ARC's natural gas sales are physically and financially diversified to multiple sales points including AECO, Station 2, US Midwest, Dawn and Malin hubs. ARC's realized natural gas price for the first quarter of 2019 increased by 12 per cent as compared to the first quarter of 2018. The AECO monthly index was five per cent higher in the first quarter of 2019 as compared to the same period in the prior year. Additionally, pricing at downstream markets outside of AECO was stronger as compared to the first quarter of 2018.

In the three months ended March 31, 2019, physical sales diversification activities added \$0.57 per Mcf as compared to \$0.32 per Mcf in the first quarter of 2018. Additionally, a realized gain on natural gas risk management contracts added a further \$0.36 per Mcf for the three months ended March 31, 2019 (\$0.74 per Mcf for the same period in 2018), which is not included in ARC's realized natural gas price. Including financial risk management contracts, less than 10 per cent of ARC's expected overall commodity sales revenue from production is exposed to the AECO and Station 2 markets for the balance of 2019.

Exhibit 9



Risk Management Contracts

Table 12 summarizes the total gain or loss on risk management contracts for the first quarter of 2019 compared to the same period in 2018:

Table 12

Risk Management Contracts (\$ millions)	Crude Oil & Liquids	Natural Gas	Foreign Currency	Q1 2019 Total	Q1 2018 Total
Realized gain on contracts ⁽¹⁾	—	20.3	—	20.3	28.6
Unrealized gain (loss) on contracts ⁽²⁾	(76.8)	(72.3)	2.6	(146.5)	(46.1)
Gain (loss) on risk management contracts	(76.8)	(52.0)	2.6	(126.2)	(17.5)

(1) Represents actual cash settlements under the respective contracts.

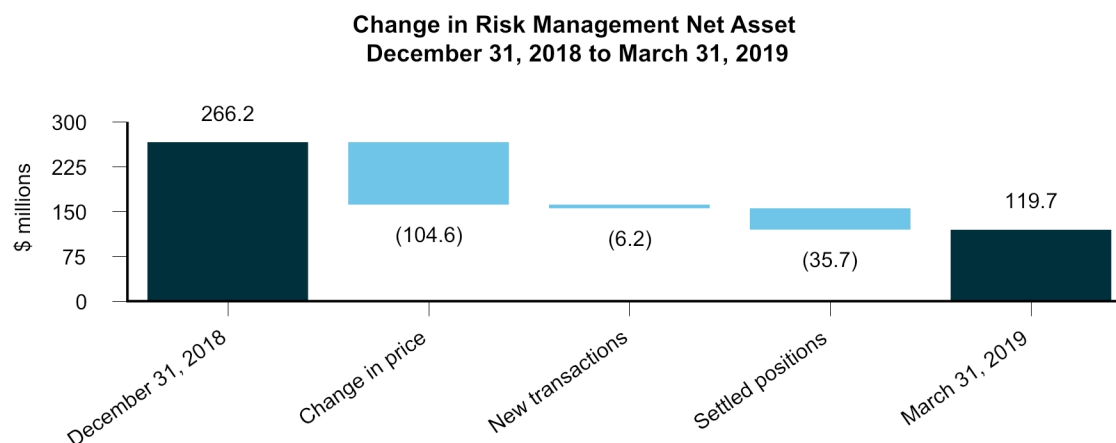
(2) Represents the change in fair value of the contracts during the period.

For the three months ended March 31, 2019, a realized gain reflects positive cash settlements received on AECO basis swaps with an average differential of US\$(0.78) per MMBtu, AECO basis swaps at an average ratio of 86 per cent of NYMEX Henry Hub pricing, NYMEX Henry Hub natural gas contracts with an average price of US\$3.11 per MMBtu, and AECO 7A natural gas contracts with an average price of Cdn\$3.00 per GJ. This is partially offset by cash payments made on Malin basis swaps with an average differential of US\$(0.73). The realized value of crude positions netted to zero despite significant price volatility during the quarter.

ARC's unrealized loss on crude oil contracts for the three months ended March 31, 2019 reflects higher WTI forward curve prices, as well as a higher Cdn\$/US\$ forward curve at March 31, 2019 relative to December 31, 2018. ARC's unrealized loss on natural gas contracts for the three months ended March 31, 2019 reflects higher forward curves for NYMEX Henry Hub and AECO as well as a narrowing of the AECO, Chicago, and Malin basis curves. For more information refer to Note 12 "Financial Instruments and Market Risk Management" in the financial statements.

The fair value of ARC's risk management contracts at March 31, 2019 was a net asset of \$119.7 million, representing the expected value of settlement of ARC's contracts at the balance sheet date after any adjustments for credit risk. This comprises a net asset of \$145.9 million for natural gas contracts, a net liability of \$25.6 million for crude oil contracts, and a net liability of \$0.6 million for foreign exchange contracts.

Exhibit 10



Operating Netback ("Netback")

The components of netback for the three months ended March 31, 2019 compared to the previous quarter and the same period in 2018 are summarized in Tables 13 and 13a:

Table 13

Netback (\$ millions) ⁽¹⁾	Three Months Ended			% Change
	December 31, 2018	March 31, 2019	March 31, 2018	
Commodity sales from production	302.5	327.8	340.2	(4)
Royalties	(21.0)	(19.0)	(28.9)	(34)
Operating	(63.3)	(65.6)	(74.4)	(12)
Transportation	(33.4)	(37.0)	(30.8)	20
Netback prior to gain on risk management contracts	184.8	206.2	206.1	—
Realized gain on risk management contracts	45.4	20.3	28.6	(29)
Netback after gain on risk management contracts	230.2	226.5	234.7	(3)

(1) Non-GAAP measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP Measures" contained within this MD&A.

Table 13a

Netback (\$ per boe) ⁽¹⁾	Three Months Ended			% Change
	December 31, 2018	March 31, 2019	March 31, 2018	
Commodity sales from production	24.09	26.20	28.85	(9)
Royalties	(1.67)	(1.52)	(2.45)	(38)
Operating	(5.04)	(5.24)	(6.31)	(17)
Transportation	(2.66)	(2.96)	(2.61)	13
Netback prior to gain on risk management contracts	14.72	16.48	17.48	(6)
Realized gain on risk management contracts	3.62	1.62	2.43	(33)
Netback after gain on risk management contracts	18.34	18.10	19.91	(9)

(1) Non-GAAP measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP Measures" contained within this MD&A.

Exhibit 11

Operating Netbacks Prior To and After Risk Management Contracts

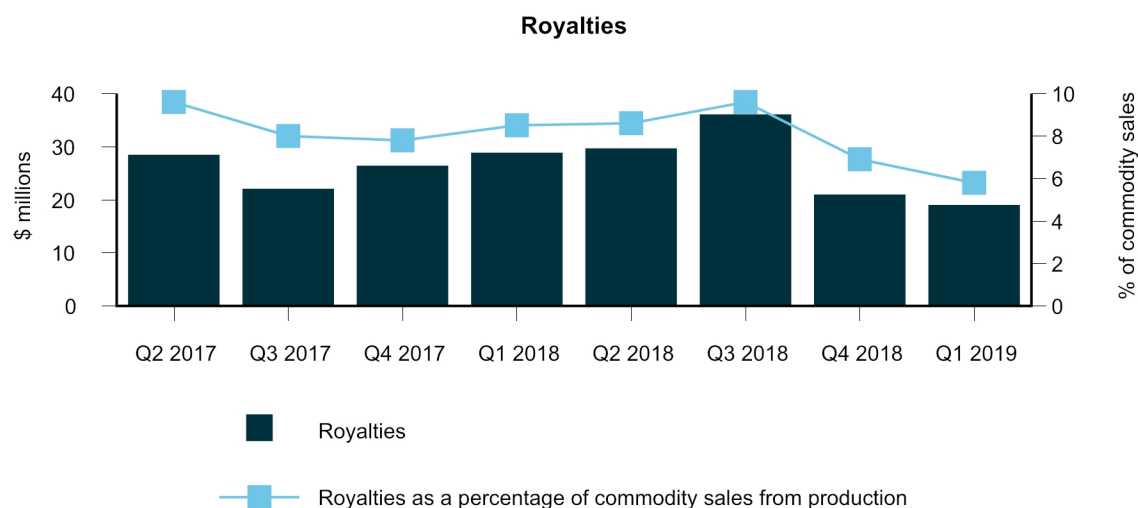


(1) Non-GAAP measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP Measures" contained within this MD&A.

Royalties

Total royalties for the three months ended March 31, 2019 were \$19.0 million (\$28.9 million for the same period in 2018). For the three months ended March 31, 2019, total royalties represented 5.8 per cent of commodity sales from production (\$1.52 per boe) as compared to 8.5 per cent (\$2.45 per boe) in the same period in 2018. The decrease in royalties as a percentage of commodity sales from production for the three months ended March 31, 2019, is reflective of a lower royalty rate for crude oil due to decreased commodity prices compared to the same period in 2018. The increase in ARC's natural gas production is also a contributing factor, as natural gas is subject to lower royalty rates compared to crude oil and liquids.

Exhibit 12

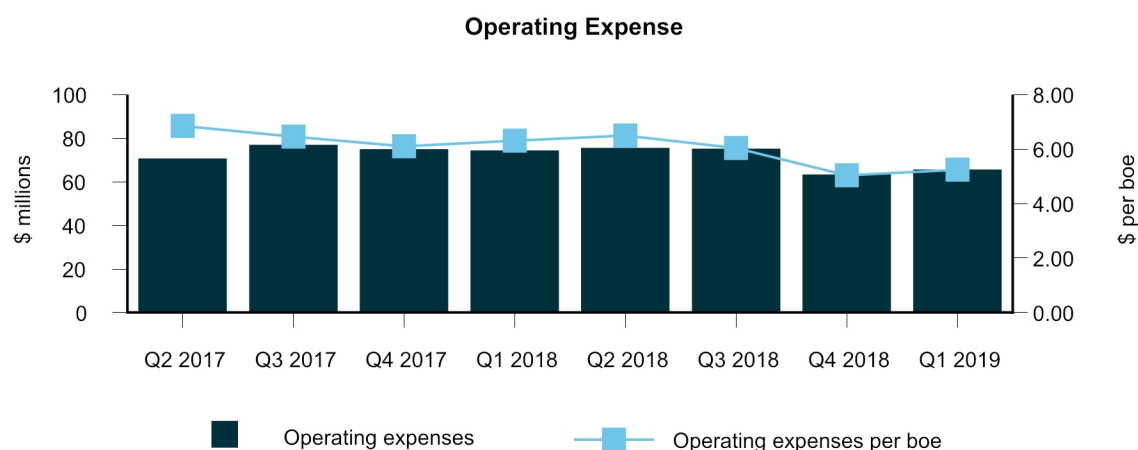


Operating

Operating expense decreased by \$8.8 million in the first quarter of 2019 to \$65.6 million as compared to \$74.4 million in the first quarter of 2018, primarily due to various dispositions of non-core assets throughout 2018, including the divestment of ARC's Redwater assets in the third quarter of 2018. Additionally, \$0.4 million of lease payments which have previously been recognized as operating expense, are now classified as repayment of lease obligations following the Company's adoption of IFRS 16 *Leases* ("IFRS 16"). Refer to the section entitled "Financial Reporting Update" contained within this MD&A.

On a per boe basis, operating expense decreased \$1.07 per boe to \$5.24 per boe in the first quarter of 2019 compared to \$6.31 per boe in the first quarter of 2018 as ARC continues to grow production in areas with lower average operating expense and dispose of non-core properties with higher average operating expense.

Exhibit 13



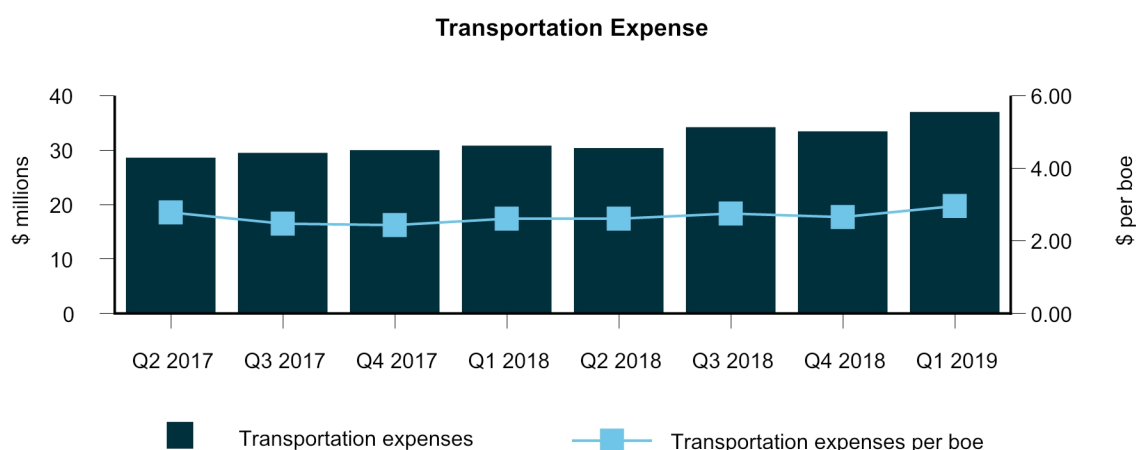
Transportation

Transportation expense for the three months ended March 31, 2019 was \$37.0 million (\$30.8 million for the three months ended March 31, 2018). On a per boe basis, transportation expense for the three months ended March 31, 2019 was

\$2.96 per boe (\$2.61 per boe for the three months ended March 31, 2018). The increase in the first quarter of 2019 relative to the same period in 2018 primarily reflects higher trucking charges and pipeline tariffs related to increased condensate and natural gas volumes associated with new production in northeast BC. Additionally, tariffs for transportation agreements, which have been assigned temporarily to a third party as part of ARC's physical marketing diversification efforts, increase transportation expense, but these costs are directly offset by increases to commodity sales from production. There is no impact to ARC's operating netback or funds from operations as a result of these agreements.

ARC enters into firm transportation commitments in order to secure market access for its current production as well as anticipated production from planned facility infrastructure to be operational in the future. For information regarding ARC's payment obligations under its current transportation commitments refer to Note 16 "Commitments and Contingencies" in the financial statements.

Exhibit 14



G&A Expense and Share-Based Compensation

G&A expense before share-based compensation expense increased by two per cent to \$15.6 million in the first quarter of 2019 from \$15.3 million in the first quarter of 2018. The increase was primarily due to a reduction in capitalized G&A, combined with higher director's compensation due to the increased value of the DSU Plan. This was partially offset by \$1.9 million of office lease payments which have previously been recognized in G&A and which are now classified as repayments of lease obligations following the Company's adoption of IFRS 16. Refer to the section entitled "Financial Reporting Update" in the MD&A.

Table 14 is a breakdown of G&A and share-based compensation expense:

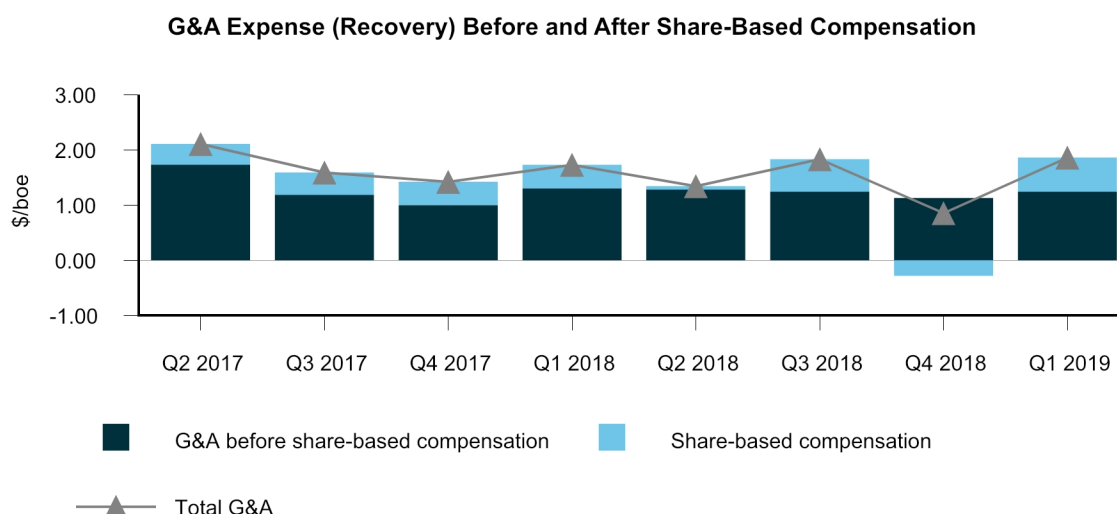
Table 14

G&A and Share-Based Compensation (\$ millions, except per boe)	December 31, 2018	Three Months Ended		% Change
		March 31, 2019	March 31, 2018	
G&A expense before share-based compensation expense ⁽¹⁾	14.2	15.6	15.3	2
G&A – share-based compensation expense ⁽²⁾	(3.5)	7.7	5.1	51
Total G&A expense	10.7	23.3	20.4	14
G&A expense before share-based compensation expense per boe	1.13	1.24	1.30	(5)
G&A – share-based compensation expense per boe	(0.28)	0.62	0.43	44
Total G&A expense per boe	0.85	1.86	1.73	8

(1) Includes expense recognized under the DSU Plan.

(2) Comprises expense recognized under the RSU, PSU, Share Option and LTRSA Plans.

Exhibit 15



Share-Based Compensation Plans

For a description of ARC's various share-based compensation plans and related accounting policies, refer to Note 3 "Summary of Accounting Policies" and Note 21 "Share-Based Compensation Plans" of ARC's audited consolidated financial statements as at and for the year ended December 31, 2018.

Changes to Share-Based Compensation Plans

In 2018, the Human Resources and Compensation Committee of ARC's Board of Directors ("the Board") engaged a third party to conduct an independent review of ARC's compensation philosophy, design and programs. Following this review, certain changes were made to ARC's PSU Plan. Following the implementation of the changes and effective commencing with PSU awards granted during the three months ended March 31, 2019, performance multipliers associated with PSUs will be determined using two criteria. 50 per cent will be awarded based on relative total shareholder return performance compared to a defined peer group and 50 per cent will be awarded dependent on an overall assessment of achievements based on a predetermined corporate scorecard. Performance multipliers associated with PSU awards that were granted prior to March 7, 2019 will not be affected by this change.

In conjunction with the independent third-party review, ARC has suspended its Share Option program. No additional grants will be made under the Share Option Plan in 2019. Outstanding share option grants will continue to vest on schedule.

During the three months ended March 31, 2019, ARC recognized G&A expense of \$7.7 million in respect of its share-based compensation plans, compared to \$5.1 million during the same period of the prior year.

Restricted Share Unit and Performance Share Unit Plans

At March 31, 2019, ARC had 1.6 million RSUs and 2.7 million PSUs outstanding under these plans. For the three months ended March 31, 2019, ARC recognized G&A expense of \$6.5 million in relation to the RSU and PSU Plans (\$3.9 million for the three months ended March 31, 2018). The increase in expense recognized for the three months ended March 31, 2019 as compared to the same period in 2018 is due to the change in valuation of awards outstanding throughout the respective periods. At March 31, 2019, ARC's share price on the Toronto Stock Exchange ("TSX") was \$9.12, a 13 per cent increase from the share price of \$8.10 at December 31, 2018. This compares to a five per cent decrease in share price from \$14.75 at December 31, 2017 to \$14.04 at March 31, 2018. The value of ARC's performance multiplier, applicable to its PSU awards, also increased for the three months ended March 31, 2019 compared to the first quarter of the prior year, primarily from the improvement of ARC's total return performance relative to the total return performance of its peers.

During the three months ended March 31, 2019, ARC made cash payments of \$4.5 million in respect of the RSU and PSU Plans (\$8.1 million for the three months ended March 31, 2018). Of these payments, \$3.5 million were in respect of amounts recorded to G&A (\$6.4 million for the three months ended March 31, 2018) and \$1.0 million were in respect

of amounts recorded to Operating and capitalized as PP&E and E&E (\$1.7 million for the three months ended March 31, 2018). These amounts were accrued in prior periods.

Table 15 shows the changes to the RSU and PSU Plans during 2019:

Table 15

RSU and PSU Plans (number of units, thousands)	RSUs	PSUs Granted Prior to March 7, 2019 ⁽¹⁾	PSUs Granted Subsequent to March 6, 2019 ⁽¹⁾	Total RSUs and PSUs
Balance, December 31, 2018	942	2,270	—	3,212
Granted	884	—	777	1,661
Distributed	(218)	(273)	—	(491)
Forfeited	(17)	(110)	—	(127)
Balance, March 31, 2019	1,591	1,887	777	4,255

(1) Based on underlying units before any effect of the performance multiplier.

Due to the variability in the expected future payments under the plans, ARC estimates that between \$14.5 million and \$63.1 million will be paid out in 2019 through 2022 based on the current share price, accrued dividends, and ARC's market performance relative to its peers. Table 16 is a summary of the range of future expected payments under the RSU and PSU Plans based on variability of the performance multiplier and units outstanding under the RSU and PSU Plans as at March 31, 2019:

Table 16

Value of RSU and PSU Plans as at March 31, 2019 (units thousands and \$ millions, except per share)	Performance Multiplier		
	—	1.0	2.0
Estimated units to vest			
RSUs	1,591	1,591	1,591
PSUs ⁽¹⁾	—	2,664	5,328
Total units ⁽²⁾	1,591	4,255	6,919
Share price ⁽³⁾	9.12	9.12	9.12
Value of RSU and PSU Plans upon vesting	14.5	38.8	63.1
2019	1.9	4.6	7.2
2020	5.6	11.7	17.8
2021	4.4	13.1	22.0
2022	2.6	9.4	16.1

(1) Includes all PSU awards.

(2) Includes additional estimated units to be issued under the RSU and PSU Plans for dividends accrued to-date.

(3) Per share outstanding. Values will fluctuate over the vesting period based on the volatility of the underlying share price. Assumes a future share price of \$9.12, which is based on the TSX closing share price at March 31, 2019.

Deferred Share Unit Plan

At March 31, 2019, ARC had 0.7 million DSUs outstanding under this plan. For the first quarter of 2019, G&A expense of \$1.3 million was recognized in relation to the DSU Plan (\$1.1 million for the same period in 2018).

During the three months ended March 31, 2019, ARC made cash payments of \$0.1 million in respect of the DSU plan (\$nil for the three months ended March 31, 2018).

Share Option Plan

At March 31, 2019, ARC had 6.0 million share options outstanding, representing 1.7 per cent of outstanding shares, with a weighted average exercise price of \$17.21 per share. At March 31, 2019, approximately 1.4 million share options were exercisable with a weighted average exercise price of \$19.11 per share. ARC recognized compensation expense of \$1.1 million relating to the Share Option Plan for the three months ended March 31, 2019 (\$1.0 million for the three months ended March 31, 2018).

Long-term Restricted Share Award Plan

At March 31, 2019, ARC had 0.5 million restricted shares outstanding under this plan. ARC recognized G&A expense of \$0.2 million relating to the LTRSA Plan during the three months ended March 31, 2019 (\$0.2 million for the three months ended March 31, 2018).

Interest and Financing

A breakdown of interest and financing expense is shown in Table 17:

Table 17

Interest and Financing (\$ millions)	December 31, 2018	Three Months Ended		
		March 31, 2019	March 31, 2018	% Change
Bank debt and long-term notes	10.7	10.2	10.7	(5)
Lease obligations	—	0.5	—	100
Accretion on ARO	2.0	1.9	3.6	(47)
Total interest and financing	12.7	12.6	14.3	(12)

Interest and financing expense decreased 12 per cent to \$12.6 million in the first quarter of 2019 from \$14.3 million in the first quarter of 2018. The decrease for the three months ended March 31, 2019 compared to the same period of the prior year is primarily due to a decrease in accretion on ARO, stemming from the disposal of non-core properties in 2018. Beginning in the first quarter of 2019, ARC recognized interest on its lease obligations as part of Interest and financing following its adoption of IFRS 16. Refer to the section entitled "Financial Reporting Update" contained within this MD&A.

At March 31, 2019, ARC had \$877.6 million of long-term debt outstanding, including a current portion of \$65.4 million that is due for repayment within the next 12 months. ARC's long-term debt has a fixed weighted average interest rate of 4.2 per cent. 95 per cent (US\$627.0 million) of ARC's long-term debt outstanding at March 31, 2019 is denominated in US dollars.

Foreign Exchange Gain and Loss

ARC recognized a foreign exchange gain of \$13.6 million in the first quarter of 2019 compared to a loss of \$25.2 million in the first quarter of 2018. During the three months ended March 31, 2019, the value of the US dollar relative to the Canadian dollar decreased to \$1.34 from \$1.36 at December 31, 2018. During the three months ended March 31, 2018, the value of the US dollar relative to the Canadian dollar increased to \$1.29 from \$1.25 at December 31, 2017. This resulted in an unrealized gain on the revaluation of ARC's US dollar-denominated debt in the first quarter of 2019 compared to a loss during the same period in 2018.

Partially offsetting the unrealized foreign exchange gain for the three months ended March 31, 2019 was \$4.1 million of realized foreign exchange loss on US dollar-denominated transactions.

Table 18 shows the various components of ARC's foreign exchange gain and loss:

Table 18

Foreign Exchange Gain and Loss (\$ millions)	December 31, 2018	Three Months Ended		
		March 31, 2019	March 31, 2018	% Change
Unrealized gain (loss) on US dollar-denominated debt	(45.9)	18.2	(26.9)	(168)
Unrealized loss on US dollar-denominated receivables	(1.3)	(0.5)	—	—
Realized gain (loss) on US dollar-denominated transactions	9.0	(4.1)	1.7	(341)
Total foreign exchange gain (loss)	(38.2)	13.6	(25.2)	(154)

Taxes

ARC recognized a current income tax expense of \$6.5 million in the first quarter of 2019 compared to an expense of \$8.3 million during the first quarter of 2018. The small decrease in current tax expense for the three months ended March 31, 2019 is primarily related to lower taxable income reflecting lower funds from operations as compared to the same period in 2018. Current tax expense recognized in the first quarter of 2019 does not reflect any impact of the Accelerated Investment Incentive as proposed in the 2018 Federal Fall Economic Statement on November 21, 2018, as the legislation that includes the proposed incentives was considered substantively enacted subsequent to March 31, 2019. Current taxes in subsequent quarters will be determined reflecting the benefit of the Accelerated Investment Incentive deductions.

During the first quarter of 2019, a deferred income tax recovery of \$30.2 million was recognized compared to an expense of \$22.1 million in the first quarter of 2018. This decrease in deferred tax expense for the three months ended March 31, 2019 is primarily related to a higher unrealized loss recognized on risk management contracts in the first quarter of 2019 as compared to the same period in 2018.

The income tax pools, which are detailed in Table 19, are deductible at various rates and annual deductions associated with the initial tax pools will decline over time.

Table 19

Income Tax Pool Type (\$ millions)	March 31, 2019	Annual Deductibility
Canadian oil and gas property expense	68.8	10% declining balance
Canadian development expense	853.3	30% declining balance
Canadian exploration expense	—	100%
Undepreciated capital cost	883.0	Primarily 25% declining balance
Other	13.4	Various rates, 7% declining balance to 20%
Total federal tax pools	1,818.5	
Additional Alberta tax pools	3.8	Various rates, 25% declining balance to 100%

DD&A Expense and Impairment

For the three months ended March 31, 2019, ARC recognized DD&A expense related to its PP&E assets before any impairment charges or related reversals of \$137.5 million, as compared to \$125.7 million for the three months ended March 31, 2018. The increase in DD&A for the first quarter of 2019 as compared to the first quarter of 2018 primarily reflects increased production in 2019. In conjunction with the adoption of IFRS 16, ARC recognized DD&A expense related to its right-of-use assets ("ROU assets") under lease of \$1.6 million for the three months ended March 31, 2019. Refer to the section entitled "Financial Reporting Update" contained within this MD&A.

A breakdown of DD&A expense and impairment charges (reversal) is summarized in Table 20:

Table 20

DD&A Expense (\$ millions, except per boe amounts)	December 31, 2018	Three Months Ended		% Change
		March 31, 2019	March 31, 2018	
Depletion of crude oil and natural gas assets	124.8	136.0	124.3	9
Depreciation of corporate assets	1.5	1.5	1.4	7
Depreciation of ROU assets under lease	—	1.6	—	100
Impairment (reversal)	(0.7)	(0.1)	0.4	(125)
Total DD&A expense and impairment (reversal)	125.6	139.0	126.1	10
DD&A expense per boe, excluding impairment (reversal)	10.06	11.11	10.66	4

Capital Expenditures, Acquisitions and Dispositions

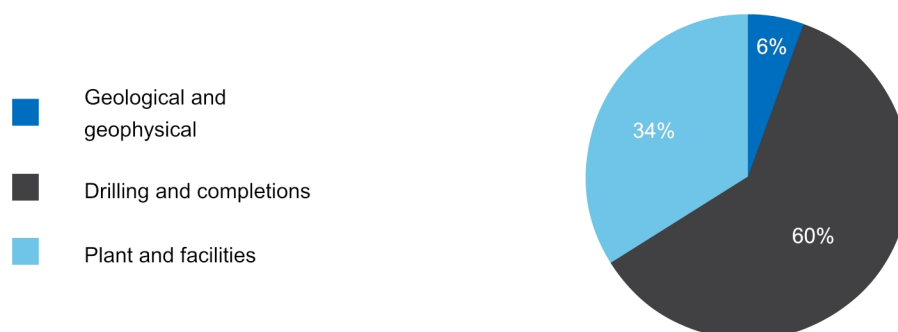
A breakdown of capital expenditures, acquisitions and dispositions for the first quarter of 2019 is shown in Table 21:

Table 21

Three Months Ended March 31							
Capital Expenditures (\$ millions)	2019			2018			% Change
	E&E	PP&E	Total	E&E	PP&E	Total	
Geological and geophysical	0.2	11.7	11.9	1.3	2.7	4.0	198
Drilling and completions	0.3	128.9	129.2	37.3	101.8	139.1	(7)
Plant and facilities	(0.7)	73.0	72.3	6.2	63.8	70.0	3
Corporate assets	—	0.3	0.3	—	0.6	0.6	(50)
Total capital expenditures	(0.2)	213.9	213.7	44.8	168.9	213.7	—
Undeveloped land	—	—	—	0.4	0.3	0.7	(100)
Total capital expenditures including undeveloped land purchases	(0.2)	213.9	213.7	45.2	169.2	214.4	—
Acquisitions	0.2	—	0.2	—	0.2	0.2	—
Dispositions	—	(0.2)	(0.2)	—	(98.3)	(98.3)	(100)
Total capital expenditures, land purchases and net acquisitions and dispositions	—	213.7	213.7	45.2	71.1	116.3	84

Exhibit 16

**Capital Investment by Classification
(Three Months Ended March 31, 2019)**



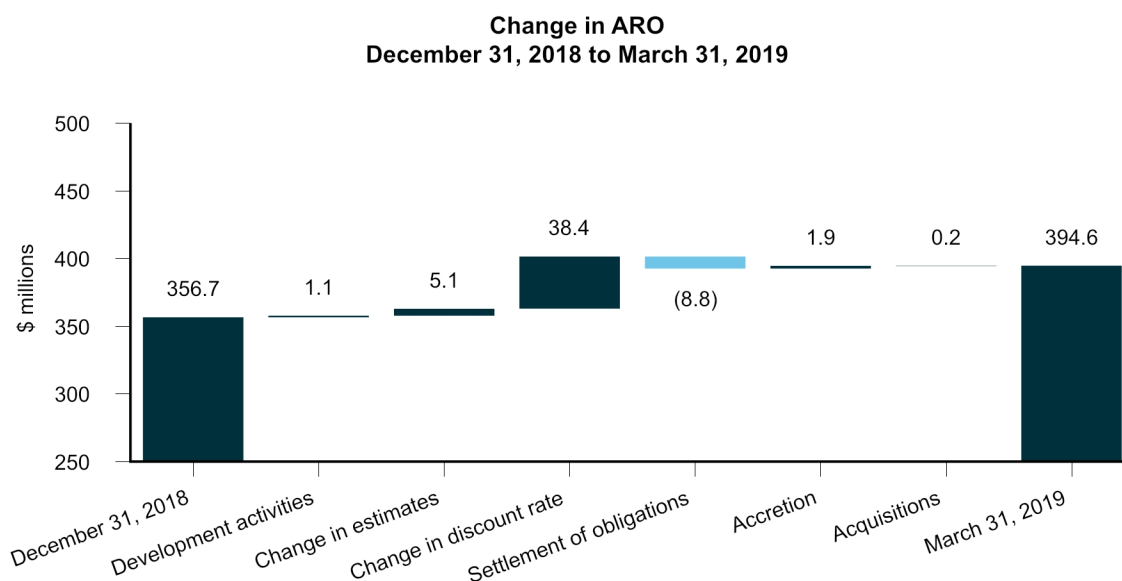
In the first quarter of 2019 capital investment was focused in the areas of Parkland/Tower, Ante Creek, Dawson, Sunrise, and Attachie West, with the drilling of 21 wells and the completion of 28 wells. Several significant infrastructure projects were advanced during the quarter, including the Dawson Phase I and II liquids-handling facility upgrade, the Dawson Phase IV gas processing and liquids-handling facility, the Ante Creek 10-36 facility expansion project and initial investments for the first phase of development at Attachie West.

Asset Retirement Obligations

At March 31, 2019, ARC has recognized ARO of \$394.6 million (\$356.7 million at December 31, 2018) for the future abandonment and reclamation of ARC's properties. The estimated ARO includes assumptions in respect of actual costs to abandon wells or reclaim the property, the time frame in which such costs will be incurred, and annual inflation factors. The future liability has been discounted at a liability-specific risk-free rate of 1.9 per cent (2.2 per cent at December 31, 2018).

Accretion charges of \$1.9 million for the three months ended March 31, 2019 (\$3.6 million for the same period in 2018), have been recognized in Interest and financing in the statements of income to reflect the increase in ARO associated with the passage of time. Actual spending under ARC's abandonment and reclamation program for the three months ended March 31, 2019 was \$8.8 million (\$5.6 million for the same period in 2018).

Exhibit 17



Capitalization, Financial Resources and Liquidity

ARC's capital management objective is to fund current period reclamation expenditures, dividend payments and capital expenditures necessary for the replacement of production declines using only funds from operations. Profitable growth activities will be financed with a combination of funds from operations and other sources of capital. ARC's long-term goal is to finance both its capital expenditures necessary to sustain its business and those intended for growth.

ARC typically uses three sources to raise capital: equity, bank debt and long-term notes. Long-term notes are issued to large institutional investors normally with an average term of five to 12 years. The cost of this debt is based upon two factors: the current rate of long-term government bonds and ARC's credit spread. ARC's weighted average interest rate on its outstanding long-term notes is currently 4.2 per cent.

Following the adoption of IFRS 16, ARC now recognizes lease obligations in its determination of net debt. Lease obligations are affected by the amount of future lease payments, anticipated lease terms, and ARC's estimated incremental borrowing rate. Changes in ARC's lease obligations could have a significant impact on ARC's net debt to annualized funds from operations ratio in future periods. Refer to the section entitled "Financial Reporting Update" contained within this MD&A and to Note 3 "Changes in Accounting Policies" in the financial statements.

A breakdown of ARC's capital structure as at March 31, 2019 and December 31, 2018 is outlined in Table 22:

Table 22

Capital Structure and Liquidity (\$ millions, except ratio amounts)	March 31, 2019	December 31, 2018
Long-term debt ⁽¹⁾	877.6	909.2
Lease obligations ⁽²⁾	53.8	—
Accounts payable and accrued liabilities	176.3	166.5
Dividends payable	17.7	17.7
Cash and cash equivalents, accounts receivable, current deferred consideration, and prepaid expense	(329.1)	(390.7)
Net debt ⁽³⁾	796.3	702.7
Net debt to annualized funds from operations (ratio) ⁽³⁾	1.1	0.9

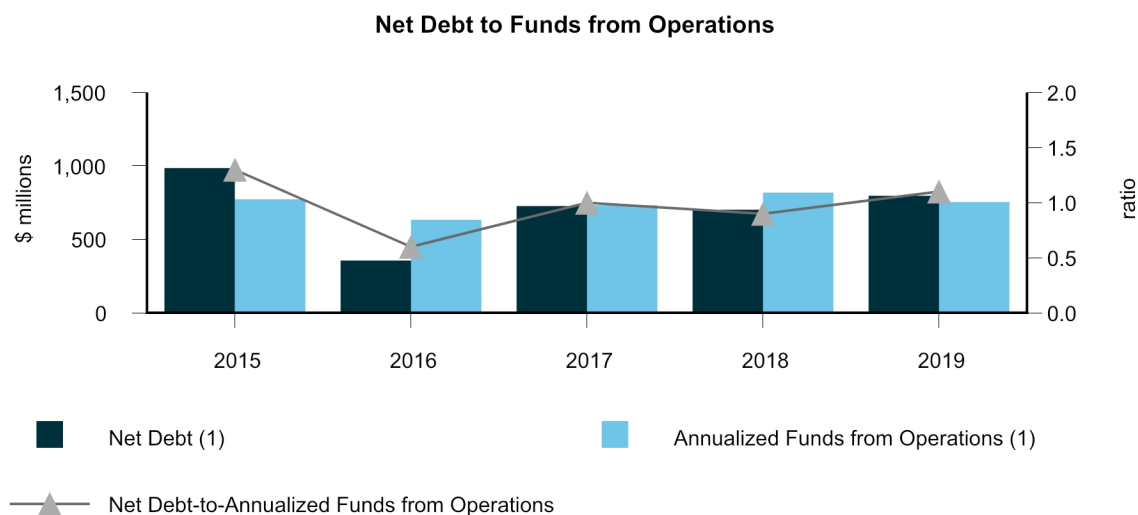
(1) Includes a current portion of long-term debt of \$65.4 million at March 31, 2019 and \$80.5 million at December 31, 2018.

(2) Includes a current portion of lease obligations of \$11.2 million at March 31, 2019.

(3) Refer to Note 11 "Capital Management" in the financial statements and to the section entitled "Funds from Operations" contained within this MD&A.

Management's long-term strategy is to keep its net debt balance to a ratio of between 1.0 and 1.5 times annualized funds from operations. This strategy has resulted in manageable debt levels to-date and has positioned ARC to remain well within its debt covenants. Following the adoption of IFRS 16, ARC's net debt balance has increased with the inclusion of ARC's lease obligations though compliance with ARC's credit facility covenants are not expected to be impacted by this change. At March 31, 2019, ARC had \$796.3 million of net debt outstanding and net debt to 2019 annualized funds from operations ratio was 1.1 times.

Exhibit 18



(1) Refer to Note 11 "Capital Management" in the financial statements and to the section entitled "Funds from Operations" contained within this MD&A.

At March 31, 2019, ARC had total available credit capacity of approximately \$2.2 billion with debt of \$877.6 million currently outstanding. ARC's long-term debt balance includes a current portion of \$65.4 million at March 31, 2019 (\$80.5 million at December 31, 2018), reflecting principal payments that are due to be paid within the next 12 months. ARC intends to finance these obligations by using cash on hand or drawing on its syndicated credit facility at the time the payments are due.

ARC's debt agreements contain a number of covenants, all of which were met as at March 31, 2019. No significant financial covenants were impacted by the adoption of IFRS 16. These agreements are available on SEDAR at www.sedar.com. ARC calculates its covenants quarterly. The significant financial covenants of the syndicated credit facility are described below:

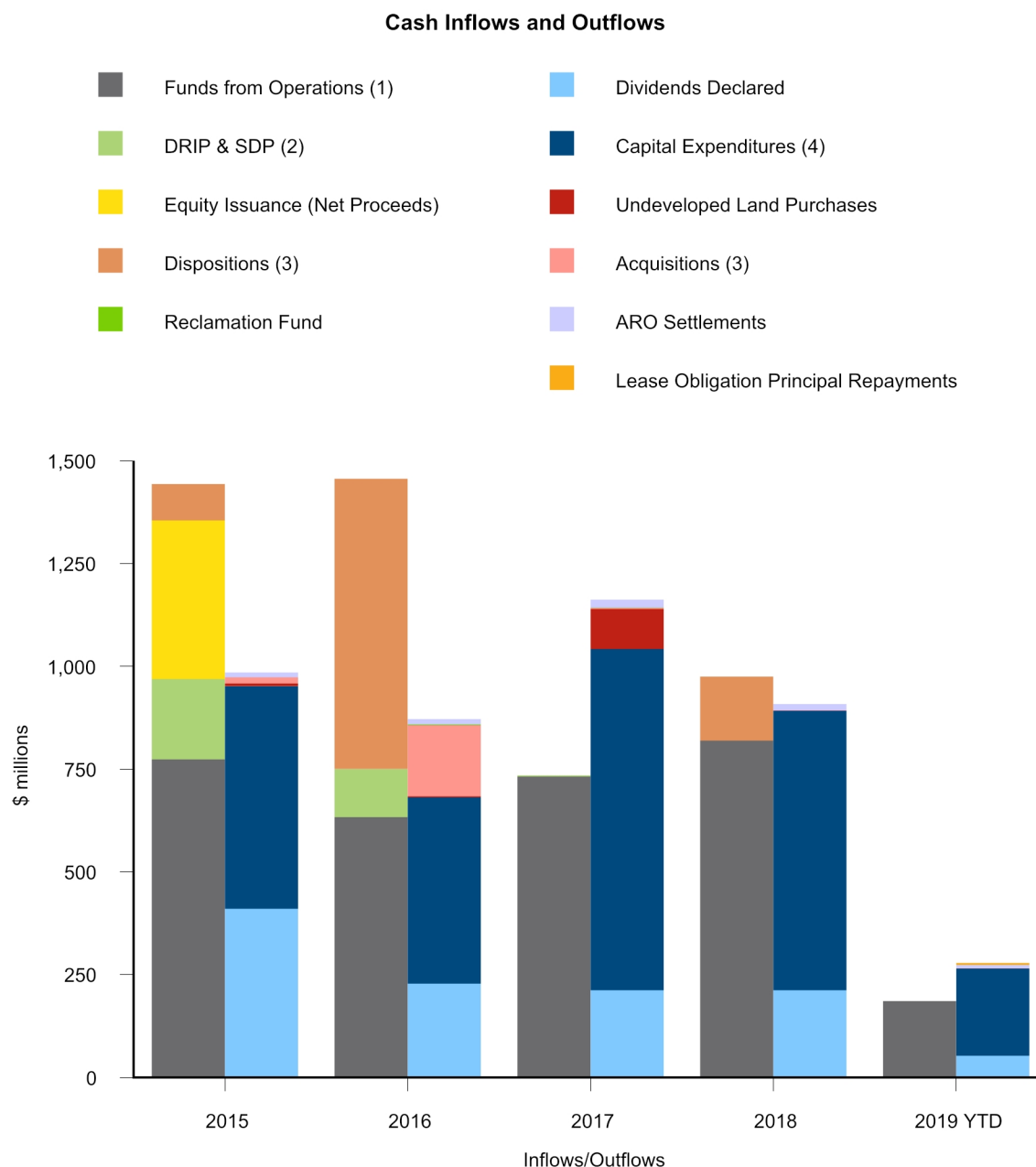
Table 23

Covenant Description	Estimated Position at March 31, 2019 ⁽¹⁾
Long-term debt and letters of credit not to exceed three-and-a-half times trailing 12-month net income before non-cash items, income taxes and interest expense	1.0
Long-term debt, letters of credit, and subordinated debt not to exceed four times trailing 12-month net income before non-cash items, income taxes and interest expense	1.0
Long-term debt and letters of credit not to exceed 55 per cent of the book value of shareholders' equity and long-term debt, letters of credit and subordinated debt	20%

(1) Estimated position, subject to final approval of the syndicate.

The following illustrates the balance of cash inflows and outflows over the past four years and the current year-to-date. In any period when cash outflows exceed inflows, ARC's net debt balance will increase to cover the shortfall and will decrease in any period when inflows exceed outflows.

Exhibit 19



- (1) Refer to Note 11 "Capital Management" in the financial statements and to the section entitled "Funds from Operations" contained within this MD&A.
- (2) On February 8, 2017, ARC's Board of Directors approved the elimination of the Dividend Reinvestment Plan ("DRIP") and Stock Dividend Program ("SDP"), effective for the March dividend that was paid on April 17, 2017 to shareholders of record on March 31, 2017.
- (3) Excludes non-cash property transactions.
- (4) Excludes capital additions in respect of non-cash share options, lease depreciation, and asset retirement cost.

Table 24

(\$ millions)	2019 YTD	2018	2017	2016	2015
Cash Inflows					
Funds from operations ⁽¹⁾	186.2	819.0	731.9	633.3	773.4
DRIP & SDP ⁽²⁾	—	—	3.0	117.1	195.5
Equity issuance (net proceeds)	—	—	—	—	386.1
Dispositions ⁽³⁾	0.2	156.1	—	705.4	88.8
Disposition of reclamation fund	—	36.5	—	—	—
Reclamation fund withdrawals	—	1.1	—	—	0.9
Total	186.4	1,012.7	734.9	1,455.8	1,444.7
Cash Outflows					
Dividends declared	53.1	212.3	212.3	228.2	410.5
Capital expenditures ⁽⁴⁾	212.0	679.3	829.4	452.9	541.2
Undeveloped land purchases	—	0.7	97.6	2.7	6.7
Acquisitions ⁽³⁾	0.2	0.2	2.5	172.9	14.4
ARO settlements	8.8	15.8	19.8	13.0	12.3
Lease obligation principal repayments	4.4	—	—	—	—
Reclamation fund contributions	—	—	0.6	2.0	—
Total	278.5	908.3	1,162.2	871.7	985.1

(1) Refer to Note 11 "Capital Management" in the financial statements and to the section entitled "Funds from Operations" contained within this MD&A.

(2) On February 8, 2017, ARC's Board of Directors approved the elimination of the DRIP and SDP, effective for the March dividend that was paid on April 17, 2017 to shareholders of record on March 31, 2017.

(3) Excludes non-cash property transactions.

(4) Excludes capital additions in respect of non-cash share options, lease depreciation, and asset retirement cost.

Shareholders' Equity

At March 31, 2019 and April 30, 2019, there were 353.4 million shares outstanding and 6.0 million share options outstanding under ARC's Share Option Plan. For more information on the Share Option Plan, refer to the section entitled "Share Option Plan" contained within this MD&A.

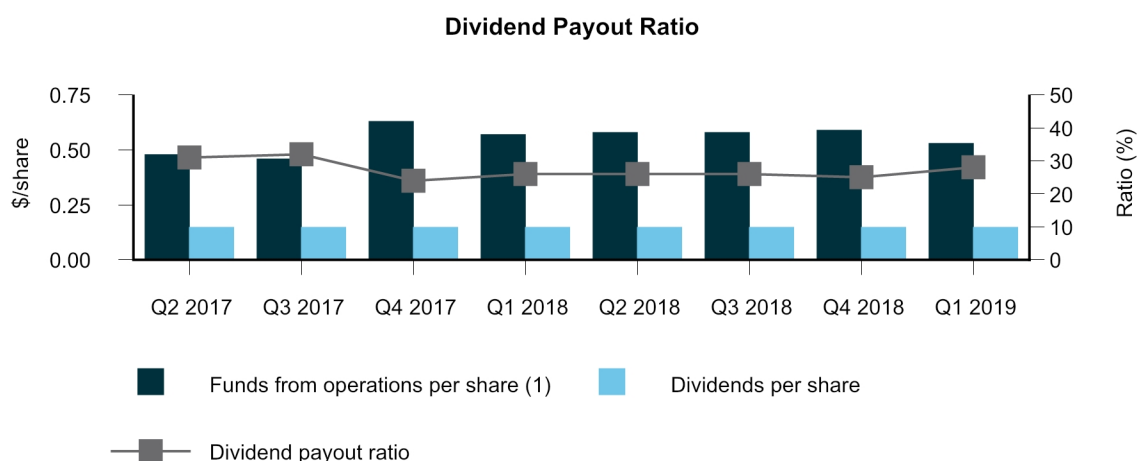
At March 31, 2019, ARC had 0.5 million restricted shares outstanding under its LTRSA Plan. For more information on the restricted shares outstanding and held in trust under ARC's LTRSA Plan, refer to the section entitled "Long-term Restricted Share Award Plan" contained within this MD&A.

Dividends

ARC's business strategy is focused on value creation and long-term returns to shareholders, with the dividend being an important component. In both of the first quarters of 2019 and 2018, ARC declared dividends totaling \$53.1 million (\$0.15 per share outstanding). At this time, ARC plans to sustain current dividend levels.

As a result of a decrease in funds from operations in the first quarter of 2019 compared to the same period of the prior year, ARC's dividend as a per cent of funds from operations has increased from an average of 26 per cent in the first quarter of 2018 to an average of 29 per cent in the first quarter of 2019.

Exhibit 20



(1) Refer to Note 11 "Capital Management" in the financial statements and to the section entitled "Funds from Operations" contained within this MD&A.

The actual amount of future monthly dividends is proposed by Management and is subject to the approval and discretion of the Board. The Board reviews future dividends in conjunction with their review of quarterly financial and operating results. On April 15, 2019, ARC confirmed that a dividend of \$0.05 per common share designated as an eligible dividend will be paid on May 15, 2019 to shareholders of record on April 30, 2019 with an ex-dividend date of April 29, 2019.

Please refer to ARC's website at www.arcresources.com for details of the estimated monthly dividend amounts and dividend dates for 2019.

Environmental Regulation Impacting ARC

Environmental stewardship is a core value at ARC and abandonment and reclamation activities continue to be made in a prudent, responsible manner with the oversight of the Safety, Reserves and Operational Excellence Committee of the Board. Ongoing abandonment expenditures for all of ARC's assets are funded entirely out of cash flow from operating activities.

ARC operates in jurisdictions that regulate greenhouse gas emissions and other air pollutants. While some regulations are in effect, further changes and amendments are at various stages of review, discussion and implementation. There is uncertainty around how any future federal legislation will harmonize with provincial regulation, as well as the timing and effects of regulations. Climate change regulation at both the federal and provincial level has the potential to significantly affect the regulatory environment of the crude oil and natural gas industry in Canada. In addition, the Supreme Court's decision in *Orphan Well Association v Grant Thornton Limited* may impact the manner in which provincial regulators seek to regulate their liability management and end-of-life asset retirement regimes. Such climate change and other environmental regulations impose certain costs and risks on the industry, and there remains some uncertainty with regard to the impacts of federal or provincial climate change and environmental laws and regulations, as ARC is unable to predict additional legislation or amendments that governments may enact in the future. Any new laws and regulations, or additional requirements to existing laws and regulations, could have a material impact on the Company's operations and cash flow.

ARC's Liability Management Rating is well within both the British Columbia Oil and Gas Commission's ("BCOGC") and the Alberta Energy Regulator's ("AER") requirements, such that no deposits were required at March 31, 2019 or at the date of this MD&A.

Additional information is available in ARC's AIF that is filed on SEDAR at www.sedar.com.

Contractual Obligations and Commitments

At March 31, 2019, ARC's total contractual obligations and commitments were \$2.5 billion. These include obligations and commitments in place at December 31, 2018, less debt and interest payments made in the three months ended March 31, 2019. Operating leases previously included in ARC's contractual obligations and commitments are now

disclosed on the balance sheet with the adoption of IFRS 16. For more information, refer to Note 16 "Commitments and Contingencies" in the financial statements.

Critical Accounting Estimates

ARC continuously refines and documents its management and internal reporting systems to ensure that accurate, timely, internal and external information is gathered and disseminated.

ARC's financial and operating results incorporate certain estimates including:

- estimated commodity sales, royalties, transportation and operating expense on production as at a specific reporting date but for which actual revenues and costs have not yet been received;
- estimated capital expenditures on projects that are in progress;
- estimated DD&A charges that are based on estimates of crude oil, liquids and natural gas reserves that ARC expects to recover in the future;
- estimated fair values of financial instruments that are subject to fluctuation depending upon the underlying forward curves for commodity prices, foreign exchange rates and interest rates, as well as volatility curves and the risk of non-performance;
- estimated value of ARO that is dependent upon estimates of future costs and timing of expenditures;
- estimated value of ROU assets and lease obligations that are dependent upon estimates of discount rates and timing of lease payments;
- estimated future recoverable value of PP&E, E&E and goodwill and any associated impairment charges or reversals; and
- estimated compensation expense under ARC's share-based compensation plans including the PSUs awarded under the RSU and PSU Plan that is based on an adjustment to the final number of PSU awards that eventually vest based on a performance multiplier, the Share Option Plan and the LTRSA Plan.

ARC has hired individuals and consultants who have the skills required to make such estimates and ensures that individuals or departments with the most knowledge of the activity are responsible for the estimates. Further, past estimates are reviewed and compared to actual results, and actual results are compared to budgets in order to make more informed decisions on future estimates. For further information on the determination of certain estimates inherent in the financial statements, refer to Note 5 "Management Judgments and Estimation Uncertainty" in the audited consolidated financial statements as at and for the year ended December 31, 2018 as well as Note 4 "Management Judgments and Estimation Uncertainty" in the financial statements as at and for the three months ended March 31, 2019.

ASSESSMENT OF BUSINESS RISKS

The ARC management team is focused on long-term strategic planning and has identified the key risks, uncertainties and opportunities associated with ARC's business that can impact the financial results. They include, but are not limited to:

- volatility of crude oil, natural gas, condensate and NGLs prices;
- refinancing and debt service;
- access to capital markets;
- retention of key personnel;
- operational matters;
- availability of third-party pipeline and processing infrastructure;
- reserves and resources estimates;
- depletion of reserves and maintenance of dividend;
- counterparty risk;
- variations in interest rates and foreign exchange rates;
- changes in income tax legislation;
- changes in government royalty legislation;
- environmental concerns and changes in environmental regulation;
- transportation constraints and market access;
- acquisitions; and
- cyber-security.

Additional information is available in ARC's AIF that is filed on SEDAR at www.sedar.com.

PROJECT RISKS

ARC manages a variety of small and large projects and plans to continue with the development of several capital projects throughout 2019. Project delays may impact expected revenues from operations. Significant project cost overruns could make a project uneconomic. ARC's ability to execute projects and market crude oil, condensate, NGLs and natural gas depends upon numerous factors beyond its control, including:

- availability of processing capacity;
- availability and proximity of pipeline capacity;
- availability of storage capacity;
- supply of and demand for crude oil and natural gas;
- availability of alternative fuel sources;
- effects of inclement weather;
- availability of drilling-related equipment and resources;
- unexpected cost increases;
- accidental events;
- changes in regulations; and
- availability and productivity of skilled labour.

Because of these factors, ARC could be unable to execute projects on time, on budget, or at all, and may not be able to effectively market the crude oil, condensate, NGLs and natural gas that ARC produces.

CONTROL ENVIRONMENT

Internal Control over Financial Reporting

ARC is required to comply with National Instrument 52-109 "Certification of Disclosure in Issuers' Annual and Interim Filings". The certification of interim filings for the interim period ended March 31, 2019 requires that ARC disclose in the interim MD&A any changes in ARC's internal controls over financial reporting that occurred during the period that have materially affected, or are reasonably likely to materially affect, ARC's internal controls over financial reporting. ARC confirms that no such changes were made to its internal controls over financial reporting during the three months ended March 31, 2019.

FINANCIAL REPORTING UPDATE

New Accounting Policies

IFRS 16 Leases

Effective January 1, 2019, ARC adopted IFRS 16 which requires the recognition of an ROU asset and associated lease obligation for most leasing arrangements entered into by ARC. Prior to the adoption of this standard, identified leases were categorized as either operating or finance leases, and operating leases were not subject to balance sheet recognition.

ARC adopted IFRS 16 on a modified retrospective basis whereby an adjustment is made to the opening deficit at January 1, 2019 to reflect the cumulative earnings impact of the standard up to the date of adoption. No restatement of prior periods has been made. In conjunction with the adoption of IFRS 16, ARC has completed the implementation of necessary changes to accounting processes, internal controls, information systems and business reporting that has been affected.

Table 25 details the impact of the adoption of IFRS 16 on the Company's balance sheet, as at January 1, 2019:

Table 25

Impact on Balance Sheet Item		\$ millions
ROU assets	Increase	43.1
Current portion of lease obligations	Increase	(13.5)
Long-term portion of lease obligations	Increase	(44.5)
Other deferred liabilities	Decrease	10.2
Deferred taxes	Decrease	4.0
Deficit	Increase	0.7

The Company's leases recognized on its balance sheet at January 1, 2019 include leases of buildings, land use rights, equipment and vehicles. Certain short-term leases (less than 12 months) and leases of low-value assets are exempt from the balance sheet recognition requirements. For full information regarding the effects of the adoption of IFRS 16 on ARC's financial statements, see Note 3 "Changes in Accounting Policies" in the financial statements.

Certain of ARC's performance measures including funds from operations, net debt, ROACE and operating netbacks are impacted by the adoption of IFRS 16. Where lease payments made for certain operating items were previously included in operating expense and G&A, these payments are now reflected as payments of interest and lease obligations, which increases total funds from operations and operating netbacks. Lease obligations have been included to increase net debt. As IFRS 16 was adopted using a modified retrospective approach, prior period comparatives have not been restated and may not be comparable. For more information on funds from operations and net debt, refer to Note 11 "Capital Management" in the financial statements. For more information on ROACE and operating netbacks refer to the section entitled "Non-GAAP Measures" contained within this MD&A.

Non-GAAP Measures

Throughout this MD&A, the Company uses certain measures to analyze operational and financial performance. These non-GAAP measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other entities.

Operating Netback

ARC calculates netback on a total and per boe basis as commodity sales from production less royalties, operating and transportation expense. ARC discloses netbacks both before and after the effect of realized gain or loss on risk management contracts. Realized gain or loss represents the portion of risk management contracts that have settled in cash during the period and disclosing this impact provides Management and investors with transparent measures that reflect how ARC's risk management program can impact its netback. Management believes that netback is a key industry benchmark and a measure of performance for ARC that provides investors with information that is commonly used by other crude oil and natural gas producers. The measurement on a per boe basis assists Management with evaluating operating performance on a comparable basis. ARC's netback is disclosed in Tables 13 and 13a within this MD&A.

Return on Average Capital Employed

ARC calculates ROACE, expressed as a percentage, as net income plus interest and total income taxes (recovery) divided by the average of the opening and closing capital employed for the 12 months preceding the period end. Capital employed is the total of net debt plus shareholders' equity. Refer to Note 11 "Capital Management" in the financial statements for additional discussion on net debt.

ARC uses ROACE as a measure of long-term operating performance, to measure how effectively Management utilizes the capital it has been provided and to demonstrate to shareholders that capital has been used wisely over the long term. ROACE is calculated by ARC for the 12 months preceding the period end, on an annual basis and a four year basis in Table 26 of this MD&A.

Table 26

	Twelve Months Ended March 31, 2019	Twelve Months Ended December 31				2015-2018 Average ⁽¹⁾
		2018	2017	2016	2015	
ROACE						
Net income (loss)	104.3	213.8	388.9	201.3	(342.7)	115.3
Add: Interest	42.6	42.6	45.3	50.5	51.0	47.4
Add: Total income taxes (recovery)	53.9	108.0	135.9	41.4	(15.8)	67.4
Earnings before interest and taxes	200.8	364.4	570.1	293.2	(307.5)	230.1
Net debt - beginning of period	702.7	728.0	356.5	985.1	1,255.9	1,255.9
Shareholders' equity - beginning of period	3,675.8	3,668.9	3,484.8	3,388.5	3,551.8	3,551.8
Opening capital employed (A)	4,378.5	4,396.9	3,841.3	4,373.6	4,807.7	4,807.7
Net debt - end of period	796.3	702.7	728.0	356.5	985.1	702.7
Shareholders' equity - end of period	3,568.8	3,675.8	3,668.9	3,484.8	3,388.5	3,675.8
Closing capital employed (B)	4,365.1	4,378.5	4,396.9	3,841.3	4,373.6	4,378.5
Average capital employed (A+B)/2	4,371.8	4,387.7	4,119.1	4,107.5	4,590.7	4,593.1
ROACE (%)	5	8	14	7	(7)	5

(1) Average ROACE for years ended December 31, 2015, 2016, 2017, and 2018.

Forward-looking Information and Statements

This MD&A contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect," "anticipate," "continue," "estimate," "objective," "ongoing," "may," "will," "project," "should," "believe," "plans," "intends," "strategy," and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this MD&A contains forward-looking information and statements pertaining to the following: ARC's guidance and planned operations for 2019 as well as expected trends during the course of the year with respect to expenses under the heading "Annual Guidance," ARC's view as to the estimated future payments under the RSU and PSU Plans under the heading "Share-Based Compensation Plans," anticipated debt repayments in the next 12 months under the heading "Interest and Financing," ARC's plans in relation to future dividend levels under the heading "Dividends," changes to environmental legislation and regulation under the heading "Environmental Regulation Impacting ARC," and a number of other matters, including the amount of future asset retirement obligations, future liquidity and financial capacity (including sources of capital), future results from operations and operating metrics, timing of production coming on stream, future costs, expenses and royalty rates, future interest costs, and future development, exploration, acquisition and development activities (including drilling plans) and related capital expenditures.

The forward-looking information and statements contained in this MD&A reflect material factors and expectations and assumptions of ARC including, without limitation: that ARC will continue to conduct its operations in a manner consistent with past operations; the general continuance of current industry conditions; the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes; the accuracy of the estimates of ARC's reserves and resource volumes; certain commodity price and other cost assumptions; and the continued availability of adequate debt and equity financing and funds from operations to fund its planned expenditures. ARC believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable, but no assurance can be given that these factors, expectations and assumptions will prove to be correct.

The forward-looking information and statements included in this MD&A are not guarantees of future performance and should not be unduly relied upon. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation: changes in commodity prices; changes in the demand for or supply of ARC's products; changes to government regulations including royalty rates, taxes and environmental and climate change regulation; market access constraints or transportation interruptions, unanticipated operating results or production declines; changes in development plans of ARC or by third-party operators of ARC's properties, increased debt levels or debt service requirements; inaccurate estimation of ARC's reserve and resource volumes; limited, unfavorable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and certain other risks detailed from time to time in ARC's public disclosure documents (including, without limitation, those risks identified in this MD&A and in ARC's AIF).

The internal projections, expectations or beliefs are based on the 2019 capital budget and year to date results which are subject to change in light of ongoing results, prevailing economic circumstances, commodity prices and industry conditions and regulations. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted. The forward-looking information contained in this MD&A speak only as of the date of this MD&A, and none of ARC or any subsidiaries assumes any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws.

GLOSSARY

The following is a list of abbreviations that may be used in this MD&A:

Measurement

bbl	barrel
bbl/d	barrels per day
Mbbl	thousand barrels
MMbbl	million barrels
boe ⁽¹⁾	barrels of oil equivalent
boe/d ⁽¹⁾	barrels of oil equivalent per day
Mboe ⁽¹⁾	thousands of barrels of oil equivalent
MMboe ⁽¹⁾	millions of barrels of oil equivalent
Mcf	thousand cubic feet
Mcf/d	thousand cubic feet per day
MMcf	million cubic feet
MMcf/d	million cubic feet per day
Bcf	billion cubic feet
MMBtu	million British thermal units
GJ	gigajoule

- (1) ARC has adopted the standard of 6 Mcf:1 bbl when converting natural gas to boe. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of six Mcf per barrel 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 than the energy equivalency of the 6:1 conversion ratio, utilizing the 6:1 conversion ratio may be misleading as an indication of value.

Financial and Business Environment

ARO	asset retirement obligations
CGU	cash generating unit
COGE Handbook	The Canadian Oil and Gas Evaluation Handbook prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum
DD&A	depletion, depreciation and amortization
DRIP	Dividend Reinvestment Plan
DSU	Deferred Share Unit
E&E	exploration and evaluation
GAAP	generally accepted accounting principles
G&A	general and administrative
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
LTRSA	Long-term Restricted Share Award
MSW	Mixed Sweet Blend
NGLs	natural gas liquids
NYMEX	New York Mercantile Exchange
PP&E	property, plant and equipment
PSU	Performance Share Unit
ROU	Right-of-use
RSU	Restricted Share Unit
SDP	Stock Dividend Program
TSX	Toronto Stock Exchange
WTI	West Texas Intermediate

QUARTERLY HISTORICAL REVIEW

(\$ millions, except per share amounts)	2019	2018				2017		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
FINANCIAL								
Commodity sales from production	327.8	302.5	375.1	344.4	340.2	337.3	276.5	295.0
Per share, basic	0.93	0.86	1.06	0.97	0.96	0.95	0.78	0.83
Per share, diluted	0.93	0.86	1.06	0.97	0.96	0.95	0.78	0.83
Net income (loss)	(54.6)	159.7	45.1	(45.9)	54.9	73.9	48.5	124.0
Per share, basic	(0.15)	0.45	0.13	(0.13)	0.16	0.21	0.14	0.35
Per share, diluted	(0.15)	0.45	0.13	(0.13)	0.16	0.21	0.14	0.35
Funds from operations ⁽¹⁾	186.2	208.6	205.0	204.4	201.0	221.1	163.8	169.8
Per share, basic	0.53	0.59	0.58	0.58	0.57	0.63	0.46	0.48
Per share, diluted	0.53	0.59	0.58	0.58	0.57	0.63	0.46	0.48
Dividends declared	53.1	53.1	53.0	53.1	53.1	53.1	53.0	53.1
Per share ⁽²⁾	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
Total assets	5,952.4	6,016.2	5,846.3	6,059.8	6,235.7	6,224.0	6,115.0	6,196.8
Total liabilities	2,383.6	2,340.4	2,278.3	2,485.8	2,563.8	2,555.1	2,468.2	2,546.8
Net debt outstanding ⁽³⁾	796.3	702.7	667.8	757.0	728.0	728.0	645.1	527.4
Weighted average shares, basic	353.4	353.4	353.5	353.5	353.5	353.5	353.5	353.4
Weighted average shares, diluted	353.4	353.9	354.0	353.5	353.8	353.8	353.9	353.8
Shares outstanding, end of period	353.4	353.4	353.4	353.5	353.5	353.5	353.5	353.4
CAPITAL EXPENDITURES								
Geological and geophysical	11.9	1.3	3.4	2.1	4.0	2.5	1.8	2.0
Drilling and completions	129.2	60.5	114.2	102.6	139.1	154.8	119.3	105.9
Plant and facilities	72.3	69.6	51.2	58.8	70.0	87.2	55.5	41.6
Administrative assets	0.3	0.2	0.5	1.3	0.6	0.6	1.8	1.5
Total capital expenditures	213.7	131.6	169.3	164.8	213.7	245.1	178.4	151.0
Undeveloped land	—	0.2	—	—	0.7	0.4	77.3	14.7
Total capital expenditures, including undeveloped land purchases	213.7	131.8	169.3	164.8	214.4	245.5	255.7	165.7
Acquisitions	0.2	—	—	—	0.2	2.2	—	0.1
Dispositions	(0.2)	(0.9)	(96.2)	(0.7)	(98.3)	—	—	—
Total capital expenditures, land purchases and net acquisitions and dispositions	213.7	130.9	73.1	164.1	116.3	247.7	255.7	165.8
OPERATING								
Production								
Crude oil (bbl/d)	18,251	20,092	23,867	24,893	25,037	24,641	25,020	23,813
Condensate (bbl/d)	8,210	8,458	8,158	6,960	5,505	6,989	6,815	4,253
Natural gas (MMcf/d)	632.5	603.3	574.2	537.9	564.9	572.4	549.6	483.9
NGLs (bbl/d)	7,183	7,402	7,687	6,380	6,332	6,380	6,091	4,691
Total (boe/d)	139,054	136,502	135,410	127,879	131,016	133,409	129,526	113,410
Average realized prices, prior to risk management contracts								
Crude oil (\$/bbl)	63.72	43.30	78.62	78.57	69.50	67.29	54.50	59.53
Condensate (\$/bbl)	64.81	57.25	85.28	85.10	77.42	69.04	54.35	60.38
Natural gas (\$/Mcf)	2.79	2.85	2.15	1.91	2.50	2.27	2.00	2.99
NGLs (\$/bbl)	25.43	29.12	35.26	32.98	31.39	35.31	28.37	26.27
Oil equivalent (\$/boe)	26.20	24.09	30.12	29.59	28.85	27.48	23.20	28.59
TRADING STATISTICS ⁽⁴⁾								
(\$, based on intra-day trading)								
High	10.49	14.84	15.90	15.25	15.90	18.34	18.31	19.55
Low	7.82	7.38	12.70	12.71	11.88	13.64	15.61	16.23
Close	9.12	8.10	14.40	13.58	14.04	14.75	17.19	16.96
Average daily volume (thousands)	2,291	2,117	1,246	1,150	1,406	1,114	1,008	1,269

(1) Refer to Note 11 "Capital Management" in the financial statements and to the section entitled "Funds from Operations" contained within this MD&A.

(2) Dividends per share are based on the number of shares outstanding at each dividend record date.

(3) Refer to Note 11 "Capital Management" in the financial statements and to the section entitled "Capitalization, Financial Resources and Liquidity" contained within this MD&A.

(4) Trading statistics denote trading activity on the TSX only.