MEG Energy Corp. Shareholders,

REJECT THE STRATHCONA OFFER

No premium. No upside. No reason to tender.

The Board of Directors has unanimously recommended that MEG Energy Corp. Shareholders **do not tender** to the proposal. Visit megenergy.com/offer-update/ for news and important documents.

If you have already tendered your MEG Shares to the Strathcona Offer, you can withdraw your MEG Shares by contacting your broker or MEG Energy Corp.'s information agent, Sodali & Co., by toll-free phone call in North America to 1-888-999-2785, or to 1-289-695-3075 for banks, brokers, and callers outside North America or by email at assistance@investor.sodali.com.

MEG ENERGY

*This document is important and requires your immediate attention. If you are in doubt as to how to respond to the Strathcona Offer, you should consult with your investment dealer, broker, bank manager, lawyer or other professional advisor. Inquiries concerning the information in this document should be directed to Morrow Sodali (Canada) Ltd. ("**Sodali & Co**"), the Information Agent retained by MEG, by toll free phone call in North America to 1-888-999-2785, or to 1-289-695-3075 for banks, brokers, and callers outside North America or by email at assistance@investor.sodali.com.*

DIRECTORS' CIRCULAR

RECOMMENDING

REJECTION

of the unsolicited offer by

STRATHCONA RESOURCES LTD.

to purchase all of the outstanding MEG Shares of

MEG ENERGY CORP.

for consideration per MEG Share of
(i) 0.62 of a Strathcona Share and (ii) $4.10 in cash

For the reasons set out herein, the Board unanimously concluded that the consideration to be received by the Shareholders (other than Strathcona and its affiliates) pursuant to the Strathcona Offer is inadequate, from a financial point of view, to such Shareholders, and that the Strathcona Offer is not in the best interests of MEG or the Shareholders and recommends that you

REJECT the Strathcona Offer by taking no action and **NOT TENDER** your MEG Shares

NO ACTION IS REQUIRED to REJECT the Strathcona Offer

If you have already tendered your MEG Shares to the Strathcona Offer, you can withdraw your MEG Shares by contacting your broker or Sodali & Co, by toll free phone call in North America to 1-888-999-2785, or to 1-289-695-3075 for banks, brokers, and callers outside North America or by email at assistance@investor.sodali.com.

June 13, 2025

SUMMARY

The information set out below is intended as a summary only and is qualified in its entirety by the more detailed information appearing elsewhere in this Directors' Circular. This Directors' Circular should be read carefully and in its entirety as it provides important information regarding MEG and the Strathcona Offer. Capitalized terms used but not defined in this Summary have the meanings ascribed thereto in Appendix "C" – *Glossary*.

Unanimous Recommendation of the Board:

The Board, on the recommendation of the Special Committee, has unanimously concluded that the consideration to be received by the Shareholders (other than Strathcona and its affiliates) pursuant to the Strathcona Offer is inadequate, from a financial point of view, to such Shareholders, and that the Strathcona Offer is not in the best interests of MEG or the Shareholders.

Accordingly, for the reasons described in more detail below, the Board **UNANIMOUSLY** recommends that you **REJECT** the Strathcona Offer by taking no action and **NOT TENDER** your MEG Shares to the Strathcona Offer.

Reasons for Rejection:

The Special Committee and the Board carefully reviewed and considered, together with their external Financial Advisors and Legal Advisors and with the benefit of their advice, the Strathcona Offer. The following is a summary of the principal reasons for the UNANIMOUS recommendation of the Board that you REJECT the Strathcona Offer by taking no action and NOT TENDER your MEG Shares to the Strathcona Offer.

The Special Committee and the Board believe that:

- The Strathcona Offer's share consideration exposes Shareholders to a company with inferior assets;
- Selling by WEF and its investors to provide liquidity will put downward pressure on the share price, while the combined company would offer no incremental liquidity to Shareholders;
- The Strathcona Offer is **OPPORTUNISTIC**;
- The Strathcona Offer is **INADEQUATE**:
  - The market views the Strathcona Offer as **INADEQUATE**;
  - The Financial Advisors and the Special Committee have determined that the Strathcona Offer is **INADEQUATE** to Shareholders from a financial point of view; and
  - Shareholders, sell-side analysts, and influential commentators agree that the Strathcona Offer is **INADEQUATE**; and
- There are other paths to superior value maximization, including MEG's compelling standalone plan.

See "*Analysis and Reasons for the Board's Conclusion and Recommendation to Reject the Strathcona Offer*".

The Strathcona Offer:

Strathcona has offered to purchase all of the outstanding MEG Shares, together with the associated SRP Rights issued and outstanding under the Shareholder Rights Plan, for consideration per MEG Share of: (i) 0.62 of a Strathcona Share; and (ii) $4.10 in cash. As the Strathcona Offer is open for acceptance until 5:00 p.m. (Mountain time) on September 15, 2025, there is no need for Shareholders to take any action with respect to the Strathcona Offer at this time. Shareholders who have tendered MEG Shares to the Strathcona Offer and who wish to obtain

	advice or assistance in withdrawing their MEG Shares are urged to contact their broker or Sodali & Co, the Information Agent retained by MEG, by North American toll free phone call to 1-888-999-2785, or to 1-289-695-3075 for banks, brokers, and callers outside North America or by email at assistance@investor.sodali.com.
Alternatives to the Strathcona Offer:	MEG has a robust go-forward business plan that the Board believes will generate significant free cash flow and shareholder value, underpinned by MEG's high quality SAGD assets with decades of growth potential. With a focus on value maximization for MEG Shareholders, the Board has authorized the Special Committee to initiate a strategic review of alternatives with the potential to surface an offer superior to MEG's compelling standalone plan. MEG, through its financial advisor, BMO Capital Markets, has begun an outreach to potential parties to explore and solicit interest in an alternative value maximizing transaction for Shareholders.
Rejection of the Strathcona Offer by Directors and Officers:	The directors and officers of MEG have indicated their intention to **REJECT** the Strathcona Offer and **NOT TENDER** their MEG Shares to the Strathcona Offer.

QUESTIONS AND ANSWERS ABOUT THE STRATHCONA OFFER

Capitalized terms used but not defined herein have the meanings ascribed thereto in Appendix "C" – Glossary.

Q: Should I accept the Strathcona Offer?

A. **NO.** The Board, on the recommendation of the Special Committee, has unanimously concluded that the consideration to be received by the Shareholders (other than Strathcona and its affiliates) pursuant to the Strathcona Offer is inadequate, from a financial point of view, to such Shareholders and that the Strathcona Offer is not in the best interests of MEG or the Shareholders.

The Board **UNANIMOUSLY** recommends that Shareholders **REJECT** the Strathcona Offer by taking no action and **NOT TENDER** their MEG Shares. Members of the Board and officers of MEG do **NOT** intend to tender their MEG Shares to the Strathcona Offer, which the Board views as offering inadequate consideration to Shareholders.

Q. How do I reject the Strathcona Offer?

A. You do not need to do anything to reject the Strathcona Offer. **DO NOT TENDER** your MEG Shares to the Strathcona Offer. If you are contacted by Strathcona or its information or solicitation agent, **DO NOT TENDER** your MEG Shares or complete any documents that Strathcona or its agents may provide you.

Q. Can I withdraw my MEG Shares if I have already tendered?

A. **YES**. Shareholders who have already tendered their MEG Shares to the Strathcona Offer can withdraw them at any time before their MEG Shares have been taken up and paid for by Strathcona pursuant to the Strathcona Offer. See "*How to Withdraw Your Deposited MEG Shares*".

Q. How do I withdraw my MEG Shares?

A. For information on how to withdraw your MEG Shares, MEG recommends you contact your broker or Sodali & Co, the Information Agent retained by MEG, by toll free phone call in North America to 1-888-999-2785, or to 1-289-695-3075 for banks, brokers, and callers outside North America or by email at assistance@investor.sodali.com. Sodali & Co's contact information is also listed at the end of this Q&A and on the back cover of this Directors' Circular.

Q. Why does the Board believe that the Strathcona Offer should be rejected?

A. The Board, on the recommendation of the Special Committee, has unanimously concluded that the consideration to be received by the Shareholders (other than Strathcona and its affiliates) pursuant to the Strathcona Offer is inadequate, from a financial point of view, to such Shareholders and that the Strathcona Offer is not in the best interests of MEG or the Shareholders. The Board took into account numerous factors including, but not limited to, the reasons set out below in reaching its **UNANIMOUS** recommendation that Shareholders **REJECT** the Strathcona Offer by taking no action and **NOT TENDER** their MEG Shares to the Strathcona Offer:

- The Strathcona Offer's share consideration exposes Shareholders to a company with inferior assets;
- Selling by WEF and its investors to provide liquidity will put downward pressure on the share price, while the combined company would offer no incremental liquidity to Shareholders;
- The Strathcona Offer is **OPPORTUNISTIC**;
- The Strathcona Offer is **INADEQUATE**:
  - The market views the Strathcona Offer as **INADEQUATE**;

- The Financial Advisors and the Special Committee have determined that the Strathcona Offer is **INADEQUATE** to Shareholders from a financial point of view; and
- Shareholders, sell-side analysts, and influential commentators agree that the Strathcona Offer is **INADEQUATE**; and

- There are other paths to superior value maximization, including MEG's compelling standalone plan.

See "*Analysis and Reasons for the Board's Conclusion and Recommendation to Reject the Strathcona Offer*".

Shareholders are strongly encouraged to carefully review the full explanation of the reasons for the Special Committee's and the Board's recommendation starting on page 20 of this Directors' Circular, including the opinion of BMO Capital Markets that, as of June 12, 2025 and based upon and subject to the assumptions, limitations and qualifications contained therein and such other matters as BMO Capital Markets considered relevant, the consideration offered to the Shareholders (other than Strathcona and its affiliates) pursuant to the Strathcona Offer is inadequate, from a financial point of view, to such Shareholders; and the opinion of RBC Capital Markets that, as of June 12, 2025 and based upon and subject to the assumptions, limitations and qualifications contained therein and such other matters as RBC Capital Markets considered relevant, the consideration under the Strathcona Offer is inadequate, from a financial point of view, to the Shareholders (other than Strathcona and its affiliates).

The full text of the foregoing opinions, setting out the assumptions made, procedures followed, matters considered and limitations and qualifications of the review undertaken in connection with the opinions of BMO Capital Markets and RBC Capital Markets is attached as Appendix "A" and Appendix "B", respectively, to this Directors' Circular.

The summaries of the opinions of BMO Capital Markets and RBC Capital Markets in this Directors' Circular are qualified in their entirety by reference to the full text of such opinions. The opinions are not a recommendation as to whether or not Shareholders should accept or reject the Strathcona Offer. The opinions are one of a number of factors taken into consideration by the Special Committee and the Board in making its unanimous determination that the consideration to be received by the Shareholders (other than Strathcona and its affiliates) pursuant to the Strathcona Offer is inadequate, from a financial point of view, to such Shareholders and that the Strathcona Offer is not in the best interests of MEG or the Shareholders and to recommend that Shareholders reject the Strathcona Offer by taking no action and not tender their MEG Shares to the Strathcona Offer. Please refer to "*Opinion of BMO Capital Markets*" and "*Opinion of RBC Capital Markets*" for further details regarding the opinions of the Financial Advisors.

Q. Did Strathcona approach the Board privately with its non-binding proposal and, if so, what did the Board do in response?

A. Strathcona sent a non-binding proposal to MEG on April 28, 2025, indicating its interest in acquiring MEG for consideration identical to that of the Strathcona Offer. The Board engaged financial and legal advisors and thoroughly reviewed Strathcona's non-binding proposal, following which the Board determined that the non-binding proposal was not in the best interests of MEG or the Shareholders. MEG's Board communicated its views to Strathcona by email on May 13, 2025.

Q. What action is the Board undertaking in response to the Strathcona Offer?

A. MEG has a robust go-forward business plan that the Board believes will generate significant free cash flow and shareholder value, underpinned by MEG's high quality SAGD assets with decades of growth potential. With a focus on value maximization for MEG Shareholders, the Board has authorized the Special Committee to initiate a strategic review of alternatives with the potential to surface an offer superior to MEG's compelling standalone plan. MEG, through its financial advisor, BMO Capital Markets, has begun an outreach to potential parties to explore and solicit interest in an alternative value maximizing transaction for Shareholders.

Q. Does the Board own stock in MEG and are the interests of the directors aligned with the Shareholders?

A. As indicated under the heading "*Ownership of Securities of MEG*", each of the directors of MEG owns MEG Shares and has a personal financial interest in maximizing the value of the MEG Shares. Collectively, the directors own 1,023,102 MEG Shares with a current market value of approximately $25.5 million. The Board unanimously concluded that the consideration to be received by the Shareholders (other than Strathcona and its affiliates) pursuant to the Strathcona Offer is inadequate, from a financial point of view, to such Shareholders, and is not in the best interests of MEG or the Shareholders. Each member of the Board has indicated their intention to reject the Strathcona Offer, and the Board unanimously recommends that Shareholders reject the Strathcona Offer by taking no action and not tender their MEG Shares to the Strathcona Offer.

Q. My broker advised me to tender my MEG Shares. Should I?

A. **NO.** The Board, upon the recommendation of the Special Committee, has **UNANIMOUSLY** recommended that Shareholders **REJECT** the Strathcona Offer by taking no action and **NOT TENDER** their MEG Shares to the Strathcona Offer. The Strathcona Circular states that Strathcona may retain the services of a soliciting dealer group comprised of members of the Canadian Investment Regulatory Organization and members of the TSX (each, a "**Soliciting Dealer**") to solicit acceptances of the Strathcona Offer from persons who are resident in Canada. Your broker may be a Soliciting Dealer so their advice with respect to a decision to tender your MEG Shares to the Strathcona Offer may not be impartial.

Q. Will I have protections if Strathcona takes up more than 66⅔% of the MEG Shares under the Strathcona Offer and I do not tender my MEG Shares?

A. **YES**. In Canada, applicable corporate law contains protections for minority shareholders, including the right, in certain circumstances, to dissent and demand payment of the fair value of their shares. If by the Expiry Time or within 120 days from the date of the Strathcona Offer, Strathcona is successful in acquiring in excess of 90% of the MEG Shares pursuant to the Strathcona Offer, Strathcona has disclosed its intention to acquire the remaining MEG Shares pursuant to a Compulsory Acquisition. If Strathcona is successful in acquiring in excess of 66⅔% of the MEG Shares, but less than 90% of the MEG Shares or the right of Compulsory Acquisition is not available, Strathcona has disclosed that it may pursue other means of acquiring the remaining MEG Shares not deposited under the Strathcona Offer pursuant to an amalgamation, statutory arrangement, capital reorganization, amendment to its articles, consolidation or other transaction (as determined by Strathcona) (a "**Subsequent Acquisition Transaction**"). You are encouraged to read Section 14 of the Strathcona Circular, "*Acquisition of MEG Shares Not Deposited* " for an explanation of Strathcona's intentions and the mechanics of any such acquisition.

Q. Do I have to decide now?

A. **NO**. You do not have to take any action at this time. The Strathcona Offer is currently scheduled to expire at 5:00 p.m. (Mountain time) on September 15, 2025 and is subject to a number of conditions that have yet to be satisfied and may never be satisfied. You do not have to take any action until the Expiry Time to ensure that you are able to consider all of the options available to you.

If you have already tendered your MEG Shares to the Strathcona Offer and you decide to withdraw your MEG Shares from the Strathcona Offer, you must allow sufficient time to complete the withdrawal process prior to the expiry of the Strathcona Offer. For more information on how to withdraw your MEG Shares, you should contact your broker or Sodali & Co, the Information Agent retained by MEG, by toll free phone call in North America to 1-888-999-2785, or to 1-289-695-3075 for banks, brokers, and callers outside North America or by email at assistance@investor.sodali.com. Sodali & Co's contact information is also listed below and on the back cover of this Directors' Circular.

Q. Who do I ask if I have more questions?

A. The Board recommends that you read the information contained in this Directors' Circular carefully. You should contact Sodali & Co, the Information Agent retained by MEG, with any questions or requests for assistance that you may have.

North American Toll Free Phone Call:
1-888-999-2785
E-mail: assistance@investor.sodali.com
Outside North America, Banks and Brokers Call Collect: 1-289-695-3075

Shareholders are also encouraged to visit our website for up to date information at
www.megenergy.com/offer-update

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CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

Certain statements contained in this Directors' Circular, including the discussion of the reasons for the Special Committee's recommendation to the Board and the Board's conclusion and recommendation that Shareholder's reject the Strathcona Offer by taking no action and not tender their MEG Shares to the Strathcona Offer, contain forward-looking statements and forward-looking information (collectively, "**forward-looking information**") within the meaning of applicable Canadian securities laws. All statements other than statements of historical fact may be forward-looking statements. Forward-looking information is frequently characterized by words such as "will", "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "target", "scheduled", "potential", "forecast", "future", "projected", "long-term", "growth", "opportunity" and other similar words, or statements that certain events or conditions "likely", "may", "should", "would", "might" or "could" occur. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements, including risks associated with the impact of general economic conditions, industry conditions, governmental regulation, volatility of commodity prices, currency fluctuations, uncertainties related to commodity price, interest rate and foreign exchange rate swap contracts and/or derivative financial instruments that MEG may enter into from time to time to manage its risk related to such prices and rates, imprecision of reserves and resources estimates, environmental risks including regional wildfires, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and MEG's ability to access sufficient capital from internal and external sources, the risks discussed in the section entitled "*Risk Factors*" in MEG's annual information form dated February 27, 2025 for the year ended December 31, 2024 (the "**MEG Annual Information Form**"), filed with the securities commission or similar regulatory authority in each of the provinces and territories of Canada and MEG's other public disclosure documents, and other factors, many of which are beyond MEG's control. MEG believes the expectations reflected in the forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking information included in this Directors' Circular should not be unduly relied upon.

Specific forward-looking information contained in this Directors' Circular includes, among others, statements pertaining to the following:

- the consequences, disadvantages and risks to Shareholders as a result of the Strathcona Offer;
- the intention of the directors, officers or other insiders to reject the Strathcona Offer and not tender their MEG Shares to the Strathcona Offer;
- the benefits to Strathcona and WEF, if the Strathcona Offer is successful;
- the potential consequences related to Strathcona not offering an election pursuant to section 85 of the Tax Act;
- expectations regarding MEG's prospects for growth, profitability and creation of Shareholder value;
- expectations with respect to environmental liabilities, asset retirement obligations, emissions performance and inventory life related to each of Strathcona and MEG's assets;
- future opportunities to receive full and fair value and future upside of the MEG Shares;
- the terms of the Strathcona Offer, including the Expiry Time, and the ability of Strathcona to complete the transactions contemplated by the Strathcona Offer, as well as any other transaction described in the Strathcona Circular;
- the anticipated timing, mechanics, funding, completion, results and effects of the Strathcona Offer;
- Strathcona's objectives, strategies, intentions, expectations and plans in respect of the Strathcona Offer and MEG;
- the intention to conduct a strategic alternative review process, the resulting potential alternatives, the timing and availability of materials related thereto and the belief that such a process could result in a superior offer that would maximize Shareholder value and the reasons therefor;
- whether the conditions under the Strathcona Offer will be satisfied or waived prior to the Expiry Time, including the receipt of all regulatory approvals;
- the impact of the Strathcona Offer on MEG and its business if it is not completed;
- the anticipated success of MEG's go-forward business plan;

- the anticipated reduction in SOR, the benefits derived from MEG's lower SOR and the anticipated potential to further reduce SOR through the execution of MEG's FEP;
- the expected increases to MEG's production capacity as a result of the FEP, and the projected start-up date of the FEP;
- MEG's access to adequate pipeline capacity and premium markets;
- MEG's trading liquidity and its impact on trading multiples;
- the forecasted upside to the MEG Share price and analyst target prices;
- WEF's anticipated share ownership on a *pro forma* basis and the associated overhang risk, governance risks and other implications;
- estimates in respect of, among others, future production CAGR, production per share CAGR, future cash flow, free cash flow, free cash flow per share, cumulative free cash flow, cumulative free cash flow as a percentage of market capitalization, operating cost per barrel, operating costs and sustaining capital expenditures per barrel, return of capital yield, return of capital per MEG Share, dividend yield, and discretionary return yield;
- estimated operating costs and operating costs and sustaining capital expenditures with respect to MEG and Strathcona's in-situ projects;
- expectations regarding Strathcona's available rail capacity;
- estimates regarding Strathcona's operations after the completion of the Montney Dispositions;
- the anticipated generation and use of future free cash flow by MEG, including the intention to return 100% of its free cash flow to its Shareholders via its base dividend and share repurchases (see "*Dividends*" below);
- MEG's ability to fully fund its projected dividend and capital programs and the associated benefits to Shareholders;
- the estimated timing associated with a meaningful free cash flow payout to Shareholders;
- Strathcona's claims to allocate free cash flow to Strathcona Shareholders over the next six years;
- estimated average daily value traded amounts for the combined company;
- MEG's plans and estimates for the timing, cost and production capacity growth of brownfield projects including, the Christina Lake Facility Expansion Project;
- the anticipated dilution of return of capital per share for Shareholders in the event the Strathcona Offer is accepted;
- that there would be no benefit to trading liquidity or float capitalization in the event the Strathcona Offer is accepted;
- MEG's expected ability to endure ongoing commodity price volatility and uncertainty;
- the bitumen production and design capacity of MEG's assets;
- the estimated quantity and value of MEG's reserves and contingent resources;
- MEG's projections of commodity prices, costs and netbacks;
- anticipated industry conditions, including with respect to project development;
- the potential payment to officers of MEG pursuant the Executive Employment Agreements if the Strathcona Offer is successful and the officers cease to be employees of MEG;
- the potential treatment of MEG's RSUs, PSUs and DSUs in connection with a Change of Control;
- the issuance of MEG Shares pursuant to the outstanding Treasury-Settled RSUs and Treasury-Settled PSUs in connection with a Change of Control;
- the payments pursuant to Cash-Settled RSUs, Cash-Settled PSUs, and DSUs in connection with a Change of Control;
- the disclosure under the heading "*Analysis and Reasons for the Board's Conclusion and Recommendation to Reject the Strathcona Offer*"; and
- expectations with respect to negotiations that may occur in response to the Strathcona Offer, including potential transactions or proposals and the disclosure thereof.

Forward-looking information is based on, among other things, MEG's expectations regarding its future growth, results of operations, production, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, plans for and results of drilling activity, environmental matters, business prospects and opportunities. Such forward-looking information reflects MEG's current beliefs and assumptions and is based on information currently available to it. Statements relating to "reserves" and "resources" (including statements related to discovered bitumen initially-in-place and original oil in place) are deemed to be forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated and can be profitably produced in the future. There are numerous uncertainties inherent in estimating quantities of bitumen and the future cash flows attributed to such reserves and contingent resources and, accordingly, the reserves, resources and cash flow information set forth herein are estimates only. In general, estimates of bitumen reserves and resources are based upon a number of variable factors and assumptions, such as historical production, production rates, timing and amount of capital expenditures, marketability of bitumen, royalty rates, the assumed effects of governmental regulation and future operating costs, all of which may vary materially from the assumptions used in providing such estimates. MEG's actual production, revenues, taxes and development costs with respect to its reserves will vary from estimates thereof and such variations could be material. The assumptions relating to the reserves and contingent resources of MEG set forth herein are discussed under the heading "*Independent Reserves Evaluation*" and Appendix D – *Contingent Resources* in the MEG Annual Information Form. Please also refer to the advisories under the heading "*Oil and Gas Advisories*".

With respect to forward-looking information contained in this Directors' Circular, assumptions have been made regarding, among other things:

- future crude oil, bitumen blend, natural gas, electricity, condensate and other diluent prices;
- Strathcona's Montney Dispositions;
- foreign exchange rates and interest rates;
- that tariffs currently in effect will remain the same;
- MEG's ability to obtain qualified staff and equipment in a timely and cost-efficient manner;
- the regulatory framework governing royalties, land use, taxes and environmental matters in the jurisdictions in which MEG conducts and will conduct its business;
- MEG's ability to market production of bitumen blend successfully to customers;
- MEG's ability to maintain its dividend and capital programs;
- MEG's future production levels and SORs;
- the applicability of technologies for the recovery and production of MEG's reserves and contingent resources;
- the recoverability of MEG's reserves and contingent resources;
- MEG's operating costs;
- future capital expenditures to be made by MEG;
- future sources of funding for MEG's capital programs;
- MEG's future debt levels;
- geological and engineering estimates in respect of MEG's reserves and contingent resources;
- the geography of the areas in which MEG is conducting exploration and development activities;
- the impact of increasing competition on MEG;
- MEG's ability to obtain financing on acceptable terms; and
- other assumptions detailed under the heading "*Analysis and Reasons for the Board's Conclusion and Recommendation to Reject the Strathcona Offer*".

Many of the foregoing assumptions are subject to change and are beyond MEG's control.

Some of the risks that could affect MEG's future results and could cause results to differ materially from those expressed in the forward-looking information include:

- the risk that the Strathcona Offer may be varied, accelerated or terminated in certain circumstances;
- risks relating to the outcome of the Strathcona Offer, including the risks associated with WEF's ownership;
- the risk that the conditions to the Strathcona Offer may not be satisfied, or to the extent permitted, waived;

- the risk that no compelling or superior proposals will emerge from MEG's process to explore strategic alternatives;
- the risk that future opportunities to receive full and fair value and future upside of the MEG Shares may not be realized;
- the risk that operating results will differ from what is currently anticipated;
- MEG's status and stage of development;
- the concentration of MEG's production in a single project;
- the majority of MEG's total reserves and contingent resources are non-producing and/or undeveloped;
- uncertainties associated with estimating reserves and resources volumes;
- long-term reliance on third parties;
- the effect or outcome of litigation;
- the effect of any diluent supply constraints and increases in the cost thereof;
- the potential delays of and costs of overruns on projects and future expansions of MEG's assets;
- operational hazards;
- competition for, among other things, capital, the acquisition of reserves and resources, pipeline capacity and skilled personnel;
- risks inherent in the SAGD and eMSAGP bitumen recovery process;
- changes to royalty regimes;
- the failure of MEG to meet specific requirements in respect of its oil sands leases;
- claims made by Indigenous peoples;
- unforeseen title defects and changes to the mineral tenure framework;
- risks arising from future acquisition activities;
- sufficiency of funds;
- fluctuations in market prices for crude oil, natural gas, electricity and bitumen blend;
- future sources of insurance for MEG's property and operations
- public health crises, similar to the COVID-19 pandemic, including weakness and volatility of crude oil and other petroleum products prices from decreased global demand resulting from public health crises;
- risks of war (including conflicts between Russian and the Ukraine, Israel, Hamas and Iran);
- general economic, market and business conditions;
- volatility of commodity inputs;
- variations in foreign exchange rates and interest rates;
- hedging strategies;
- national or global financial crisis;
- environmental risks and hazards, including natural hazards such as lightning and the risk of regional wildfires, and the cost of compliance with environmental legislation and regulations, including greenhouse gas regulations, potential climate change legislation and potential land use regulations;
- proposed export and import restrictions;
- failure to accurately estimate abandonment and reclamation costs;
- the need to obtain regulatory approvals and maintain compliance with regulatory requirements;
- the extent of, and cost of compliance with, laws and regulations and the effect of changes in such laws and regulations from time to time including changes which could restrict MEG's ability to access foreign capital;
- failure to obtain or retain key personnel;
- potential conflicts of interest;
- changes to tax laws (including without limitation, a potential United States border adjustment tax) and government incentive programs;
- the potential for management estimates and assumptions to be inaccurate;
- risks associated with establishing and maintaining systems of internal controls;
- risks associated with the tariffs imposed on the import and export of commodities and the possibility that such tariffs may change;

- political risks and terrorist attacks;
- risks associated with downgrades in the credit ratings for MEG's securities;
- cybersecurity errors, omissions or failures;
- restrictions contained in MEG's credit facilities, other agreements relating to indebtedness and any future indebtedness;
- any requirement to incur additional indebtedness;
- MEG defaulting on its obligations under its indebtedness; and
- the inability of MEG to generate cash to service its indebtedness.

The foregoing list of risks, uncertainties and factors is not exhaustive. The effect of any one risk, uncertainty or factor on particular forward-looking information is uncertain because these factors are independent, and management's future course of action would depend on an assessment of all available information at that time. However, based on information available to MEG on the date of this Directors' Circular, management believes that the expectations in the forward-looking information are reasonable, MEG gives no assurances as to future results, levels of activity or achievements.

The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these factors are interdependent, and MEG's future course of action would depend on the assessment of all information at that time.

Although the forward-looking information is based on assumptions which MEG believes to be reasonable, MEG cannot make assurances that actual results will be consistent with such forward-looking information. Such forward-looking information is made as of the date of this Directors' Circular unless otherwise stated, and MEG assumes no obligation to update or revise such information to reflect new events or circumstances, except as required by applicable Canadian securities laws. Due to the risks, uncertainties and assumptions inherent in forward-looking information, readers should not place undue reliance on this forward-looking information.

Certain statements in this Directors' Circular are forward-looking information with respect to Strathcona and Strathcona's expectations with respect to the Strathcona Offer and MEG. Such forward-looking information was derived from the Strathcona Circular and other publicly available documents and is subject to the cautionary statements provided by Strathcona in such documents. See "*Information Regarding Strathcona*".

It is MEG's current intention not to disclose developments with respect to its strategic alternative review process until the Board has approved a specific transaction or otherwise determines that disclosure is necessary or appropriate. MEG cautions that there are no assurances or guarantees that a strategic alternative review process will result in a transaction or, if a transaction is undertaken, the terms or timing of such a transaction.

This cautionary statement qualifies all forward-looking information contained in this Directors' Circular.

FINANCIAL OUTLOOK

This Directors' Circular contains future-oriented financial information and financial outlook information (collectively, "**FOFI**") about MEG's prospective results of operations including, without limitation operating costs per barrel; sustaining capital expenditures per barrel; annual free cash flow and free cash flow per share for 2025 to 2030; return of capital yield; dividend yield; discretionary return yield and share buybacks which are based on the assumptions, risk factors, limitations and qualifications set forth under "*Cautionary Statement On Forward-Looking Statements*". To the extent that such estimates constitute FOFI, they were approved by management on June 12, 2025 and are included as illustrations only and are based on budgets and forecasts that have not been finalized as at the date hereof and are subject to a variety of contingencies including the prior year's results. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on FOFI. MEG's actual results, performance or achievement could differ materially from those expressed in, or implied by, these FOFI, or if any of them do so, what benefits MEG will derive therefrom.

MEG has included the FOFI in order to provide readers with a more complete perspective on MEG's future operations and such information may not be appropriate for other purposes. MEG disclaims any intention or obligation to update or revise any FOFI statements, whether as a result of new information, future events or otherwise, except as required by law.

DIVIDENDS

MEG's future Shareholder distributions, including but not limited to the payment of dividends, if any, and the level thereof is uncertain. Any decision to pay dividends on MEG Shares (including the actual amount, the declaration date, the record date and the payment date in connection therewith and any special dividends) will be subject to the discretion of the Board and may depend on a variety of factors, including, without limitation, MEG's business performance, financial condition, financial requirements, growth plans, expected capital requirements, tariffs affecting the export of crude oil and natural gas to the U.S., and other conditions existing at such future time including, without limitation, contractual restrictions and satisfaction of the solvency tests imposed on MEG under applicable corporate law. Further, the actual amount, the declaration date, the record date and the payment date of any dividend are subject to the discretion of the Board. There can be no assurance that MEG will pay dividends in the future.

NOTICE TO NON-CANADIAN SHAREHOLDERS

The Strathcona Offer to which this Directors' Circular relates is made for the securities of a Canadian issuer. This Directors' Circular has been prepared by MEG in accordance with disclosure requirements under applicable Canadian law. Shareholders in the United States and otherwise outside of Canada should be aware that these requirements may be different from those of the United States and other jurisdictions. MEG prepares its financial statements in accordance with IFRS Accounting Standards. These financial statements may not be comparable to financial statements of United States companies and other non-Canadian companies. It may be difficult for Shareholders in the United States and otherwise outside of Canada to enforce their rights and any claim they may have arising under United States federal securities laws or the securities laws of other non-Canadian jurisdictions since MEG is amalgamated under the laws of the Province of Alberta, the majority of the officers and directors of MEG reside in Canada, some of the experts named herein reside in Canada and a substantial portion of the assets of MEG and the other above mentioned persons are located in Canada. Shareholders in the United States and otherwise outside of Canada may not be able to sue MEG or its officers or directors in a foreign court for violation of United States federal securities laws or the securities laws of other non-Canadian jurisdictions. It may be difficult to compel such parties to subject themselves to the jurisdiction of a foreign court or to enforce a judgment obtained from a court of the United States or other non-Canadian court's judgment. The Strathcona Offer and the accompanying Directors' Circular have not been approved or disapproved by any United States or other securities regulatory authority, nor has any such authority passed upon the accuracy or adequacy of the accompanying Directors' Circular.

CURRENCY

In this Directors' Circular all amounts are shown in Canadian dollars and where applicable, and unless otherwise indicated, amounts are converted from Canadian dollars to United States dollars and vice versa by applying the daily rate of exchange for conversion of one Canadian dollar to United States dollars as reported by the Bank of Canada on June 12, 2025.

The following table sets forth: (i) the rates of exchange for Canadian dollars, expressed in United States dollars, in effect at the end of each of the periods indicated; and (ii) the high, low and average exchange rates during each such period, based on the daily average exchange rate, published on the Bank of Canada's website as being in effect on each trading day.

	Year Ended December 31,	
	2024	**2023**
Rate at end of period	US$0.6950	US$0.7561
Average rate during period	US$0.7302	US$0.7410
High	US$0.7510	US$0.7617
Low	US$0.6937	US$0.7207

On June 12, 2025, the Bank of Canada daily exchange rate for one ($1.00) Canadian dollar was US$0.7346.

ABBREVIATIONS AND CONVERSIONS

Abbreviations

In this Directors' Circular, the following abbreviations have the meanings set forth below:

bbl	barrels of oil
MMbbl	million barrels of oil
bbls/d or bpd	barrels of oil per day
bn bbl	billions of barrels of oil
boe[(1)]	barrels of oil equivalent
boe/d	barrels of oil equivalent per day
kbpd	thousands of barrels per day
kg CO2e	kilograms of carbon dioxide equivalent
Mcf	thousands of cubic feet
SOR	steam-to-oil ratio

Note:

(1) The Board has adopted the standard of six Mcf to 1 bbl when converting gas to boe. For further information, see "*Oil and Gas Advisories*".

Conversions

The following table sets forth certain Standard Imperial Units and International System of Units conversions:

From	To	Multiply By
bbls	cubic metres	0.159
cubic metres	cubic feet	35.494
kg	pounds	2.205
Mcf	cubic metres	28.174
Mcf	GJ	1.055

AVAILABILITY OF DISCLOSURE DOCUMENTS

MEG is a reporting issuer in each of the provinces and territories of Canada and files its continuous disclosure documents with the Canadian securities regulatory authorities in those jurisdictions. Those documents are available on MEG's SEDAR+ profile at www.sedarplus.ca. Certain information in this Directors' Circular has been taken from or is based on documents that are expressly referred to in this Directors' Circular. All summaries of, and references to, documents that are specified in this Directors' Circular as having been filed, or that are contained in documents specified as having been filed on SEDAR+, are qualified in their entirety by reference to the complete text of those documents as filed, or as contained in documents filed, under MEG's issuer profile on SEDAR+ at www.sedarplus.ca. Shareholders are urged to read carefully the full text of those documents provided that, for greater certainty, any such documents are expressly not incorporated by reference into this Directors' Circular.

INFORMATION REGARDING STRATHCONA

This Directors' Circular includes information relating to Strathcona. This information was derived from the Strathcona Circular and other publicly available documents of Strathcona, as well as certain other third-party sources.

Although MEG has no knowledge that would indicate that any information contained in the documents filed by Strathcona is untrue or incomplete (except as otherwise set forth herein), MEG does not assume any responsibility for the accuracy or completeness of the information contained in such documents, or for any failure by Strathcona to disclose events that may have occurred or that may affect the significance or accuracy of any such information, which are unknown to MEG.

NON-GAAP AND OTHER FINANCIAL MEASURES

Certain financial measures in this document are non-GAAP financial measures or ratios, capital management measures or supplementary financial measures. These measures are not defined by IFRS Accounting Standards and, therefore, may not be comparable to similar measures provided by other companies. These non-GAAP and other financial measures should not be considered in isolation or as an alternative for measures of performance prepared in accordance with IFRS Accounting Standards.

Operating Expenses, Net of Power Revenue

Operating expenses net of power revenue is a non-GAAP financial measure, or ratio when expressed on a per barrel basis. This measure is used as a measure of MEG's cost to operate its facilities at the Christina Lake project after factoring in the benefits from selling excess power to offset energy costs. Per barrel amounts are based on bitumen sales volumes.

Readers are cautioned that the operating costs set forth in respect of MEG in Charts 4 and 5 under the heading "*Analysis and Reasons for the Board's Conclusion and Recommendation to Reject the Strathcona Offer*" are not equivalent to MEG's operating expenses net of power revenue. Please see "*Third Party and Market Data*" for further information in respect of the operating costs set forth in Charts 4 and 5.

Operating expenses is an IFRS measure in MEG's consolidated statement of earnings and comprehensive income. Power and transportation revenue is an IFRS measure in MEG's consolidated statement of earnings and comprehensive income, which is the most directly comparable primary financial statement measure to power revenue. A reconciliation from these measures to operating expenses, net of power revenue is provided below.

	Three months ended March 31		Year ended December 31	
($millions, except as indicated)	**2025**	**$/bbl**	**2024**	**$/bbl**
Operating expenses	$(82)	$(8.96)	$(290)	$(7.84)
Power and transportation revenue	$11		$58	
Less transportation revenue	(1)		(2)	
Power revenue	$10	$1.06	$56	$1.52
Operating expenses net of power revenue	$(72)	$(7.90)	$(234)	$(6.32)

Cash Operating Netback and Operating Netback, Pre-Royalty

Cash operating netback is a non-GAAP financial measure, or ratio when expressed on a per barrel basis, that is used by MEG and is widely used in the oil and gas industry as a supplemental measure of a company's efficiency and its ability to generate cash flow for debt repayment, dividends, capital expenditures, or other uses. The per barrel calculation of cash operating netback is based on bitumen sales volumes.

Operating netback, pre-royalty is another non-GAAP financial measure that is calculated as cash operating netback excluding royalties and gain (loss) on commodity risk management. This measure is presented for peer comparison purposes in this document.

Revenue is an IFRS measure in MEG's consolidated statement of earnings and comprehensive income which is the most directly comparable primary financial statement measure to cash operating netback. A reconciliation from revenues to cash operating netback and operating netback, pre-royalty has been provided below:

	Three months ended March 31		Years ended December 31					
($millions)	**2025**	**$/bbl**	**2024**	**$/bbl**	**2023**	**$/bbl**	**2022**	**$/bbl**
Revenues	$1,162		$5,149		$5,653		$6,118	
Diluent expense	(458)		(1,682)		(1,691)		(1,848)	
Transportation and storage expense	(166)		(625)		(600)		(538)	
Purchased product	(30)		(958)		(1,400)		(1,135)	
Operating expenses	(82)		(290)		(334)		(420)	
Realized gain (loss) on commodity risk management	-		(29)		(28)		10	
Cash operating netback	$426	$46.30	$1,565	$42.25	$1,600	$43.36	$2,187	$62.61
Realized (gain) loss on commodity risk management	-	-	29	0.78	28	0.77	(10)	(0.29)
Royalties	108	11.78	591	15.96	456	12.37	225	6.43
Operating netback, pre-royalty	$534	$58.08	$2,185	$58.99	$2,084	$56.50	$2,402	$68.75

Cash operating netback in respect of Strathcona is calculated as oil and natural gas sales, net of blending, less production and operating, less transportation and processing, less other and is presented by Strathcona as field operating netback. Strathcona uses field operating netback to assess the profitability and efficiency of Strathcona's field operations.

Oil and natural gas sales is an IFRS measure in Strathcona's consolidated statement of earnings and comprehensive income which is the most directly comparable primary financial statement measure to field operating netback. A reconciliation from oil and natural gas sales to field operating netback and operating netback, pre-royalty has been provided below on a per barrel basis:

STRATHCONA RESOURCES LTD. (Cold Lake & Lloydminster Segment Production Weighted Average)

($/bbl, except as indicated)	**Three Months Ended March 31, 2025**	**Year Ended December 31, 2024**	**2023**	**2022**
Oil and natural gas sales	87.08	86.63	82.50	98.39
Sales of purchased products	0.70	1.09	0.80	-
Purchased product	(0.72)	(1.09)	(0.78)	-
Blending costs	(5.78)	(5.29)	(7.09)	(8.31)
Oil and natural gas sales, net of blending	81.28	81.34	75.43	90.09
Royalties	(10.77)	(14.00)	(12.41)	(19.56)
Production and operating	(17.45)	(15.82)	(17.64)	(19.97)
Transportation and processing	(8.39)	(9.00)	(9.28)	(6.26)
Other	-	-	-	(1.84)(1)
Field operating netback	44.67	42.52	36.11	42.46
Royalties	10.77	14.00	12.41	19.56
Operating netback, pre-royalty	55.44	56.52	48.52	62.02

Note:

(1) "Other" relates to Acquired Inventory, as described in the Strathcona management discussion and analysis for the year ended December 31, 2023 which is available on SEDAR+ at wwww.sedarplus.ca.

Sustaining Capital Expenditures

Sustaining capital expenditures is a supplementary financial measure, or ratio when expressed on a per barrel basis, as it represents a portion of capital expenditures which is an IFRS measure in MEG's consolidated statement of cash flow. Sustaining capital expenditures comprises the capital required to maintain production at current levels.

Readers are cautioned that the sustaining capital expenditures as calculated by Enverus in Chart 5 under the heading "*Analysis and Reasons for the Board's Conclusion and Recommendation to Reject the Strathcona Offer*" are not equivalent to sustaining capital expenditures as calculated by MEG. Please see "*Third Party and Market Data*" for further information in respect of sustaining capital expenditures set forth in Chart 5.

Capital expenditures is an IFRS measure which is the most directly comparable primary financial statement measure to Sustaining capital expenditures for MEG. A reconciliation from MEG's Capital expenditures to Sustaining capital expenditures has been provided below.

	Three months ended March 31		Year ended December 31	
($millions)	**2025**	**$/bbl**	**2024**	**$/bbl**
Capital expenditures	$157		$548	
Facility expansion project	(20)		(30)	
Other growth development	-		(65)	
Sustaining capital expenditures	$137	$14.87	$453	$12.25

Funds From Operations and Free Cash Flow

Funds from operations and free cash flow are capital management measures and are defined in MEG's consolidated financial statements. Funds from operations and free cash flow are presented to assist management and investors in analyzing operating performance and cash flow generating ability. Net cash provided by (used in) operating activities is an IFRS measure in MEG's consolidated statement of cash flow. Funds from operations is calculated as net cash provided by (used in) operating activities before the net change in non-cash working capital items. Free cash flow is presented to assist management and investors in analyzing performance by MEG as a measure of financial liquidity and the capacity of the business to return capital to shareholders. Free cash flow is calculated as funds from operations less capital expenditures.

The following table reconciles net cash provided by (used in) operating activities to funds from operations and free cash flow.

($millions)	**Three months ended March 31, 2025**	**Year ended December 31, 2024**
Net cash provided by (used in) operating activities	$296	$1,340
Net change in non-cash working capital items	$84	$45
Funds from operations	$380	$1,385
Capital expenditures	(157)	(548)
Free cash flow	$223	$837

OIL AND GAS ADVISORIES

The reserves and resource estimates described herein are estimates only and the actual quantities of recoverable bitumen and other product types may be greater or less than those estimated. The estimated future net revenues presented in this Directors' Circular do not necessarily represent the fair market value of MEG's reserves. For reserves and contingent resource disclosure for MEG, please see the MEG Annual Information Form.

The information concerning MEG's reserves and discovered bitumen initially-in-place ("**DBIIP**") in this Directors' Circular was derived from: (i) a report of GLJ dated effective as of December 31, 2024 assessing and evaluating the proved and probable reserves and certain contingent resources of MEG's Christina Lake property, which has been prepared in accordance with NI 51-101 and in accordance with the procedures and standards contained in the COGE Handbook (the "**Reserves and Contingent Resources Report**"); and (ii) a report of GLJ dated effective as of May 31, 2025 assessing and evaluating the DBIIP of MEG's Surmont, May River, Thornbury and Kirby assets (the "**DBIIP Report**"), which has been prepared in accordance with the procedures and standards contained in the COGE Handbook.

The standards of NI 51-101 differ from the standards of the SEC. The SEC generally permits U.S. reporting oil and gas companies in their filings with the SEC, to disclose only proved, probable and possible reserves, net of royalties and interests of others. NI 51-101, meanwhile, permits disclosure of estimates of contingent resources and reserves on a gross basis. In addition, as permitted by NI 51-101, MEG has determined and disclosed the net present value of future net revenue from its reserves using forecast prices and costs. The SEC requires that reserves and related future net revenue be estimated based on historical 12-month average prices and current costs, but permits the optional disclosure of revenue estimates based on different price and cost criteria. As a consequence, information included in this Directors' Circular concerning MEG's reserves and resources and the net present value thereof may not be comparable to information made by public issuers subject to the reporting and disclosure requirements of the SEC.

There are significant differences in the criteria associated with the classification of reserves and contingent resources. Contingent resource estimates involve additional risk, specifically the risk of not achieving commerciality, not applicable to reserves estimates. There is no certainty that it will be commercially viable to produce any portion of the resources. The estimates of reserves, resources and future net revenue from individual properties may not reflect the same confidence level as estimates of reserves, resources and future net revenue for all properties, due to the effects of aggregation. Further information regarding the estimates and classification of MEG's reserves and resources is contained within MEG's public disclosure documents on file with Canadian securities regulatory authorities, and in particular, within the MEG Annual Information Form.

Certain information in this Directors' Circular may constitute "analogous information" as defined in NI 51-101, including, but not limited to, the potential performance of MEG's growth properties in relation to existing adjacent flagship peer projects (including ConocoPhillips' Surmont Project and CNRL's Kirby and Jackfish Projects). The Board believes the information is relevant as it helps to define the potential performance of MEG's growth properties. Although MEG has not disclosed any specific values or measurements in relation to such analogous information, MEG is nevertheless unable to confirm that the analogous information was prepared by a qualified reserves evaluator or auditor. Such information is not an estimate of the reserves or resources attributable to lands held or to be held by CNRL or ConocoPhillips and there is no certainty that the data and economics information for MEG's assets will be similar to the information presented herein. The reader is cautioned that the data relied upon by MEG may not be analogous to the performance of such flagship peer projects.

Barrel of Oil Equivalent

In this Directors' Circular, certain gas volumes have been converted to boe on the basis of six Mcf to one bbl. The usage of boe may be misleading, particularly if used in isolation. A boe conversion ratio of six Mcf to one bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent value equivalency at the well head. Given that the value ratio based on the current price of oil as compared to natural gas is significantly different from the energy equivalency conversion ratio of six to one, utilizing a boe conversion ratio of six Mcf to one bbl would be misleading as an indication of value.

Reserves Classification

Reserves are estimated remaining quantities of crude oil, natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on analysis of drilling, geological, geophysical and engineering data, the use of established technology and specified economic conditions, which are generally accepted as being reasonable. Reserves can be classified into proved, probable and possible, according to the degree of certainty associated with the estimates. Most relevant are the categories of proved and probable, where: (i) proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves; and (ii) probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

DBIIP and OOIP

With respect to MEG's oil sands assets, DBIIP is equivalent to discovered petroleum initially-in-place, which is defined in the COGE Handbook as the quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of discovered petroleum initially-in-place includes production, reserves and contingent resources; the remainder is unrecoverable. Bitumen in place should not be confused with bitumen "reserves" that are the technically and economically recoverable portion of it. OOIP is equivalent to total petroleum initially-in-place, which is defined in the COGE Handbook as that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered (equivalent to "total resources"). Undiscovered resources carry discovery risk.

There is no certainty that any portion of the resources described by the estimated OOIP will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources described by the estimated DBIIP or OOIP.

The Board believes it is important and useful to readers to present a comparison of the size and scale of the resource bases available to MEG and Strathcona. The DBIIP estimates for MEG's assets and the OOIP estimates for Strathcona's assets were used to display the data in the "Regional Map of MEG's and Strathcona's Primary Assets" and in Charts to provide the reader with the best available comparison of the size and scale of the resource bases of MEG's thermal assets and Strathcona's thermal and conventional assets and in contrast to the other comparisons Strathcona made publicly available in the Strathcona Circular. With respect to Strathcona's OOIP estimates, there is no certainty these OOIP estimates were prepared in accordance with the COGE Handbook. Additionally, and as further detailed below, there is no certainty in the consistency of the methodology and application of methodologies to determine MEG's DBIIP estimates and Strathcona's OOIP estimates. Readers are cautioned that the DBIIP and OOIP estimates are different from one another. Readers should review the disclosures in this section of the Directors' Circular to understand the sources and calculations behind such DBIIP and OOIP estimates and how those sources and estimates are different. Such differences may be material.

The DBIIP estimates for MEG's Christina Lake project are derived from the Reserves and Contingent Resources Report, and the DBIIP estimates for MEG's Surmont, Thornbury, May River and Kirby projects are derived from the DBIIP Report.

The DBIIP estimates have not been risked for the chances of development. There are no recovery projects defined for the volumes of DBIIP. Given the insufficient data to determine an expected recovery factor, a contingent or prospective resource or reserve amount cannot be estimated. The key variables relevant to the DBIIP evaluation are porosity, reservoir thickness, pressure, water saturation and gas composition which have increasing uncertainty with distance from existing wells. There are numerous uncertainties inherent in estimating DBIIP, including the accuracy of each input underlying the DBIIP calculations and the reliability of the data used to estimate the DBIIP. The accuracy of the DBIIP estimates is, in part, a function of the quality and quantity of available data and of engineering and geological interpretation and judgment. The availability of additional data and analysis would necessitate revisions. Such revisions may be material.

The OOIP estimates for Strathcona's Orion, Tucker and Taiga projects were derived from 2024 performance reports submitted to the Alberta Energy Regulator by Strathcona in response to the Alberta Energy Regulator's Directive 054 *Performance Reporting and Surveillance of In Situ Oil Sands Schemes* ("**Performance Reports**"). These Performance Reports provide a public-facing, annual summary of operations of such projects over a 12-month period and are primarily used by the Alberta Energy Regulator for monitoring and evaluating scheme performance. These Performance Reports are updated annually, and the commercialization of these assets may have impacted such OOIP estimates. The OOIP estimate for Strathcona's Taiga project was derived from a publicly accessible application letter submitted by Osum Oil Sands Corp. (a predecessor of Strathcona) to the Energy Resources Conservation Board on December 21, 2009 (the "**Taiga Application**"), which application represents a pre-development study. The OOIP estimates for Strathcona's Lloyd Thermal and Lloyd Conventional projects are derived from Strathcona's "2024 Investor Day" presentation dated

November 14, 2024 as available on Strathcona's website (the "**Strathcona 2024 Investor Presentation**"). For the estimated dates of the OOIP estimates, the definition of the categories used in the estimates, the significant positive and negative factors relevant to the estimate and detailed description of the projects including estimates and timelines of commercial production and the technology used in connection with these projects, please refer to the information made available in the Performance Reports, the Taiga Application and the Strathcona 2024 Investor Presentation.

DBIIP is the most specific assignable category for the resources in MEG's Surmont, Thornbury, May River and Kirby projects as these growth properties are not in MEG's short-term development strategy and MEG has not commissioned a current independent qualified reserves evaluator analysis required to support any more specific assignable categories.

This Directors' Circular discloses DBIIP of 5,306.8 MMbbl for MEG's Christina Lake project, which is comprised of: proved plus probable bitumen reserves of 1,938.9 MMbbl on a MEG gross basis, risked best estimate contingent resources (with a project maturity sub-class development pending) of 912.4 MMbbl on a MEG gross basis, 2,057.5 MMbbl of unrecoverable portions of DBIIP (which includes 47.3 MMbbl of unrisked best estimate contingent resources) and 398.0 MMbbl of cumulative production, all as per the Reserves and Contingent Resources Report.

Strathcona, in its annual information form dated March 4, 2025 for the year ended December 31, 2024 (the "**Strathcona 2024 AIF**"), notes: total proved plus probable bitumen reserves of 1,382.8 MMbbl on a gross basis; and the risked contingent resources (with a project maturity sub-class of development pending) for bitumen of 247.4 MMbbl on a gross basis or an unrisked contingent resources (with a project maturity sub-class of development pending) for bitumen of 309.3 MMbbl on a gross basis. Strathcona does not distinguish between its assets or projects in its presentation of its reserves and resources data. Please see the Strathcona 2024 AIF for further detail regarding Strathcona's assets. Given the lack of distinction between projects in the Strathcona 2024 AIF and given that OOIP is the only metric available on a per-project basis that is publicly available for Strathcona's bitumen assets, the OOIP estimates from the Performance Reports, the Taiga Application and the Strathcona 2024 Investor Presentation were used to provide readers with the best available information regarding Strathcona's total resources for comparative purposes.

Oil and Gas Metrics

This Directors' Circular contains other oil and gas metrics, which do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies and should not be used to make comparisons. Such metrics have been included herein to provide readers with additional measures to evaluate and understand MEG's performance; however, such measures are not reliable indicators of the future performance and future performance may not compare to the performance in previous periods and therefore such metrics should not be unduly relied upon:

- *GHG emissions intensity* or *emissions intensity* refers to the amount of kg CO2e emissions per barrel of oil produced.
- *Inventory Life* is calculated as the number of locations with a WTI breakeven price of US$50/bbl or less divided by the number of SAGD wells drilled per year.
- *SOR* refers to the steam-oil ratio.

THIRD PARTY AND MARKET DATA

This Directors' Circular contains statistical data, market research and industry forecasts that were obtained from government, stock exchange or other industry publications and reports or based on estimates derived from such publications and reports and management's knowledge of, and experience in, the markets in which MEG operates. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. Often, such information is provided subject to specific terms and conditions limiting the liability of the provider, disclaiming any responsibility for such information, and/or limiting a third party's ability to rely on such information. None of the authors of such publications and reports has provided any form of consultation, advice or counsel regarding any aspect of, or is in any way whatsoever associated with, MEG. Further, certain of these organizations are advisors to participants in the oil sands industry, and they may present information in a manner that is more favourable to that industry than would be presented by an independent source. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. While management believes this data to be reliable, market and industry data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any market or other survey. Accordingly, the accuracy, currency and completeness of this information cannot be guaranteed. MEG has not independently verified any of the data from third party sources referred to in this Directors' Circular or ascertained the underlying assumptions relied upon by such sources.

Certain additional information contained in this Directors' Circular relating to other industry participants, including information regarding industry peers of MEG and the nature of their respective businesses, is taken from and based solely upon information published by market aggregators and information published by such participants, including such participants' websites (including the Strathcona 2024 Investor Presentation) and public filings (including information provided in respect of Strathcona). Such public filings include the Performance Reports and the Taiga Application.

In particular, this Directors' Circular presents operating costs and sustaining capital expenditures in respect of MEG, Strathcona and other peers in Charts 4 and 5 under the heading "*Analysis and Reasons for the Board's Conclusion and Recommendation to Reject the Strathcona Offer*" which were published by Enverus, a third party provider of energy data analytics. The operating costs presented in Charts 4 and 5 were prepared by using Enverus data with reference to historical information provided in the Alberta Oil Sands Royalty Data published by the Government of Alberta and with consideration given to public company disclosure. The sustaining capital expenditures presented in Chart 5 were prepared using Enverus data with reference to public disclosure from operators for 2025. MEG has not independently verified any of the data from Enverus presented in this Directors' Circular or ascertained the underlying assumptions relied thereon.

DIRECTORS' CIRCULAR

Capitalized terms used but not defined herein have the meanings ascribed thereto in Appendix "C". The information contained in this Directors' Circular is given as of June 13, 2025, except as otherwise indicated.

The Strathcona Offer

This Directors' Circular responds to the unsolicited offer by Strathcona to purchase all of the issued and outstanding MEG Shares, together with the associated SRP Rights issued and outstanding under the Shareholder Rights Plan, and including any MEG Shares that may become issuable after the date of the Strathcona Offer but prior to the Expiry Time, including pursuant to the vesting, as applicable, of Treasury-Settled RSUs and Treasury-Settled PSUs, for consideration per MEG Share comprised of: (i) 0.62 of a Strathcona Share; and (ii) $4.10 in cash, upon the terms and subject to the conditions set forth in the Strathcona Circular and in the related Letter of Transmittal.

The Strathcona Offer is described in the Strathcona Circular filed by Strathcona with the Canadian securities regulatory authorities on May 30, 2025. According to the Strathcona Circular, the Strathcona Offer will expire at 5:00 p.m. (Mountain time) on September 15, 2025, unless the Strathcona Offer is extended, accelerated or withdrawn by Strathcona in accordance with its terms.

The Strathcona Offer is subject to a number of conditions, which must be satisfied or, where permitted, waived at 5:00 p.m. (Mountain time) on September 15, 2025 or such earlier or later time during which MEG Shares may be deposited under the Strathcona Offer, excluding the mandatory 10 U.S. business day extension period or any extension thereafter, which include, among others:

(a) there shall have been validly deposited under the Strathcona Offer and not withdrawn that number of MEG Shares, together with the associated SRP Rights, that represent more than 50% of the outstanding MEG Shares, excluding any MEG Shares beneficially owned, or over which control or direction is exercised, by Strathcona or any other Non-Independent Shareholder (as defined in the Strathcona Circular), which is a non-waivable condition;

(b) there shall have been validly deposited under the Strathcona Offer and not withdrawn that number of MEG Shares, together with the associated SRP Rights, which represent, together with the MEG Shares held by Strathcona at the Expiry Time, at least 66⅔% of the outstanding MEG Shares (on a fully-diluted basis);

(c) Strathcona shall have determined, in its reasonable judgment, that there does not exist and there shall not have occurred or been publicly disclosed since the date of the Strathcona Offer, any condition, event, circumstance, change, development, occurrence or state of facts (or condition, event, circumstance, change, development, occurrence or state of facts involving a prospective change or effect) which has or could reasonably be expected to have a Material Adverse Effect (as defined in the Strathcona Circular);

(d) each of the Regulatory Approvals (as defined in the Strathcona Circular) shall have been made, given, obtained, occurred or concluded, as the case may be, on terms and conditions satisfactory to Strathcona, in its reasonable discretion, and each such approval shall be in full force and effect and any such occurrence shall not have been invalidated in any manner;

(e) Strathcona shall have determined, in its reasonable judgment, that the Shareholder Rights Plan does not and will not adversely affect the Strathcona Offer or Strathcona, either before or upon the consummation of the Strathcona Offer or any Compulsory Acquisition or Subsequent Acquisition Transaction (each as defined in the Strathcona Circular);

(f) Strathcona shall have determined, in its reasonable judgment, that: (i) no inquiry, act, action, suit, demand, objection, opposition or proceeding shall have been threatened in writing, pending, taken or commenced by or before, and no judgment, decree or order shall have been issued by, any Governmental Entity (as defined in the Strathcona Circular) or by any elected or appointed public official or private person (including, without limitation, any individual, corporation, firm, group or other entity) in Canada, the United States or elsewhere, whether or not having the force of law; and (ii) no law shall have been proposed, enacted, promulgated, amended or applied (including with respect to the interpretation or administration thereof), in either case: (A) to prevent or challenge the Strathcona Offer or its validity or Strathcona's ability to make or maintain the Strathcona Offer or consummate any Compulsory Acquisition or Subsequent Acquisition Transaction; (B) to cease trade, enjoin, prohibit or impose material limitations or conditions on or make materially more costly the making of the Strathcona Offer, the purchase by or the sale to Strathcona of the MEG Shares under the Strathcona Offer, the issuance and delivery of the Strathcona Shares for MEG Shares taken up and paid for by Strathcona, the right of Strathcona to own or exercise full rights of ownership over the MEG Shares, or the consummation of any Compulsory Acquisition or Subsequent Acquisition Transaction, or which could have any such effect; (C) which has had or could reasonably be expected to have a Material Adverse Effect (as defined in the Strathcona Circular) or which could reasonably be expected to materially and adversely affect the value of the MEG Shares; (D) which seeks to prohibit or limit the ownership or operation by Strathcona of any material portion of the business or assets of MEG or its subsidiaries or to compel Strathcona or any of its affiliates to dispose of or hold separate any material portion of the business, properties or assets of MEG or its subsidiaries; or (E) which may make uncertain the ability of Strathcona or its affiliates to consummate the Strathcona Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction;

(g) Strathcona shall have determined, in its reasonable judgment, that neither MEG nor any of its subsidiaries has taken or proposed to take any action, agreed to take any action, disclosed that it intends to take any action or disclosed any previously undisclosed action taken by any of them, that could reasonably be expected to reduce the anticipated economic value to Strathcona of the acquisition of the MEG Shares or impair the ability of Strathcona to proceed with the Strathcona Offer, to take up and pay for MEG Shares deposited under the Strathcona Offer or consummate any Compulsory Acquisition or Subsequent Acquisition Transaction (each as defined in the Strathcona Circular);

(i) Strathcona shall have determined, in its reasonable judgment, that no covenant, term or condition (individually or in the aggregate) exists in any material license, permit, instrument, indenture or agreement to which MEG or any of its subsidiaries is a party or to which MEG or any of its assets are subject (including, without limitation, in respect of any securities of MEG that are exercisable or exchangeable for or convertible into MEG Shares (other than the SRP Rights), RSUs, PSUs, DSUs or any other incentive or similar plan of MEG) which, if the Strathcona Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction were consummated, could reasonably be expected to: (i) be impaired or otherwise adversely affected, or cause any obligation to vest or accelerate or become due prior to its stated due date (in each case, either immediately or after notice or passage of time or both), that could reasonably be expected to materially reduce the value to Strathcona of MEG or the MEG Shares or could reasonably be expected to have a Material Adverse Effect (as defined in the Strathcona Circular); (ii) result in any material liability or obligation of Strathcona, MEG or any of their respective affiliates or subsidiaries, or result in any material restriction upon Strathcona, MEG or any of their respective affiliates or subsidiaries in respect of any of their businesses, operations or assets; (iii) result in any breach or default under or cause the suspension or termination of, or give rise to any right of any party to suspend or terminate, any such license, permit, instrument or agreement or any material right or benefit thereunder of MEG or any of its subsidiaries; (iv) limit any material right or benefit of MEG or any of its subsidiaries under, or reduce the value, in any material respect, of any such license, permit, instrument, indenture or agreement; or (v) reduce the anticipated economic value to Strathcona of the acquisition of the MEG Shares or impair the ability of Strathcona to proceed with the Strathcona Offer, to take up and pay for MEG Shares deposited under the Strathcona Offer or consummate any Compulsory Acquisition or Subsequent Acquisition Transaction;

(h) Strathcona shall have determined, in its reasonable judgment, that there shall not have occurred or been threatened in writing on or after the date of the Strathcona Offer: (i) any general suspension of trading in, or limitation on prices for, securities on the TSX; (ii) any extraordinary or material adverse change in the financial, banking or capital markets or in major stock exchange indices in Canada or the United States; (iii) declaration of a banking moratorium or any suspension of payments in respect of banks in Canada or the United States; (iv) any limitation (whether or not mandatory) by any Governmental Entity (as defined in the Strathcona Circular) on, or other event that, in the reasonable judgment of Strathcona, might affect the extension of credit by banks or other financial institutions; (v) any material change in currency exchange rates or a suspension or limitation on the markets therefor, including Canada or the United States; (vi) a commencement of war or armed hostilities or other national or international calamity involving Canada or the United States; or (vii) in the case of any of the foregoing existing at the time of the commencement of the Strathcona Offer, a material acceleration or worsening thereof, that could reasonably be expected to reduce the anticipated economic value to Strathcona of the acquisition of the MEG Shares or impair the ability of Strathcona to proceed with the Strathcona Offer, to take up and pay for MEG Shares deposited under the Strathcona Offer or consummate any Compulsory Acquisition or Subsequent Acquisition Transaction;

(i) Strathcona shall have obtained the requisite approval of Strathcona Shareholders (in form and substance satisfactory to Strathcona, in its reasonable discretion) with respect to the issuance of the Strathcona Shares pursuant to the Strathcona Offer;

(j) the Registration Statement filed by Strathcona with the SEC on Form F-10 shall have become effective under the United States *Securities Act of 1933* and not be subject to a stop order or a proceeding seeking a stop order;

(k) neither Strathcona nor any of its affiliates shall have entered into a definitive agreement or an agreement in principle with MEG providing for an arrangement, amalgamation, merger, acquisition of assets or other business combination with MEG or for the acquisition of securities of MEG or for the commencement of a new offer for the MEG Shares, pursuant to which Strathcona has determined that the Strathcona Offer will be withdrawn and/or terminated; and

(l) Strathcona shall not have become aware of any untrue statement of material fact, or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made and at the date it was made (after giving effect to all subsequent filings prior to the date of the Strathcona Offer in relation to all matters covered in earlier filings), in any document filed by or on behalf of MEG with any Canadian securities regulatory authority or a similar securities regulatory authority in the United States or elsewhere, which Strathcona shall have determined, in its reasonable judgment, when considered either individually or in the aggregate, has or could reasonably be expected to have a Material Adverse Effect (as defined in the Strathcona Circular).

These and other conditions of the Strathcona Offer are described in Section 4 of the Strathcona Offer under "*Conditions of the Offer*".

DIRECTORS' RECOMMENDATION

For the reasons set out herein, the Board unanimously concluded that the consideration to be received by the Shareholders (other than Strathcona and its affiliates) is inadequate, from a financial point of view, to such Shareholders, that the Strathcona Offer is not in the best interests of MEG or the Shareholders and recommends that you
REJECT the Strathcona Offer by taking no action and NOT TENDER your MEG Shares

Any Shareholder who has tendered their MEG Shares to the Strathcona Offer should WITHDRAW those MEG Shares IMMEDIATELY.

If you have tendered your MEG Shares, you can withdraw them. For assistance in withdrawing your MEG Shares, you should contact your broker or MEG's Information Agent, Sodali & Co. See "*How to Withdraw Your Deposited MEG Shares*".

SODALI &CO

North American Toll Free Phone Call:
1-888-999-2785
E-mail: assistance@investor.sodali.com
Outside North America, Banks and Brokers Call Collect: 1-289-695-3075

Shareholders are also encouraged to visit our website for up to date information at www.megenergy.com/offer-update

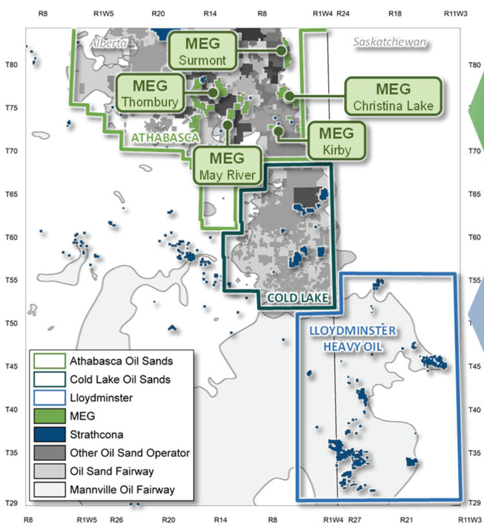
ANALYSIS AND REASONS FOR THE BOARD'S CONCLUSION AND RECOMMENDATION TO REJECT THE STRATHCONA OFFER

The following are the principal reasons for the **UNANIMOUS** recommendations of the Board to Shareholders to **REJECT** the Strathcona Offer by taking no action and **NOT TENDER** their MEG Shares to the Strathcona Offer.

1. The Strathcona Offer's share consideration exposes Shareholders to a company with inferior assets

a. MEG's asset portfolio is in the heart of the Athabasca oil sands with top quartile asset characteristics, while Strathcona's assets are scattered, lacking in scale, and located in less prolific areas

Regional Map of MEG and Strathcona's Primary Assets



MEG ENERGY

- ✓ Flagship Christina Lake project in **core Athabasca region**
- ✓ **Concentrated, contiguous lease**
- ✓ **High resource quality:** High pay thickness, oil saturation and permeability
- ✓ **Portfolio of attractive growth assets** (Surmont, May River, Kirby, Thornbury) proximal to successful operating projects

STRATHCONA RESOURCES LTD

- Assets located in the Cold Lake & Lloydminster regions
- Geographically dispersed projects, **smaller in scale**, with **thinner and less continuous pay**
- **Lacking operating synergies:** No assets in close proximity to Christina Lake

	MEG					Strathcona				
	Christina Lake	Surmont	Thornbury	May River	Kirby	Lindbergh	Tucker	Orion	Taiga	Lloyd. Thermal & Conventional
Region	Athabasca	Athabasca	Athabasca	Athabasca	Athabasca	Cold Lake	Cold Lake	Cold Lake	Cold Lake	Lloydminster
Production[1] *(mbbl/d)*	103	0	0	0	0	19	28	19	0	51
DBIIP / OOIP *(bn bbls)*	5.3[2]	1.9[2]	1.5[2]	1.3[2]	0.9[2]	1.0[3]	0.9[3]	0.8[3]	1.0[4]	3.1[5]

Source: geoSCOUT, Enverus, AER, GLJ

[1] *Based on Q1 2025. Alberta production per AER, Saskatchewan production per Enverus.*

[2] *Figures shown for MEG reflect DBIIP based on reports prepared by GLJ Ltd. with effective dates of December 31, 2024 (for Christina Lake) and May 31, 2025 (for Surmont, Thornbury, May River and Kirby).*

[3] *Strathcona Alberta operating projects (Lindbergh, Orion, Tucker) figures per AER issuer submissions under Directive 054 (Performance Reports).*

[4] *Strathcona Taiga figure per AER Directive 023 regulatory application.*

[5] *Strathcona Lloydminster Thermal & Lloydminster conventional figures per Strathcona 2024 Investor Presentation.*

See "Oil and Gas Advisories" — DBIIP and OOIP

b. MEG's assets have significantly stronger inventory life resiliency at bottom cycle pricing

- MEG's Christina Lake is one of the largest SAGD projects in Canada, with approximately 5 billion barrels of DBIPP. Together with MEG's undeveloped projects at Surmont, May River and Kirby, MEG has approximately 11 billion barrels of DBIPP. In comparison, Strathcona's thermal projects have a total of approximately 5 billion barrels of OOIP, while Strathcona's total portfolio has approximately 7 billion barrels of OOIP (see Chart 1). The scale and relative quality of its Christina Lake project positions MEG as a leader among peer SAGD project operators, where MEG's Christina Lake project is estimated to generate production for 30 years at a breakeven WTI price of US$50/bbl or less, versus the estimate of nine years for Strathcona's SAGD projects (see Chart 2).

Chart 1: DBIIP / OOIP(1,2,3,4)

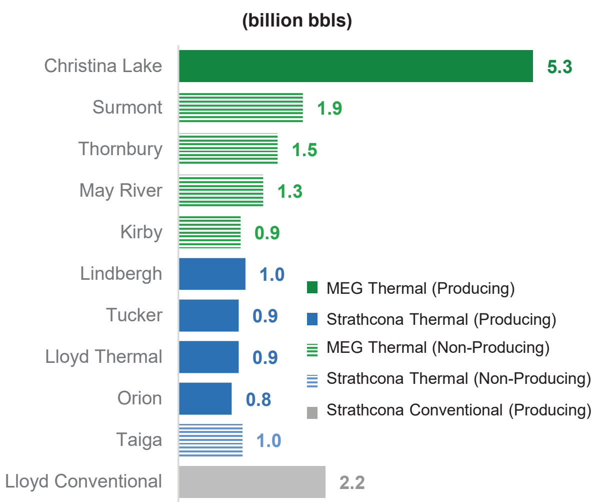
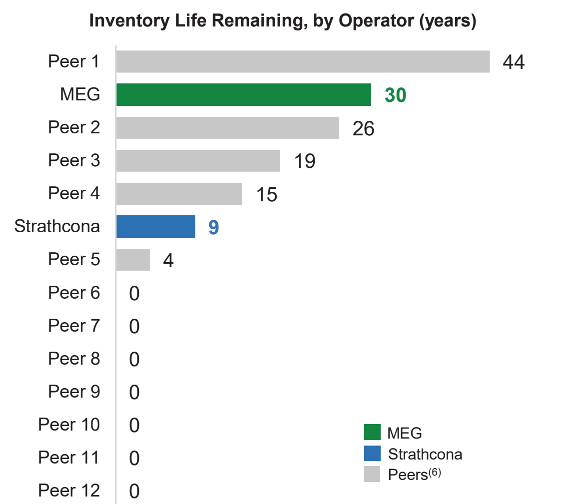


Chart 2: Inventory Life with <US$50/bbl WTI Breakevens(5)



Source: GLJ, AER, Enverus

(1) Figures shown for MEG reflect DBIIP based on reports prepared by GLJ Ltd. with effective dates of December 31, 2024 (for Christina Lake) and May 31, 2025 (for Surmont, Thornbury, May River and Kirby).

(2) Strathcona Alberta operating projects (Lindbergh, Orion, Tucker) figures per AER issuer submissions under Directive 054 (Performance Reports).

(3) Strathcona Taiga figure per AER Directive 023 regulatory application.

(4) Strathcona Lloydminster Thermal & Lloydminster conventional figures per Strathcona 2024 Investor Presentation.

(5) Inventory life represents the number of locations with a WTI breakeven of US$50/bbl or less divided by the number of SAGD wells drilled per year.

(6) Peers include Athabasca Oil Corp., Canadian Natural Resources Ltd., Cenovus Energy Inc., CNOOC International Ltd., Connacher Oil and Gas Ltd., ConocoPhillips Co., Greenfire Resources Ltd., Harvest Operations Corp., Imperial Oil Ltd., International Petroleum Corp., PetroChina Company Ltd. and Suncor Energy Inc.

See "Oil and Gas Advisories" — DBIIP and OOIP

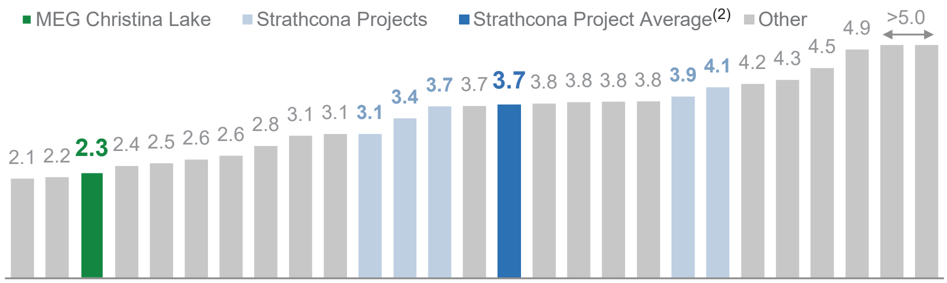
REJECT THE STRATHCONA OFFER
TAKE NO ACTION – DO NOT TENDER YOUR MEG SHARES

If you have already tendered your MEG Shares to the Strathcona Offer, you can withdraw your MEG Shares by contacting your broker or Sodali & Co, our Information Agent, by toll-free phone call in North America to 1-888-999-2785, or to 1-289-695-3075 for banks, brokers or callers outside North America or by email at assistance@investor.sodali.com

c. MEG has a top quartile low steam-oil ratio ("SOR"), while Strathcona's SORs for its oil sands projects are 60% higher on average than MEG's

- MEG's average monthly SOR was 2.3x in Q1 2025 versus 3.1x, 3.4x, 3.7x, 3.9x and 4.1x, respectively, at Strathcona's Edam, Lindbergh, Tucker, Orion, and Meota assets, ranking in the second, second, third, third and fourth quartiles of oil sands projects, respectively (see Chart 3). SOR represents one of the most critical contributors to a SAGD operator's ability to deliver funds flow and ultimately return capital to shareholders. Higher Shareholder returns are enabled by MEG's lower SOR, which leads to lower costs, lower carbon intensity, higher netbacks and higher free cash flow. When viewed over MEG's expansive asset base, this translates into a substantial value differential for Shareholders compared to higher SOR oil sands assets like Strathcona's.

Chart 3: Steam-Oil Ratio[1] (Q1 2025)



Source: AER

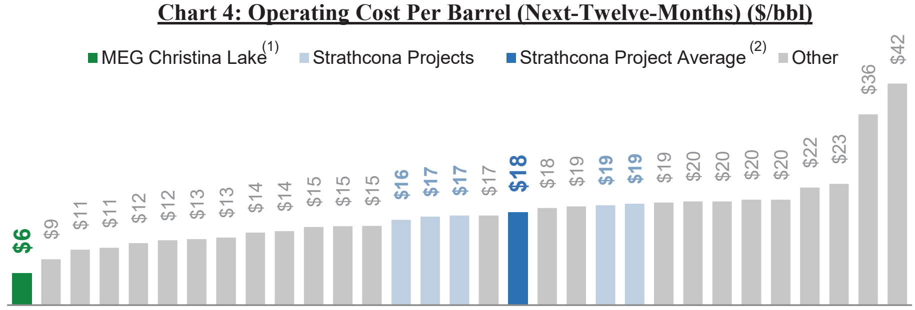
[1] Q1 2025 monthly average SOR data for January-March, per AER report ST-53 2025 - Alberta In-Situ Oil Sands Summary and publicly available production and injection data per GeoScout.

[2] Denotes production-weighted average.

d. MEG has industry-leading operating cost efficiencies, while Strathcona's operating costs are 2-3 times higher than MEG's

- Third-party estimates illustrate MEG's industry-leading cost structure, with MEG's operating costs being considerably lower than Strathcona's (see Chart 4). MEG's low operating costs are enabled by a low SOR, cost discipline, and the significant benefit from cogeneration of steam and power on-site.

Chart 4: Operating Cost Per Barrel (Next-Twelve-Months) ($/bbl)



Source: Enverus. See also "Third Party and Market Data" for a description of the presentation of operating costs.

Note: Includes in-situ projects (SAGD and CSS). Oil sands mining projects not included for most accurate comparison to MEG.

[1] See "Non-GAAP and Other Financial Measures – Operating expenses, net of power revenue" for a description of MEG's calculation of operating expenses, net of power revenue, a non-GAAP financial measure which differs from the presentation above.

[2] Denotes production-weighted average.

REJECT THE STRATHCONA OFFER
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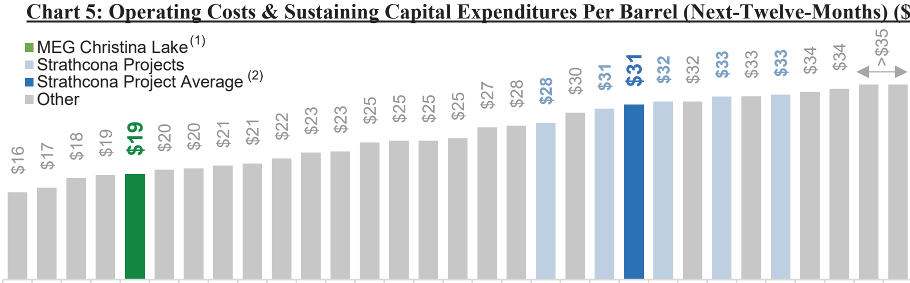
e. MEG ranks top quartile in its ability to operate and sustain production, while Strathcona's cost structure is 60% higher on average than MEG's

- Third-party estimates illustrate that, together, MEG's operating costs and sustaining capital rank in the top quartile in cost efficiency of in-situ projects. The operating costs and sustaining capital expenditures associated with Strathcona's SAGD projects are estimated to be 60% higher on average (see Chart 5). MEG's superior operating cost structure and sustaining capital requirements contribute to favourable sustaining economics and higher free cash flow potential.

Chart 5: Operating Costs & Sustaining Capital Expenditures Per Barrel (Next-Twelve-Months) ($/bbl)



Source: Enverus. See "Third Party and Market Data" for a description of the presentation of operating costs and sustaining capital expenditures.

Note: Includes in-situ projects (SAGD and CSS). Oil sands mining projects not included for most accurate comparison to MEG.

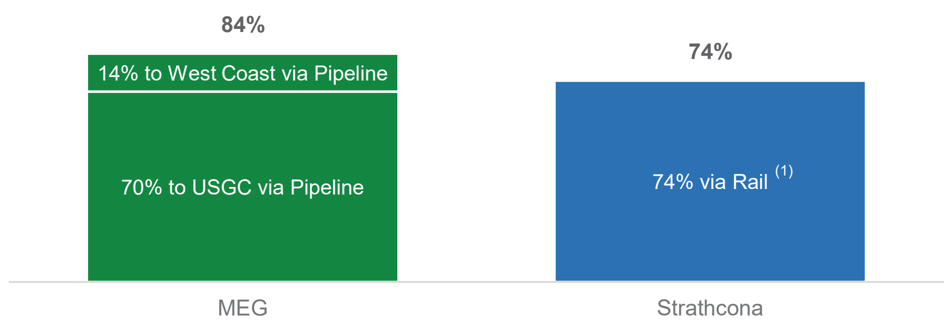
(1) See "Non-GAAP and Other Financial Measures – Operating expenses, net of power revenue" and "Non-GAAP and Other Financial Measures – Sustaining Capital Expenditures" for a description of MEG's calculation of operating expenses, net of power revenue and sustaining capital expenditures which differs from the presentation above.

(2) Denotes production-weighted average.

f. MEG has diversified, long-term and reliable access to premium oil markets, which enhances long-term profitability

- MEG has contracted capacity of 120,000 bpd on pipeline systems enabling the sale of MEG's production to premium markets, representing approximately 84% of its 2024 blend sales volumes. This includes 100,000 bpd on the Flanagan South and Seaway pipeline systems providing pipeline transportation to U.S. Gulf Coast refineries and export terminals, and 20,000 bpd on Trans Mountain Pipeline providing transportation to the West Coast of Canada. Strathcona has not secured any long-term pipeline commitments to access premium markets and instead owns rail capacity. Strathcona's Hamlin rail facility has capacity of 50,000 bpd and, early in the second quarter of 2025, Strathcona completed the acquisition of the Hardisty Rail Terminal with unutilized capacity of approximately 52,400 bpd, bringing Strathcona's available rail capacity to approximately 74% of its 2024 blend sales volumes. Compared to transportation by pipeline, crude-by-rail has higher transportation costs and greater exposure to service interruptions such as strikes, train derailments, weather effects and blockades (see Chart 6).

Chart 6: Secured Egress as a Proportion of Blend Sales (YE 2024)



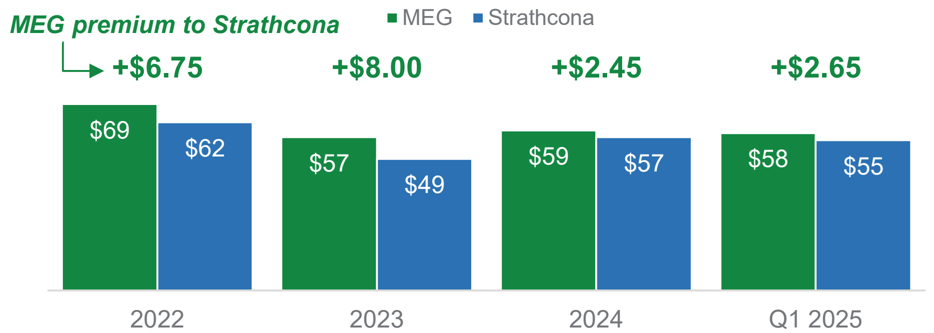
Note: This chart represents the proportion of 2024 blend sales which was directed to external markets. For Strathcona, the calculation is based on estimated 2024 oil and natural gas sales of 138,700 boe/d, including diluent requirements of 27,800 boe/d.

(1) Includes Strathcona's 50,000 bpd Hamlin rail loading facility and the unutilized portion of the Hardisty Rail Terminal ("HRT") (20% of 262,000 bpd) which Strathcona acquired early in the second quarter of 2025.

g. MEG has a track record of delivering a premium operating netback

- MEG's premium market access and evolved operating model, which delivers an industry leading cost structure, has contributed to MEG realizing an operating netback, pre-royalty (see "*Non-GAAP and Other Financial Measures*"), over the last three years and most recent quarter that is \$2–\$8/boe higher than Strathcona's (see Chart 7).

Chart 7: Operating Netback, Pre-Royalty[1,2] (\$/boe)



(1) *Royalties omitted as MEG achieved post-payout status in 2023, distorting the comparability of royalty costs; only includes Strathcona's Cold Lake and Lloydminster segments (excludes Montney segment).*

(2) *See "Non-GAAP and Other Financial Measures" herein.*

h. Strathcona's asset base has significantly higher environmental liabilities and asset retirement obligations than MEG's assets, which benefit from a concentrated and relatively newer asset base

- Strathcona's assets are older and more dispersed than MEG's, with more wellbores, more pipeline infrastructure, and higher facility liabilities than MEG's. Strathcona's reported decommissioning provision of $275 million are nearly double MEG's reported decommissioning provision of $147 million (see Chart 8)[(1)].

  (i) Strathcona total wellbore count of 4,977 vs. MEG of 1,257[(2)]

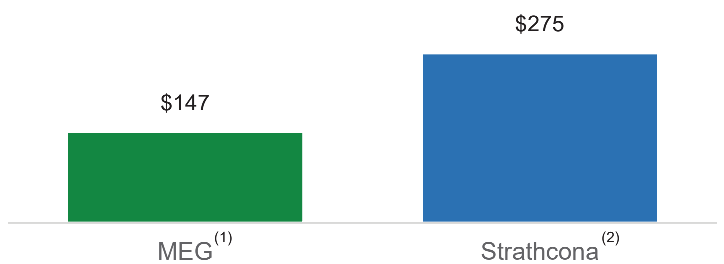
  (ii) Strathcona inactive wellbore count of 3,313 vs. MEG of 770[(2)]

  (iii) Strathcona total pipelines of 4,659 km vs. MEG of 606 km[(3)]

  (iv) Strathcona total liabilities (including well liabilities) of $563 million vs. MEG of $94 million[(4)]

(1) Represent inflated and discounted decommissioning obligations per MEG and Strathcona's respective financial statements for the quarter ended March 31, 2025; MEG based on $895 million undiscounted amount (discounted at 9% and inflated at 2.1%), while Strathcona based on $1,042 million undiscounted amount (discounted at 10% and inflated at 2%).
(2) Reflects active and inactive well count per XI Technologies as of April 2025, exclusive of abandoned and licensed wells.
(3) Pipelines include all unique licenses where MEG or Strathcona is a licensee, per XI Technologies. Strathcona assets within 079-20W6 to 081-22W6, 069-5W6 to 072-9W6, and 057-25W5 to 065-7W6 are excluded from the Strathcona total and assumed to be part of its announced Montney Dispositions.
(4) Liabilities are undiscounted working interest asset retirement obligations as estimated by XI technologies; Strathcona working interest excludes estimated Montney liability costs assumed to be part of its Montney Dispositions.

Chart 8: Decommissioning Provision (Q1 2025) ($ mm)

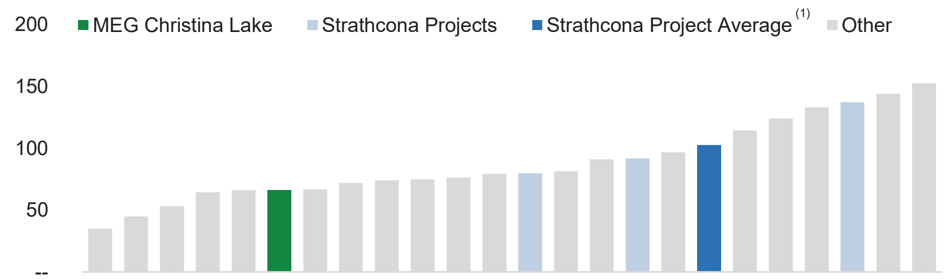


(1) MEG's decommissioning provision as at March 31, 2025 based on inflation rate of 2.1% and discount rate of 9.0%.
(2) Strathcona's decommissioning provision as at March 31, 2025 based on inflation rate of 2.0% and discount rate of 10.0% and excluding liabilities associated with assets held for sale.

i. MEG's GHG emissions intensity performance is considerably better than Strathcona's and benchmarks in the first quartile

- Christina Lake's low SOR, together with the application of cogeneration and other technologies, including eMSAGP, has enabled MEG to achieve GHG emissions intensity below the in-situ industry average, benchmarking its performance in the top quartile with an emissions intensity of ~60 kg CO_2e/bbl in 2023. Strathcona's emissions intensity performance is considerably higher with average emissions intensity 55% above MEG's, where the Lindbergh and Orion projects benchmark in the third quartile and the Tucker project benchmarks in the bottom quartile (see Chart 9).

Chart 9: GHG Emissions Intensity (2023) (kg CO_2e/bbl)



Source: Government of Canada, AER

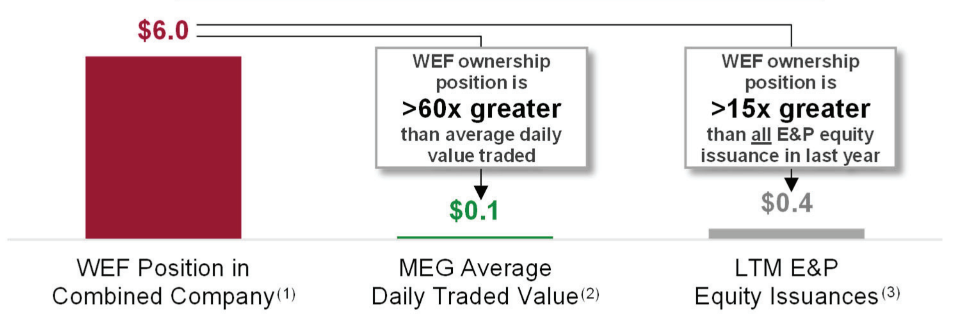
(1) Denotes 2023 production-weighted average.

2. Selling by WEF and its investors to provide liquidity will put downward pressure on the share price, while the combined company would offer no incremental liquidity to Shareholders

a. WEF's concentrated ownership position introduces <u>significant overhang risk</u>, making the combined company a vehicle through which WEF's LP investors can realize liquidity over time through the sale of Strathcona Shares

- The Strathcona Offer would see WEF hold a 51% ownership position in the combined company, inclusive of its current ownership interest in Strathcona and additional proposed investment in Strathcona to be made in connection with the Strathcona Offer. WEF's investments into Strathcona have been made from funds raised as early as 2017 and, over time, WEF will need to provide the investors in its funds with liquidity so they can realize a return on their investments, whether by directly selling Strathcona Shares into the public market or by distributing Strathcona Shares to WEF's LP holders, who could subsequently sell those shares. The Strathcona Shares, which currently see approximately $2 million of value trade per day, do not have sufficient liquidity for WEF's LP investors to sell their stake in the market. If Strathcona combined with MEG, WEF would have more liquidity to sell its shares and the sale of shares of the combined company would put substantial pressure on the share price of the combined company. WEF has been transparent about its intent to return capital to LP investors in the near-term where the Managing Partner and Chief Executive Officer of WEF confirmed <u>*"we're going to have to return all of the capital to our investors roughly over the next three years"*</u> at Strathcona's November 2024 Investor Day.
- <u>The magnitude of the overhang is significant</u>, where WEF's 51% ownership interest equates to an implied value in the combined company of $6.0 billion. For context, this is over 60 times greater than the average daily traded value of the MEG Shares over the period from January 1 to May 15, 2025, and over 15 times greater than the total of all equity issuances completed by all Canadian exploration and production companies in the last twelve months (see Chart 10).

<u>Chart 10: WEF Shareholder Overhang Risk in Context ($ bn)</u>



Source: FactSet

(1) Based on Based on WEF's 51% ownership in combined company and on share price as at May 15, 2025.

(2) MEG's average daily traded volume from January 1, 2025 to May 15, 2025 across all Canadian exchanges ($99 mm); Strathcona's average daily traded value across all Canadian exchanges over the same period is de minimis ($2 mm).

(3) E&P equity issuances between May 15, 2024 and May 15, 2025 of $350 mm; excludes issuance of convertible debentures.

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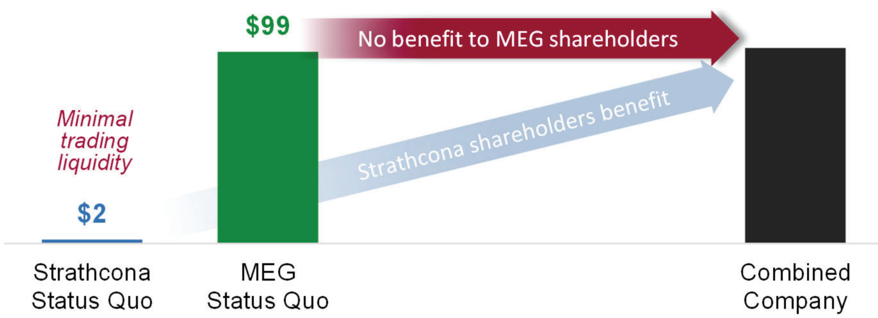
b. The Strathcona Offer fails to deliver the benefits of scale in the capital markets

- Contrary to most scale-enhancing combination transactions, Strathcona's Offer does not provide the Shareholders with the benefits of an increased float capitalization or increased trading liquidity. On a pro forma basis, 51% of the combined company's market capitalization would be owned by WEF. Shareholders currently enjoy the benefit of substantially all of MEG's equity being freely tradable float and an average daily traded value of approximately $100 million. In contrast, Strathcona's equity is only approximately 20% public float and only $2 million of average daily traded value. As a result, there would be no benefit to trading liquidity from MEG's standpoint, but a substantial benefit from Strathcona's standpoint in the combined company (see Chart 11). Currently, MEG's approximately 100% public float supports highly liquid trading and as a result has a positive impact on trading multiples. Shareholders should reject a transaction that would result in a change from a nearly 100% public float to a combined company with only a 49% public float.

Chart 11: Average Daily Value Traded[(1)] ($ mm)



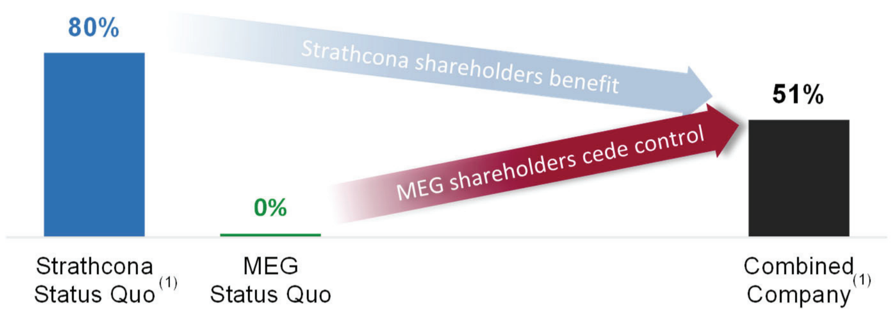
Source: FactSet

[(1)] *Depicts the average daily traded volume from January 1, 2025 to May 15, 2025 across all Canadian exchanges for each of Strathcona and MEG.*

c. The Strathcona Offer would raise significant governance risks in the combined company

- The Strathcona Offer would see WEF hold a 51% ownership position in the combined company, inclusive of its existing ownership interest in Strathcona (see Chart 12), and see MEG Shareholders cede control of the combined company without being compensated with a change of control premium. Strathcona's concentrated shareholder base raises significant governance risks. With a small number of shareholders exerting disproportionate control, strategic decisions may not reflect the broader interests of all shareholders, especially minority investors. Furthermore, the majority of Strathcona's board of directors is non-independent, with 6 of its 9 board members being executive officers or employees of WEF or executive officers of Strathcona.

Chart 12: Controlling Shareholder's Ownership (%)



Source: FactSet

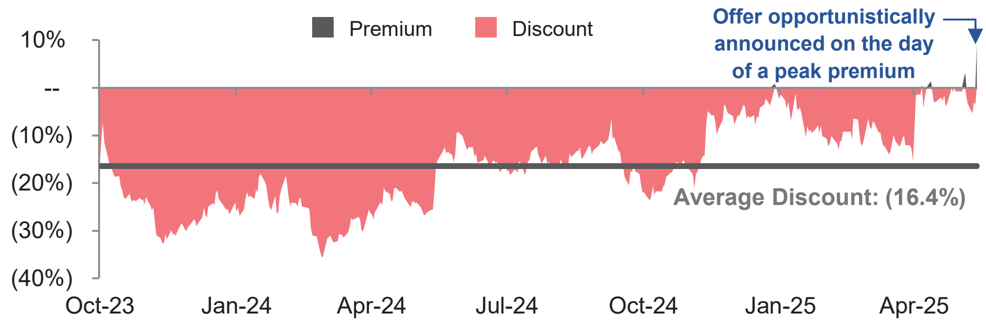
(1) *Depicts WEF's ownership interest in Strathcona currently and in the combined company.*

3. The Strathcona Offer is OPPORTUNISTIC

a. The Strathcona Offer lacks a real premium

- Strathcona's advertised premium of 9.3% was "cherry picked" by Strathcona as the best and highest premium implied by Strathcona's share price over the last year. The implied value of the consideration of the Strathcona Offer does not represent a premium, but an average *discount* of approximately 16% based on the closing prices of Strathcona Shares and corresponding closing prices of MEG Shares for the entire period that Strathcona has existed as a publicly-listed company (see Chart 13).
- In fact, based on the closing price of the MEG Shares and Strathcona Shares from when Strathcona completed its reverse take-over of Pipestone Energy Corp. in October 2023 to the announcement of its intention to launch a take-over bid, the Strathcona Offer represented a "premium" to Shareholders only nine days out of the 407 trading days during that period (with the average premium across those nine days of only 1.9%).

Chart 13: Implied Premium / (Discount) of the Strathcona Offer Based on Historical Prices



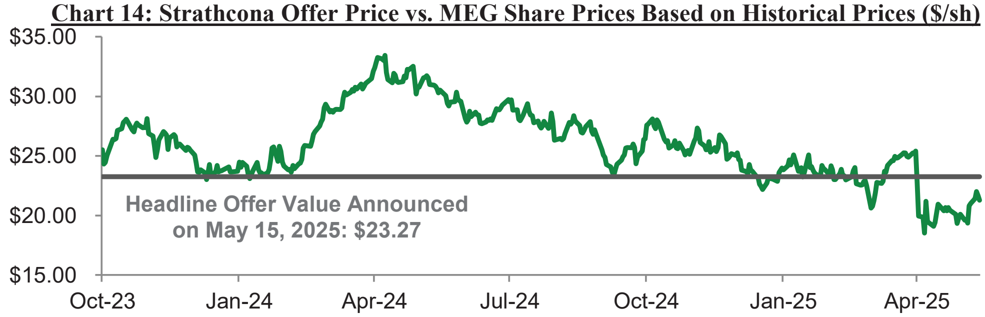
Source: FactSet

Note: The implied value of the Strathcona Offer is calculated by summing: 1) 0.62 multiplied by the closing price of the Strathcona Shares each day, and 2) $4.10 in cash consideration. The implied value of the Strathcona Offer is then compared to the closing price of the MEG Shares each day to determine the implied premium / (discount). The numbers in this chart are based on share prices from October 3, 2023, the date that Strathcona's reverse take-over of Pipestone Energy Corp. closed, to May 15, 2025.

b. The Strathcona Offer is timed to take advantage of a market downturn at the expense of Shareholders

- The artificially high, cherry picked, advertised value of $23.27 of the Strathcona Offer is below the market trading price of the MEG Shares achieved as recently as April 2025 and 22% below the 52-week high of MEG Shares (see Chart 14).

Chart 14: Strathcona Offer Price vs. MEG Share Prices Based on Historical Prices ($/sh)



Source: FactSet

Note: Market trading price of MEG Shares from October 3, 2023 to May 15, 2025.

- It is apparent that the Strathcona Offer is seeking to take advantage of an overall market downturn in the energy sector, which has affected MEG's trading performance, as tariffs, broader economic policy, and oil-related macroeconomic uncertainties persist. Recent declines in commodity prices have also negatively affected energy stocks, disproportionally impacting non-integrated companies, including MEG. The Strathcona Offer was launched at the recent trough, following a three-year decline in WTI prices (see Chart 15). MEG is well positioned to weather these uncertainties given its resilient, best-in-class assets, low costs, strong balance sheet, and prior experience navigating periods of heightened uncertainty.

Chart 15: WTI Price Over the Last Three Years[(1)] (US$/bbl)

Source: Bloomberg

[(1)] *WTI prices observed over the last three years (June 11, 2022 to June 11, 2025).*

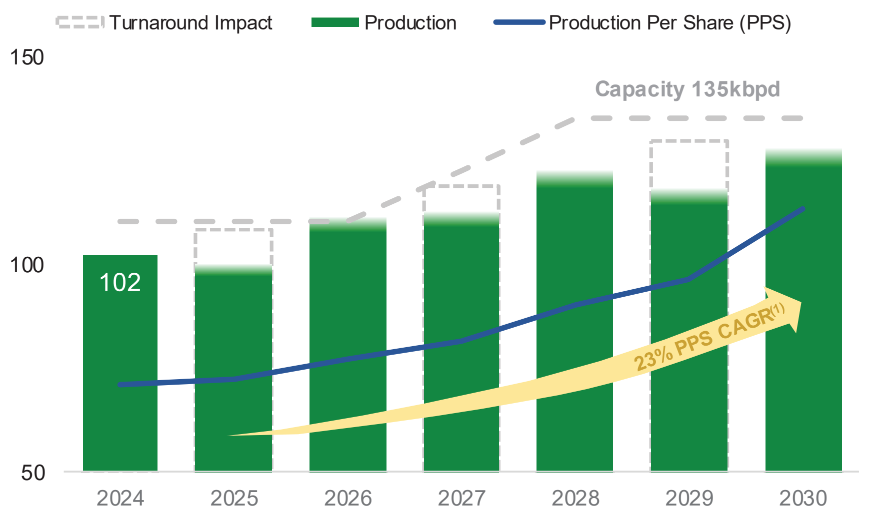
4. The Strathcona Offer is INADEQUATE

a. MEG Shares offer a uniquely attractive investment opportunity: A pure play oil sands producer with a reputation for best-in-class assets, an innovative and experienced team, and attractive growth opportunities. MEG warrants a premium value, which the Strathcona Offer fails to deliver

b. MEG's standalone plan offers low-risk, visible brownfield growth and free cash flow generation

- With a reserve life of over 30 years and over 50 years on a proved reserves and proved plus probable reserves basis, respectively, and with secured regulatory approvals and a track record of operational excellence, MEG is well positioned to be able to capture substantial growth opportunities. MEG's Christina Lake Facility Expansion Project ("**FEP**") is expected to increase production capacity to 135,000 bpd on projected start-up in 2027 and is expected to contribute to a production per share CAGR of approximately 23% between 2025 and 2030 (see Chart 16). FEP is underway with front end engineering and design completed in 2024 and limited project complexity leveraging existing equipment. Regulatory approval is in place at Christina Lake for 210,000 bpd of production, enabling further growth potential.

Chart 16: MEG's Production Outlook (kbpd)

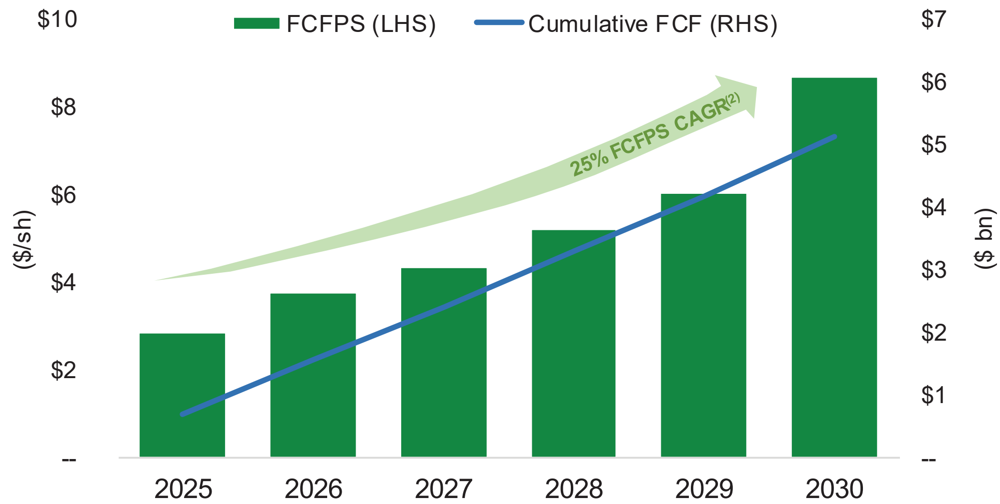


Note: Per-share figures based on financial forecast at US$70/bbl WTI, US$12-13/bbl WTI:WCS differential and C$1.35/US$ F/X rate. Assumes share rerpuchases at $25.50 share price to align with MEG's November 2024 Business Update.

(1) Production per share CAGR is the compound annual growth rate of production divided by the average issued and outstanding shares during the period.

- MEG has a clear path to deliver the growth contemplated in the FEP. MEG's operational strategy and focus, strong risk management, and the low-risk development plan position MEG to take advantage of the 1.94 billion barrels of proved plus probable reserves, which are valued at $15.4 billion of before-tax present value (assuming a 10% discount rate) as assessed by GLJ as of December 31, 2024. MEG expects to generate significant free cash flow which affords MEG great flexibility in generating shareholder value through funding organic growth initiatives and / or return of capital to Shareholders (see Chart 17).

Chart 17: MEG's Free Cash Flow Outlook[(1)]



Note: Assumes US$70/bbl WTI, US$12-13/bbl WTI:WCS differential and C$1.35/US$ F/X rate. Assumes share rerpuchases at $25.50 share price to align with MEG's November 2024 Business Update.

(1) Capital management measure. See "Non-GAAP and Other Financial Measues" herein.

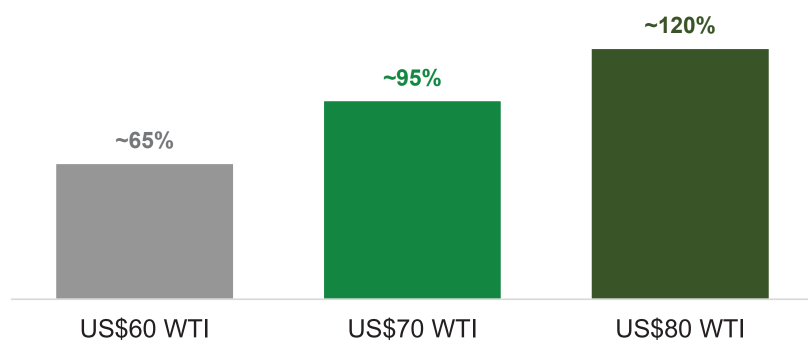
(2) Free cash flow per share CAGR is the compound annual growth rate of free cash flow divided by the average issued and outstanding shares during the period.

- MEG's robust funds from operations[(1)] is sufficient to fund its projected dividend and capital programs even in weakened commodity price environments. MEG's dividend and capital programs are fully funded at ~US$53 WTI from 2025-2027 and ~US$47 WTI from 2028-2030, allowing the potential for meaningful free cash flow payout to Shareholders in the next five years.

[(1)] *Capital management measure. See "Non-GAAP and Other Financial Measures" herein.*

- MEG's estimated cumulative free cash flow from 2025 through 2030, based on an assumed US$70/bbl WTI price, equates to approximately 95% of MEG's market capitalization. At WTI prices of US$60/bbl and US$80/bbl, MEG is expected to generate cumulative free cash flow which equates to approximately 65% and 120% of MEG's market capitalization, respectively (see Chart 18).

Chart 18: Cumulative Free Cash Flow from 2025–2030 as a % of Market Capitalization[(1,2)] (%)



Note: Assumes US$12-13/bbl WTI:WCS differential and C$1.35/US$ F/X rate.

[(1)] *Based on MEG market capitalization as at May 15, 2025.*

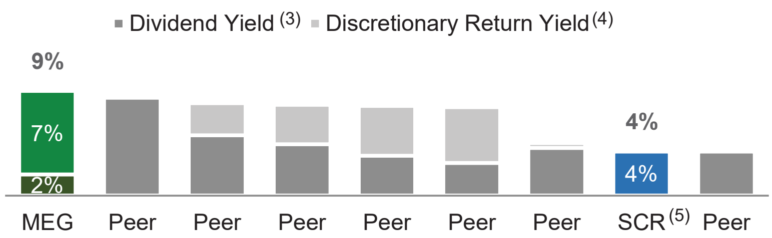
[(2)] *Cumulative free cash flow as a percentage of market capitalization for each case is the sum of the anticipated free cash flow from 2025-2030 divided by the current market capitalization.*

- Not only is the Strathcona Offer inadequate in the context of MEG's Christina Lake asset, it ascribes no value to MEG's remaining growth properties, parts of which are adjacent to other existing flagship peer projects:
    - **Surmont**: MEG owns a 100% working interest in Surmont, one of the highest quality non-producing assets in the oil sands. MEG has conducted extensive seismic and delineation drilling programs at the Surmont growth property and had secured regulatory approvals pertaining to the proposed Surmont Project in 2019. This proposed project included a multi-phased development with a total design capacity of approximately 120,000 bpd. MEG's Surmont growth property is adjacent to ConocoPhillips' flagship Surmont growth property. In December 2021, these approvals were cancelled at MEG's request as Surmont was not in MEG's near-term development plan.
    - **May River:** MEG owns a 100% working interest in the mineral leases at May River. As of December 31, 2024, MEG had drilled and cored 118 stratigraphic test wells (core holes) and recorded 77 square miles of 3D seismic data over MEG's leases in May River. May River is proximal to regional infrastructure.
    - **Additional Growth Properties**: MEG owns a 100% working interest in additional growth properties situated on approximately 170 square miles of lands in the southern Athabasca region of Alberta which includes the Kirby, Thornbury and Duncan mineral leases. MEG's Kirby leases are adjacent to CNRL's flagship Kirby and Jackfish projects. As of December 31, 2024, MEG has drilled 15, and cored 12, stratigraphic test wells over these leases.

c. Strathcona lacks a prescriptive return of capital strategy and is dilutive to MEG's peer-leading return of capital yield

- MEG intends to return 100% of its free cash flow to its Shareholders via its base dividend and share repurchases. While Strathcona has a higher dividend yield than MEG, when coupled with its share repurchases, MEG offers a peer-leading return of capital yield (see Chart 19). In addition, MEG is projected to generate a production CAGR of approximately 5% from 2025 through 2030. In contrast, Strathcona does not adhere to a formal return of capital framework, and only claims a plan to allocate the "vast majority" of excess free cash flow to Strathcona Shareholders over the next six years. However, Strathcona has yet to return any capital to Strathcona Shareholders in the form of share repurchases, variable dividends or special dividends, beyond its base dividend.

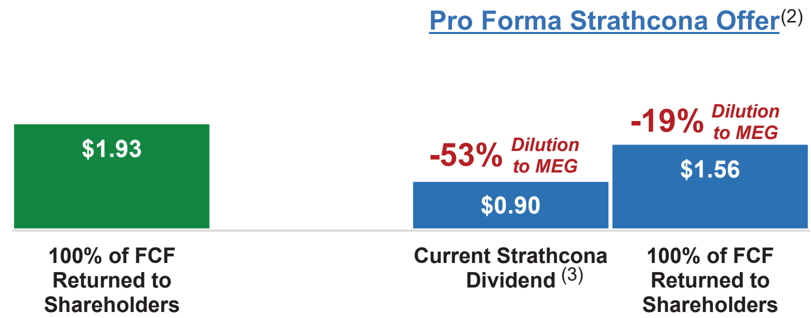
Chart 19: Return of Capital Yield (2025E)[1,2] (%)



Source: FactSet
Note: Based on research consensus estimates. Based on market data and return of capital frameworks at at May 15, 2025.
(1) Peers include oil-weighted peers with an enterprise value ≥$3 bn; includes Baytex Energy Corp., Canadian Natural Resources Ltd., Cenovus Energy Inc., Imperial Oil Ltd., Suncor Energy Inc., Tamarack Valley Energy Ltd. and Whitecap Resources Inc.
(2) Return of Capital Yield is the sum of Dividend Yield and Discretionary Return Yield.
(3) Dividend Yield is the expected dividend payout divided by market capitalization as at May 15, 2025.
(4) Discretionary Return Yield is the estimated share repurchases divided by market capitalization as at May 15, 2025.
(5) Assumes current Strathcona base dividend and no share repurchases.

- The return of capital per share for Shareholders would be diluted in the pro forma entity as compared to the MEG status quo. Even if Strathcona were to allocate 100% of its free cash flow to shareholder returns, return of capital per share would be diluted for Shareholders in the pro forma entity due to inferior free cash flow generation (see Chart 20).

Chart 20: Return of Capital Per MEG Share (2025E)[1] ($/share)



Source: FactSet

Note: Based on research consensus estimates.

(1) Return of capital per share is the dollar value sum of dividends and share repurchases divided by fully diluted shares outstanding.

(2) Pro forma ownership based on an illustrative scenario where 100% of the consideration is received in Strathcona shares.

(3) Assumes current Strathcona dividend and no share repurchases.

d. MEG has a history of operational excellence, delivering leading performance through continuous improvement

- MEG is a leader in innovative SAGD development which drives continuous improvement and economic value creation. Over the past three years, MEG has realized industry leading well productivity with faster ramp-up and higher peak oil rates compared to prior generations of wells (see Chart 21). These results have been driven by a 50% increase in first year well performance (see Chart 22), a demonstration of MEG's ability to execute further optimization of a high performing asset.

Chart 21: Well Productivity Since 2022

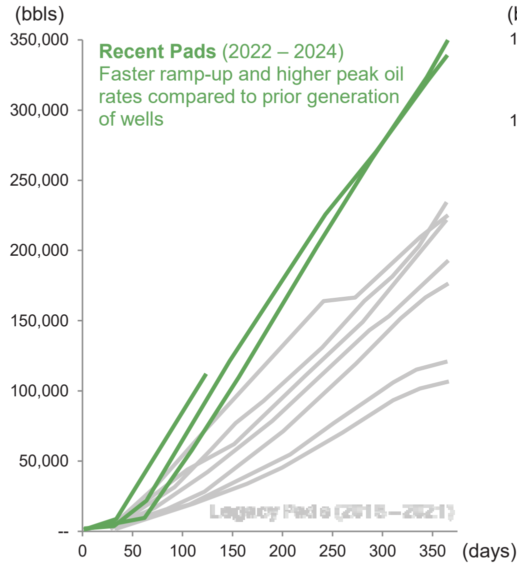
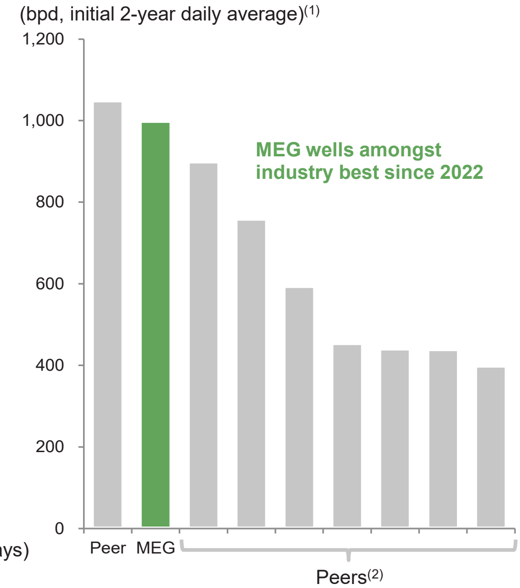


Chart 22: MEG Well Performance Over Time



(1) *Average initial 2-year daily production rate of SAGD wells which started after January 1, 2022.*

(2) *Peers include commercial SAGD projects producing from the McMurray formation (source Petrinex/AER); Athabasca Oil Corp., Canadian Natural Resources Ltd., Cenovus Energy Inc., CNOOC International Ltd., Connacher Oil and Gas Ltd., ConocoPhillips Co., Strathcona Resources Ltd., Suncor Energy Inc.*

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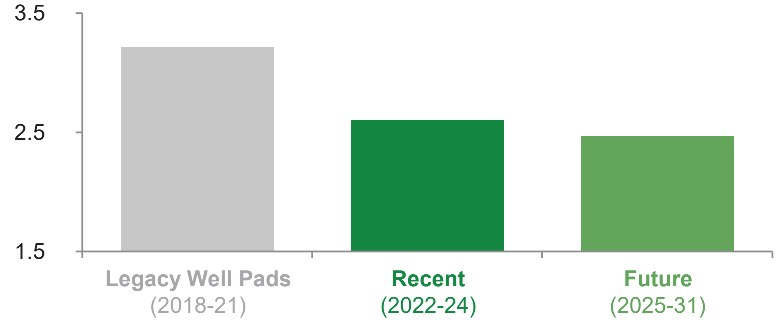
MEG ENERGY

- MEG applies an evolved operating model which has contributed to a reduction in well spacing, improved well design with advanced well flow control devices, and accelerated ramp-up. MEG's relentless focus on operating excellence and continuous improvement has contributed to a 20% reduction in two-year average well SOR (see Chart 23). MEG sees the potential to further reduce Christina Lake's SOR through the execution of MEG's FEP.

Chart 23: MEG's 20% Reduction in SOR(1)

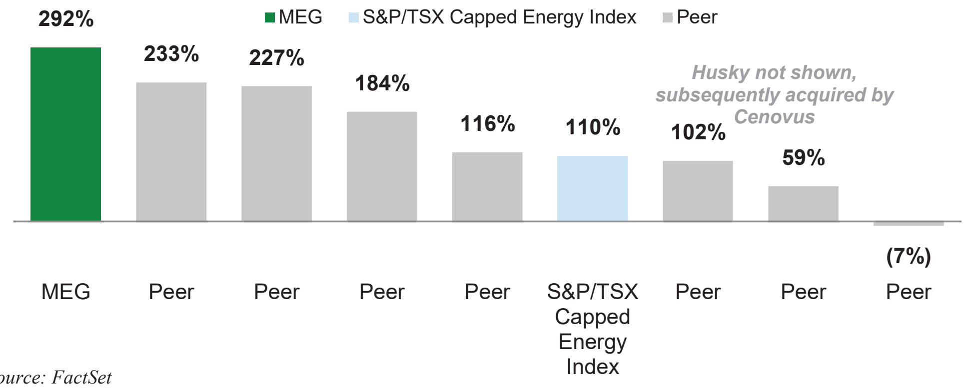


(1) *Initial 2-year average well SOR prior to eMSAGP (non-condensable gas injection) which further reduces cumulative project SOR.*

e. MEG has delivered outsized Shareholder returns since its rejection of the Husky offer

- MEG's standalone plan has delivered outsized returns compared to a previous opportunistic offer. In 2018, MEG rejected the inadequate and opportunistic take-over bid by Husky Energy Inc. ("**Husky**") in favour of a superior standalone plan to realize full value of the MEG assets for Shareholders. From the rejection of Husky's unsolicited bid (January 17, 2019) to the date prior to the public announcement of Strathcona's intention to launch the Strathcona Offer (May 15, 2025), MEG has delivered a total return of approximately 292% for Shareholders. This total return represents the top total return among peers and represents over 2.5x the return of the S&P/TSX Capped Energy Index over the same period (see Chart 24).
- Like the Husky offer, the Strathcona Offer is opportunistic and attempts to take advantage of an undervalued trading price for MEG Shares in a market downturn. The Board has full confidence in the MEG management team's ability to deliver superior value to Shareholders as compared to the Strathcona Offer.

Chart 24: Total Return Since Rejection of the Husky Offer[1,2]



Source: FactSet

Note: Total return includes dividend re-investment. Peers include Canadian liquids-weighted E&Ps with an enterprise value ≥$3 bn; includes Baytex Energy Corp., Canadian Natural Resources Ltd., Cenovus Energy Inc., Imperial Oil Ltd., Suncor Energy Inc., Tamarack Valley Energy Ltd. and Whitecap Resources Inc..

(1) Represents total return from Jan 17, 2019 (day after expiry of Husky unsolicited bid) to May 15, 2025 (unaffected date for the Strathcona Offer).

(2) Total Return represents the cumulative return of a company's share price, inclusive of dividend re-investments.

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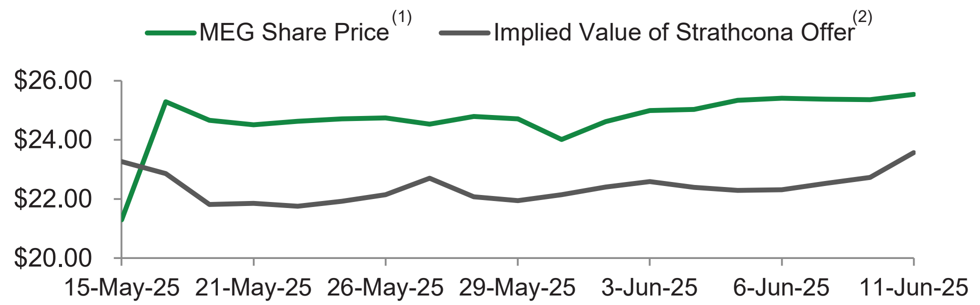
MEG ENERGY

5. The market views the Strathcona Offer as INADEQUATE

- Since Strathcona announced its intention to launch the unsolicited take-over bid on May 15, 2025, MEG Shares have consistently traded above the implied value of the Strathcona Offer, indicating that the market believes that the Strathcona Offer is inadequate and significantly undervalues MEG (see Chart 25).
- Since the date of the Strathcona Offer, approximately 36 million MEG Shares on the TSX (representing 14% of the outstanding MEG Shares) have traded at prices above the price implied by the Strathcona Offer based on end of day closing share prices on the TSX. The closing price of MEG Shares on the TSX on June 11, 2025 was $25.54 and, as of that date, the price implied by the Strathcona Offer represented an 8% discount to the closing price of MEG Shares on the TSX.

Chart 25: Strathcona Offer vs. MEG Common Share Price (Post-Announcement) ($/sh)



Source: FactSet

(1) Market trading price of MEG shares from May 15, 2025 to June 11, 2025

(2) Based on the Strathcona Offer of 0.62 Strathcona Shares and $4.10 cash. Market trading price of Strathcona Shares from May 15, 2025 to June 11, 2025.

6. The Financial Advisors and the Special Committee have determined that the Strathcona Offer is INADEQUATE to Shareholders from a financial point of view

- On June 12, 2025, BMO Capital Markets, MEG's financial advisor delivered its verbal opinion to the Board (which opinion was subsequently confirmed in writing, a copy of which is attached as Appendix "A" to this Directors' Circular), to the effect that, as of the date of the opinion, and based upon and subject to the assumptions, limitations and qualifications contained therein and such other matters as BMO Capital Markets considered relevant, the consideration offered to the Shareholders (other than Strathcona and its affiliates) pursuant to the Strathcona Offer is inadequate from a financial point of view to such Shareholders. A copy of the written opinion of BMO Capital Markets, which describes, among other things, the various assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken, is attached to this Directors' Circular as Appendix "A". The opinion was provided for the information and assistance of the Board in connection with its evaluation of the Strathcona Offer. The opinion does not constitute a recommendation to any MEG Shareholder as to whether to tender their MEG Shares pursuant to the Strathcona Offer or as to any other action to be undertaken with respect to any matters relating to the Strathcona Offer or otherwise.
- On June 12, 2025, RBC Capital Markets, the financial advisor to MEG's Special Committee, delivered a written opinion to the Special Committee and the Board that the consideration under the Strathcona Offer is inadequate, from a financial point of view, to the Shareholders (other than Strathcona and its affiliates). A copy of the written opinion of RBC Capital Markets, which describes, among other things, the various assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken, is attached to this Directors' Circular as Appendix "B". The opinion was provided for the information and assistance of the Special Committee and the Board and may not be used or relied upon by any other person. The opinion does not constitute a recommendation to any Shareholder as to whether to tender their MEG Shares pursuant to the Strathcona Offer or as to any other action to be undertaken with respect to any matters relating to the Strathcona Offer or otherwise.

7. Shareholders, sell-side analysts, and influential commentators agree the Strathcona Offer is INADEQUATE

- Since the commencement of the Strathcona Offer, several of MEG's largest Shareholders have indicated to MEG or its Financial Advisors, or otherwise publicly announced, that the Strathcona Offer does not reflect the full and fair value of the MEG Shares

"I find the bid laughable and tremendously undervalues the company," said Eric Nuttall, partner and senior portfolio manager with Ninepoint Partners, which owned 6 million shares of MEG Energy as of December, according to data compiled by Bloomberg. "This is a bit opportunistic and taking advantage of extremely weak sentiment and a depressed oil price."

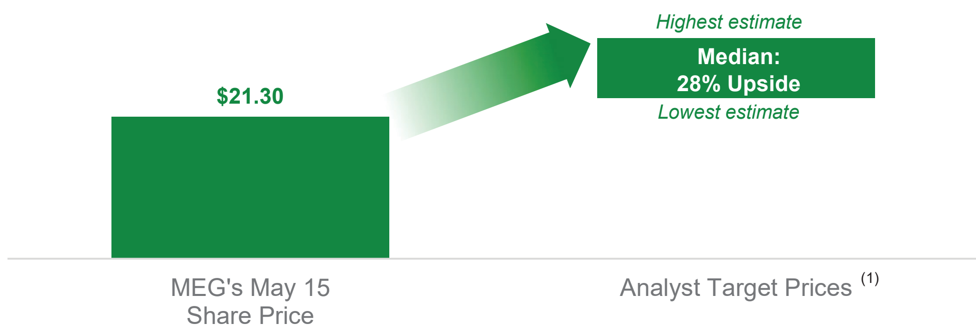
Source: Eric Nuttall, Ninepoint Partners

- Prior to the Strathcona Offer, all research analysts providing coverage of the MEG Shares had a price target for MEG Shares in excess of the value of the Strathcona Offer, reflecting their view that the Strathcona Offer does not fairly value the MEG Shares. Brokers had forecasted a 28% median upside to the price of the MEG Shares immediately prior to the announcement of the Strathcona Offer (see Chart 26).

"The offer is 'an affront to MEG shareholders and highly unlikely to be accepted', Desjardins analyst Chris MacCulloch wrote in a Friday morning note."

Geoffrey Morgan and Robert Tuttle (Financial Post, May 16, 2025)

Chart 26: Broker Target Price Upside (Unaffected) ($/sh)



Source: Bloomberg

(1) Upside calculated as broker target prices premium relative to the price of the MEG Shares; broker target prices and MEG's unaffected share price based on May 15, 2025 market data.

8. Other paths to superior value maximization, including MEG's compelling standalone plan

- MEG has a robust go-forward business plan that the Board believes will generate significant free cash flow and shareholder value, underpinned by MEG's high quality SAGD assets with decades of growth potential (as detailed in section 4 of this document).
- With a focus on value maximization for Shareholders, the Board has authorized the Special Committee to initiate a strategic review of alternatives with the potential to surface an offer superior to MEG's compelling standalone plan. MEG, through its financial advisor, BMO Capital Markets, has begun an outreach to potential parties to explore and solicit interest in an alternative value maximizing transaction for Shareholders. Strathcona claims complementary asset bases, significant accretion for both MEG and Strathcona Shareholders, and meaningful and achievable synergies. The fact is, MEG's high-quality assets and technical expertise would fit well and complement the portfolios of many peer companies, and other operators would be well positioned to realize significant, and potentially materially larger, synergies through a combination with MEG.
- Tendering MEG Shares to the Strathcona Offer before MEG and its advisors have had an opportunity to fully explore available alternatives may preclude the possibility of financially superior alternative transactions emerging that could offer substantially higher value to Shareholders than the Strathcona Offer.

CONCLUSION AND RECOMMENDATION

For the principal reasons outlined above, the Board, based on the unanimous recommendation of the Special Committee, has unanimously concluded that the consideration to be received by the Shareholders (other than Strathcona and its affiliates) is inadequate, from a financial point of view, to such Shareholders and that the Strathcona Offer is not in the best interests of MEG or the Shareholders.

Accordingly, the Board UNANIMOUSLY recommends that Shareholders

REJECT the Strathcona Offer by taking no action and NOT TENDER their MEG Shares.

Any Shareholder who has tendered their MEG Shares under the Strathcona Offer should WITHDRAW those MEG Shares.

The foregoing summary of the information and factors considered by the Special Committee in providing its recommendation to the Board, and by the Board in reaching its conclusion and recommendation to Shareholders is not intended to be exhaustive. The members of the Special Committee and the Board evaluated the various factors summarized above in light of their own knowledge of the business, financial condition and prospects of MEG, and based upon the advice of the Special Committee and the Board's Financial Advisors and Legal Advisors. In view of the numerous factors considered in connection with the evaluation of the Strathcona Offer, the Special Committee and Board did not find it practicable to, and did not, quantify or otherwise attempt to assign relative weight to specific factors in reaching its conclusion and recommendation. In addition, individual members of the Special Committee and Board may have given different weight to different factors. The conclusion and unanimous recommendation of the Special Committee and Board was made after considering all of the information and factors involved.

REJECTION OF THE STRATHCONA OFFER

To REJECT the Strathcona Offer, you do not need to do anything. If you have tendered your MEG Shares to the Strathcona Offer, you can withdraw them until they are taken up under the Strathcona Offer. The Board recommends that you withdraw any tendered MEG Shares immediately. See "*How to Withdraw Your Deposited MEG Shares*".

Shareholders should consider the terms of the Strathcona Offer and the recommendations of the Board contained in this Directors' Circular carefully and come to your own decision whether to accept or reject the Strathcona Offer. Shareholders who are in doubt as to how to respond to the Strathcona Offer should consult with their own investment dealer, broker, lawyer or other professional advisor. Acceptance of the Strathcona Offer may have tax consequences specific to the circumstances of individual Shareholders and you should consult your own professional tax advisors. Inquiries concerning information in this Directors' Circular should be directed to MEG's Information Agent, Sodali & Co, by toll-free phone call in North America to 1-888-999-2785, or to 1-289-695-3075 for banks, brokers, and callers outside North America or by email at *assistance@investor.sodali.com*. Sodali & Co's contact information is also listed on the back page of this Directors' Circular.

OPINIONS OF THE FINANCIAL ADVISORS

Opinion of BMO Capital Markets

BMO Capital Markets was engaged by MEG to act as financial advisor to MEG and the Board pursuant to an engagement agreement effective April 29, 2025 (the "**BMO Engagement Agreement**"). Under the terms of the BMO Engagement Agreement, BMO Capital Markets has agreed to provide MEG and the Board with various advisory services in connection with the Strathcona Offer and, among other things, the provision of its opinion as to the adequacy, from a financial point of view, of the consideration offered to the Shareholders (other than Strathcona and its affiliates) pursuant to the Strathcona Offer.

BMO Capital Markets delivered its opinion to the Board on June 12, 2025 that, as of the date thereof, and based upon and subject to the assumptions, limitations and qualifications contained therein and such other matters as BMO Capital Markets considered relevant, the consideration offered to the Shareholders (other than Strathcona and its affiliates) pursuant to the Strathcona Offer is inadequate from a financial point of view to such Shareholders.

A copy of the written opinion of BMO Capital Markets, which describes, among other things, the various assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken in connection with the opinion, is attached to this Directors' Circular as Appendix "A".

All summaries and references to the opinion delivered by BMO Capital Markets in this Directors' Circular are qualified in their entirety by reference to the full text of the opinion. The Board strongly recommends that Shareholders read the written opinion delivered by BMO Capital Markets carefully and in its entirety for a description of the procedures followed, matters considered and limitations and qualifications on the review undertaken. The opinion of BMO Capital Markets addresses only the adequacy, from a financial point of view, of the consideration offered to the Shareholders (other than Strathcona and its affiliates) pursuant to the Strathcona Offer. The opinion was provided for the information and assistance of the Board for its exclusive use only in connection with its evaluation of the Strathcona Offer. The opinion does not constitute a recommendation as to whether any Shareholder should tender their MEG Shares to the Strathcona Offer or act on any matter relating to the Strathcona Offer or otherwise. The opinion was only one of a number of factors taken into consideration by the Board in making its unanimous determination that the consideration to be received by the Shareholders (other than Strathcona and its affiliates) pursuant to the Strathcona Offer is inadequate, from a financial point of view, to such Shareholders and that the Strathcona Offer is not in the best interests of MEG or the Shareholders, and its recommendation that Shareholders reject the Strathcona Offer by taking no action and not tender their MEG Shares to the Strathcona Offer.

Pursuant to the terms of the BMO Engagement Agreement, BMO Capital Markets will receive a fee for rendering its opinion. BMO Capital Markets will also receive certain fees for advisory services under the BMO Engagement Letter, a substantial portion of the amount of which is contingent upon the completion or non-completion of the Strathcona Offer or any alternative transaction. MEG has also agreed to reimburse BMO Capital Markets for reasonable out-of-pocket expenses and to indemnify BMO Capital Markets against certain liabilities that might arise out of its engagement.

BMO Capital Markets and certain of its affiliates act as traders and dealers, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of MEG, Strathcona and their respective affiliates and, from time to time, may have executed or may execute transactions on behalf of MEG, Strathcona and their respective affiliates for which BMO Capital Markets or such affiliates received or may receive compensation. As investment dealers, BMO Capital Markets and certain of its affiliates conduct research on securities and may, in the ordinary course of business, provide research reports and investment advice to clients on investment matters, including with respect to MEG, Strathcona and their respective affiliates or the Strathcona Offer. In addition, Bank of Montreal ("**BMO**"), of which BMO Capital Markets is a wholly-owned subsidiary, or one or more affiliates of BMO, may provide banking or other financial services to MEG, Strathcona and their respective affiliates in the ordinary course of business.

Opinion of RBC Capital Markets

RBC Capital Markets was engaged by MEG to act as financial advisor to the Special Committee pursuant to an engagement agreement effective May 19, 2025 (the "**RBC Engagement Agreement**"). Under the terms of the RBC Engagement Agreement, RBC Capital Markets has agreed to provide the Special Committee with various financial advisory services in connection with the Strathcona Offer including, among other things, the provision of its opinion as to the fairness of the consideration under the Strathcona Offer from a financial point of view to the Shareholders (other than Strathcona and its affiliates).

RBC Capital Markets delivered its opinion to the Special Committee that, as of the date thereof, and based upon and subject to the assumptions, limitations and qualifications contained therein and such other matters as RBC Capital Markets considered relevant, the consideration under the Strathcona Offer is inadequate from a financial point of view to the Shareholders (other than Strathcona and its affiliates).

A copy of the written opinion of RBC Capital Markets, which describes, among other things, the various assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken in connection with the opinion, is attached to this Directors' Circular as Appendix "B".

All summaries and references to the opinion delivered by RBC Capital Markets in this Directors' Circular are qualified in their entirety by reference to the full text of the opinion. The Special Committee and the Board strongly recommend that Shareholders read the written opinion delivered by RBC Capital Markets carefully and in its entirety for a description of the procedures followed, matters considered and limitations and qualifications on the review undertaken. The opinion of RBC Capital Markets addresses only the fairness of the consideration under the Strathcona Offer from a financial point of view to the Shareholders (other than Strathcona and its affiliates). The opinion was provided for the information and assistance of the Special Committee and may not be used by any other person or relied upon by any other person other than the Special Committee. The opinion does not constitute a recommendation to any Shareholder as to whether to tender their MEG Shares to the Strathcona Offer. The opinion was only one of a number of factors taken into consideration by the Special Committee in making its unanimous recommendation to the Board that the Board (i) determine that the consideration to be received by the Shareholders (other than Strathcona and its affiliates) pursuant to the Strathcona Offer is inadequate, from a financial point of view, to such Shareholders, (ii) determine that the Strathcona Offer is not in the best interests of MEG or the Shareholders, and (iii) recommend that the Shareholders reject the Strathcona Offer by taking no action and not tender their MEG Shares to the Strathcona Offer.

Pursuant to the terms of the RBC Engagement Agreement, RBC Capital Markets will receive a fee for its services as financial advisor, including fees that are contingent on a change of control of MEG or certain other events, including the non-completion of an unsolicited take-over bid for the MEG Shares. MEG has also agreed to reimburse RBC Capital Markets for reasonable out-of-pocket expenses and to indemnify RBC Capital Markets in certain circumstances.

RBC Capital Markets acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of MEG, Strathcona, WEF, or any of their respective associates and affiliates and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which RBC Capital Markets received or may receive compensation. As investment dealers, RBC

Capital Markets conducts research on securities and may, in the ordinary course of business, provide research reports and investment advice to clients on investment matters, including with respect to MEG, Strathcona, WEF or any of their respective associates and affiliates or the Strathcona Offer.

BACKGROUND TO THE STRATHCONA OFFER AND RESPONSE OF MEG

The Board believes that it is important for Shareholders to understand the context in which the Strathcona Offer was made in order to better understand the rationale for its response to the Strathcona Offer and the recommendations set out in this Directors' Circular. Among other things, this background provides relevant details about the engagement between MEG and Strathcona prior to the Strathcona Offer being made.

Key Events and Prior Discussions that Led to the Strathcona Offer

On May 10, 2021, WEF, a majority owner of Strathcona, sent a letter to Mr. Derek Evans, the then President and Chief Executive Officer of MEG, proposing a business combination pursuant to which Strathcona (then a private entity) would acquire all of the issued and outstanding MEG Shares for consideration of $10.58 per share comprised of $2.00 in cash and $8.58 of Strathcona Shares, which assigned a 3.9 enterprise value/earnings before interest, taxes, depreciation and amortization (EV/EBITDA) multiple to MEG. Mr. Evans informed the Board of the proposal by WEF and on May 14, 2021 the Board met with its external financial and legal advisors to discuss and consider the proposal. The Board received a detailed presentation from management with respect to the proposal and advice from BD&P, as external legal counsel to MEG with respect to, among other things, the Board's fiduciary duties. Representatives of BMO Capital Markets also provided their advice to the Board with respect to the proposal and regarding Strathcona's business, operations and financial condition. The Board also met in-camera without management and with and then without advisors. Following receipt of advice from its legal and financial advisors and after considering the proposal by WEF in detail, the Board was unanimously of the view that the proposal was not in the best interests of MEG or the Shareholders. The Board authorized management of MEG to advise WEF of the Board's response, which was delivered by Mr. Evans shortly thereafter.

A subsequent proposal was sent on March 2, 2023, to MEG by joint letter from WEF and Strathcona addressed to Mr. Ian Bruce, the then Chair of the Board. The joint letter proposed the acquisition of MEG by Strathcona for consideration comprised solely of Strathcona Shares. Mr. Bruce informed the Board of the joint proposal and the Board met on March 18, 2023 with its external financial and legal advisors to discuss and consider the proposal. Management of MEG presented the proposal letter and the supporting Strathcona presentation to the Board and discussed management's views on the proposal. MEG's financial advisor, BMO Capital Markets also provided a financial analysis of the proposal under various valuation methodologies and MEG's external legal counsel, BD&P, provided advice including in relation to the Board's fiduciary duties in respect of the proposal. The Board also met in-camera without management and with and then without advisors. Following receipt of advice from its legal and financial advisors and after considering the joint proposal by WEF and Strathcona in detail, the Board was unanimously of the view that the proposal was not in the best interests of MEG or the Shareholders. The Board authorized Mr. Evans to advise WEF and Strathcona of the Board's response, which was delivered to Mr. Adam Waterous shortly thereafter.

On April 10, 2025, Mr. Adam Waterous, Executive Chairman of Strathcona, met for lunch with Mr. Jeffrey McCaig, a director of MEG, at Mr. Waterous' invitation. Mr. Waterous and Mr. McCaig discussed several topics unrelated to MEG or Strathcona. At that the end of the lunch Mr. Waterous expressed his views on the general merits and potential benefits of a strategic combination of MEG and Strathcona.

On April 28, 2025, a letter was sent by Strathcona to MEG, addressed to Mr. Jeffrey McCaig, proposing a corporate transaction pursuant to which Strathcona would acquire all of the issued and outstanding MEG Shares for consideration comprised of Strathcona Shares and cash (the "**April 2025 Proposal**"). The April 2025 Proposal was presented as an "at-market merger" with MEG, offering a purchase price of $20.18 per MEG Share, comprised of 80% Strathcona Shares and 20% cash (0.62 of a Strathcona Share and $4.10 in cash). A copy of the letter was distributed to members of the Board on April 30, 2025.

The Board met on May 5, 2025 to consider the April 2025 Proposal and related matters and to receive advice from its financial and legal advisors. The Board received a detailed presentation from BMO Capital Markets concerning the April 2025 Proposal, a broad analysis of MEG and Strathcona and the MEG Shares under various valuation methodologies and advice concerning the value available to Shareholders under MEG's existing business plan. The Board also received advice from BD&P including with respect to the Board's fiduciary duties. The Board met in-camera without management and then with and then without external advisors. Following receipt of advice from its legal and financial advisors and after considering the joint proposal by WEF and Strathcona in detail, the Board was unanimously of the view that the proposal was not in the best interests of MEG or the Shareholders. The Board authorized the Board Chair, Mr. McFarland to advise WEF and Strathcona of the Board's response, which was delivered to Mr. Adam Waterous by email on May 13, 2025.

On May 14, 2025, Strathcona publicly announced that it had entered into definitive agreements to sell substantially all of its Montney assets for gross proceeds of approximately $2.8 billion (the "**Montney Dispositions**"). The Montney Dispositions are to occur by way of three separate transactions with third party producers: (i) the sale of its Kakwa asset to ARC Resources Ltd. for approximately $1,695 million in total value ($1,650 million in cash and approximately $45 million in assumed lease obligations); (ii) the sale of its Grande Prairie asset to an undisclosed third party for approximately $850 million in total value ($750 million in cash and approximately $100 million in assumed lease obligations); and (iii) the sale of its Groundbirch asset to Tourmaline Oil Corp. ("**Tourmaline**") for $291.5 million in common shares of Tourmaline. Each Montney Disposition is subject to the receipt of regulatory approvals and the satisfaction of certain other closing conditions, with the closings of the Montney Dispositions scheduled to occur in the second and third quarters of 2025.

On the day following the announcement of the Montney Dispositions, May 15, 2025, Strathcona disseminated a press release announcing its intention to make an offer to acquire all of the issued and outstanding MEG Shares for consideration of 0.62 of a Strathcona Share and $4.10 in cash per MEG Share. Strathcona also disclosed in this press release that it had acquired approximately 9.20% of the outstanding MEG Shares through open market purchases in the first and second quarters of 2025.

Later in the evening on May 15, 2025 following the announcement by Strathcona of its intention to make a takeover bid for the outstanding MEG Shares, the Board met with members of senior management, together with MEG's external legal counsel, BD&P and MEG's financial advisor, BMO Capital Markets. The Board approved the issuance of a press release responding to Strathcona's public announcement which was issued on May 16, 2025.

The Board met again on May 18, 2025 with MEG's external legal counsel, BD&P and MEG's financial advisor, BMO Capital Markets. The Board received advice from BD&P including in respect of take-over bids and the Board's fiduciary duties in such circumstances. The Board established a special committee of independent directors comprised of Robert Rooney (Chair), James McFarland, Jeffrey McCaig, Robert Hodgins and Diana McQueen (the "**Special Committee**"). The mandate of the Special Committee is to, among other things, to assess, consider and review the terms of the Strathcona Offer. The Special Committee was also given the power to retain financial, legal and other advisors.

The Special Committee retained RBC Capital Markets as independent financial advisor, and NRF as independent legal advisor, effective May 19, 2025. The Special Committee immediately began to meet regularly with its financial and legal advisors, as well as with representatives from BMO Capital Markets, BD&P and members of senior management of MEG.

On May 30, 2025, Strathcona filed the Strathcona Circular and related documents, including a copy of the advertisement on MEG's SEDAR+ profile, commencing the Strathcona Offer.

RESPONSE TO THE STRATHCONA OFFER AND RECENT DEVELOPMENTS

Following the filing of the Strathcona Circular, MEG disseminated a press release on May 30, 2025 responding to the Strathcona Offer in which it urged Shareholders not to take any action with respect to the Strathcona Offer and advised that the Board, together with its financial and legal advisors, would consider and evaluate the Strathcona Offer and related Strathcona Circular and provide Shareholders with a recommendation regarding the Strathcona Offer on or before June 16, 2025. The press release also disclosed that, to assist the Board in its evaluation of the Strathcona Offer, the Board had formed the Special Committee of independent directors.

The Special Committee met a total of six times with its financial advisor, RBC Capital Markets and legal advisor, NRF, as well as with BMO Capital Markets, BD&P and members of senior management at a number of those meetings. The Special Committee received presentations from management and the Financial Advisors, including their respective analyses of the Strathcona Shares, MEG's stand-alone business plan and the strength of its long-term strategy and the reactions in the marketplace to the Strathcona Offer in connection with its consideration and evaluation of the Strathcona Offer and potential responses to the Strathcona Offer. The members of the Special Committee also had numerous informal discussions and updates with the Financial Advisors, Legal Advisors and members of senior management.

On June 12, 2025, the Special Committee met with RBC Capital Markets and NRF to consider and finalize the recommendations to be made to the Board with respect to the Strathcona Offer and its reasons for such recommendations. The Special Committee received the verbal opinion of RBC Capital Markets (which opinion was subsequently confirmed in writing, a copy of which is attached as Schedule "B" to this Directors' Circular) that, as of the date thereof and based upon and subject to the assumptions, limitations and qualifications contained in the written opinion and such other matters as RBC Capital Markets considered relevant, the consideration under the Strathcona Offer is inadequate from a financial point of view to the Shareholders (other than Strathcona and its affiliates). Following further discussion amongst the members of the Special Committee, and a thorough and careful review of the financial and legal advice it had received to date and a consideration of the best interests of MEG or the Shareholders, the Special Committee unanimously determined, for the reasons described in the section of the Directors' Circular entitled "*Analysis and Reasons for the Board's Conclusion and Recommendation to Reject the Strathcona Offer*", that the consideration to be received by the Shareholders (other than Strathcona and its affiliates) pursuant to the Strathcona Offer is inadequate, from a financial point of view, to such Shareholders and the Strathcona Offer is not in the best interests of MEG or the Shareholders, and to recommend that the Board (i) determine that the consideration to be received by the Shareholders (other than Strathcona and its affiliates) pursuant to the Strathcona Offer is inadequate, from a financial point of view, to such Shareholders, (ii) determine that the Strathcona Offer is not in the best interests of MEG or the Shareholders, and (iii) recommend that the Shareholders reject the Strathcona Offer by taking no action and not tender their MEG Shares to the Strathcona Offer.

On June 12, 2025, the Board met to formally consider the Strathcona Offer and receive advice from the Financial Advisors and Legal Advisors and the recommendation from the Special Committee. At the meeting, BMO Capital Markets delivered its verbal opinion (which opinion was subsequently confirmed in writing, a copy of which is attached as Schedule "A" to this Directors' Circular) that, as of the date thereof and based upon and subject to the assumptions, limitations and qualifications contained in the written opinion and such other matters as BMO Capital Markets considered relevant, the consideration offered to the Shareholders (other than Strathcona and its affiliates) pursuant to the Strathcona Offer is inadequate from a financial point of view to such Shareholders. The Board then met in-camera without management. Following receipt of the advice of its legal and financial advisors and after considering the Strathcona Offer in detail, the Board unanimously concluded, for the reasons described in the section of the Directors' Circular entitled "*Analysis and Reasons for the Board's Conclusion and Recommendation to Reject the Strathcona Offer*", that the consideration to be received by the Shareholders (other than Strathcona and its affiliates) pursuant to the Strathcona Offer is inadequate, from a financial point of view, to such Shareholders and the Strathcona Offer is not in the best interests of MEG or the Shareholders; and resolved to recommend that Shareholders reject the Strathcona Offer by taking no action and not tender their MEG Shares.

The consideration of 0.62 of a Strathcona Share and $4.10 in cash per MEG Share contemplated in Strathcona's April 2025 Proposal was not sufficient and is still not sufficient.

HOW TO WITHDRAW YOUR DEPOSITED MEG SHARES

To reject the Strathcona Offer, you should do nothing. Shareholders who have already tendered their MEG Shares to the Strathcona Offer can withdraw them:

(a) at any time before your MEG Shares have been taken up by Strathcona under the Strathcona Offer;

(b) at any time before the expiration of 10 U.S. business days from the date upon which either:

(i) a notice of change relating to a change which has occurred in the information contained in the Strathcona Circular, or any notice of change or notice of variation, in either case, that would reasonably be expected to affect the decision of a Shareholder to accept or reject the Strathcona Offer (other than a change that is not within the control of Strathcona or of an affiliate of Strathcona unless it is a change in a material fact relating to the Strathcona Shares), in the event that such change occurs before the Expiry Time or after the Expiry Time but before the expiry of all rights of withdrawal in respect of the Strathcona Offer; or

(ii) a notice of variation concerning a variation in the terms of the Strathcona Offer (other than a variation consisting solely of an increase in the consideration offered for the MEG Shares under the Strathcona Offer where the Expiry Time is not extended for a period greater than 10 U.S. business days);

is mailed, delivered, or otherwise properly communicated, but subject to abridgement of that period pursuant to such order or orders as may be granted by applicable courts or regulatory authorities and only if such deposited MEG Shares have not been taken up by Strathcona at the date of the notice; or

(c) if your MEG Shares have not been paid for by Strathcona within three business days after having been taken up by Strathcona.

Shareholders who hold MEG Shares through a brokerage firm should contact their broker to withdraw their MEG Shares on their behalf. If the MEG Shares have been deposited pursuant to the procedures for book-entry transfer, as set out in

Section 3 of the Strathcona Offer, "*Manner of Acceptance – Acceptance by Book-Entry Transfer*", any notice of withdrawal must specify the name and number of the account at CDS or the Depository Trust Company ("**DTC**"), as applicable, to be credited with the withdrawn MEG Shares and otherwise comply with the procedures of CDS or DTC, as applicable.

For assistance in withdrawing your MEG Shares, you should contact your broker or Sodali & Co, the Information Agent retained by MEG, by toll-free phone call in North America to 1-888-999-2785, or to 1-289-695-3075 for banks, brokers, and callers outside North America or by email at assistance@investor.sodali.com.

MEG ENERGY CORP.

General

MEG is an energy company focused on *in situ* thermal oil production in the southern Athabasca oil region of Alberta, Canada. MEG is actively developing enhanced oil recovery projects that utilize steam-assisted gravity drainage (SAGD) extraction methods to improve the economic recovery of oil. MEG transports and sells thermal oil (AWB) to customers throughout North America and internationally. MEG is a member of the Pathways Alliance, a group of Canada's largest oil sands producers.

MEG's head office is located at 25th floor, 600 – 3rd Avenue S.W., Calgary, Alberta, Canada T2P 0G5 and its registered office is located at 4500, 855 – 2nd Street S.W., Calgary, Alberta, Canada T2P 4K7.

MEG Energy (U.S.) Inc. ("**MEG US**"), a wholly-owned subsidiary of MEG, was incorporated on June 26, 2012 under the *Delaware General Corporation Law*. MEG US is the corporate vehicle used for MEG's marketing-related activities in the United States. MEG US is MEG's only subsidiary.

Share Capital

MEG is authorized to issue an unlimited number of MEG Shares and an unlimited number of Preferred Shares.

The holders of MEG Shares are entitled to: (i) one vote at all meetings of Shareholders except meetings at which only holders of a specified class of share are entitled to vote; (ii) subject to the prior rights and privileges attaching to any other class of shares, the right to receive any dividend on the MEG Shares declared by MEG; and (iii) subject to the prior rights and privileges attaching to any other class of shares, the right to receive the remaining property of MEG upon dissolution. See also "*Shareholder Rights Plan*".

As at June 13, 2025, there were 254,378,035 MEG Shares issued and outstanding and no Preferred Shares were outstanding.

The MEG Shares trade on the TSX under the symbol "MEG". On May 15, 2025, the last trading day before Strathcona announced its intention to make the Strathcona Offer, the closing price of the MEG Shares on the TSX was $21.30. On May 29, 2025, the last trading day prior to the commencement of the Strathcona Offer, the closing price of the MEG Shares on the TSX was $24.71.

OWNERSHIP OF SECURITIES OF MEG

The following table and the table under "*Principal Holders of MEG Shares*" sets out the names and positions of each director and officer of MEG and the number and percentage of MEG Shares, Treasury-Settled RSUs, Treasury-Settled PSUs beneficially owned, or over which control or direction is exercised by each such person and, where known after reasonable enquiry, by each associate or affiliate of any insider of MEG, each associate or affiliate of MEG, any insider of MEG other than a director or officer of MEG and each person acting jointly or in concert with MEG as of June 13, 2025. See also "*Principal Holders of MEG Shares* ".

Securities Beneficially Owned or Controlled

Name	Position	Number / Percentage of MEG Shares[1]	Number / Percentage of Treasury-Settled RSUs[2]	Number / Percentage of Treasury-Settled PSUs[3][4]
Darlene M. Gates	President and Chief Executive Officer, and Director	131,398 / 0.05%	98,805 / 6.0%	54,834 / 5.7%
Ryan Kubik	Chief Financial Officer	59,839 / 0.02%	49,811 / 3.0%	37,396 / 3.9%
Lyle Yuzdepski	Senior Vice President, Legal & Corporate Development	30,607 / 0.01%	28,640 / 1.7%	23,405 / 2.4%
Dave Granger	Senior Vice President, Human Resources	30,394 / 0.01%	23,849 / 1.4%	18,092 / 1.8%
Erik Alson	Senior Vice President, Marketing	51,699 / 0.02%	24,389 / 1.4%	19,336 / 2.0%
Tom Gear	Senior Vice President, Oilsands	30,094 / 0.01%	25,950 / 1.5%	18,995 / 1.9%
Jim Campbell	Vice President, Communications and External Relations	3,735 / 0.001%	15,014/ 0.9%	12,297 / 1.2%
Garth Castren	Vice President, Corporate Development and Strategy	5,826 / 0.002%	13,685 / 0.8%	1,989 / 0.2%
Mike Dlugan	Vice President, Development	4,627 / 0.001%	20,806 / 1.2%	14,318 / 1.4%
Mark Telang	Vice President, Engineering and Projects	21,066 / 0.008%	21,870 / 1.3%	17,753 / 1.8%
Gary A. Bosgoed	Director	1,354 / 0.0005%	- / 0.0%	- / 0.0%

Name	Position	Number / Percentage of MEG Shares(1)	Number / Percentage of Treasury-Settled RSUs(2)	Number / Percentage of Treasury-Settled PSUs(3)(4)
Robert B. Hodgins	Director	17,491 / 0.006%	5,542 / 0.3%	- / 0.0%
Kim Lynch Proctor	Director	29,743 / 0.01%	5,542 / 0.3%	- / 0.0%
Susan M. MacKenzie	Director	40,000 / 0.01%	5,542 / 0.3%	- / 0.0%
Michael G. McAllister	Director	23,673 / 0.009%	4,062 / 0.2%	- / 0.0%
Jeffrey J. McCaig	Director	699,150 / 0.2%	- / 0.0%	- / 0.0%
James D. McFarland	Director, Chair of the Board	17,119 / 0.006%	6,257 / 0.3%	- / 0.0%
Diana J. McQueen	Director	40,414 / 0.01%	4,542 / 0.2%	- / 0.0%
Robert R. Rooney	Director	22,760 / 0.008%	1,179 / 0.07%	- / 0.0%

Notes:

(1) As of June 13, 2025, there were 254,378,035 MEG Shares outstanding.
(2) As of June 13, 2025, there were 1,634,270 Treasury-Settled RSUs outstanding.
(3) As of June 13, 2025, there were 956,152 Treasury-Settled PSUs outstanding.
(4) In addition to the Treasury-Settled PSUs listed above, as of June 13, 2025, Ms. Gates owns 147,888 Cash-Settled PSUs (28.5% of the outstanding Cash-Settled PSUs), Mr. Kubik owns 71,494 Cash-Settled PSUs (13.8% of the outstanding Cash-Settled PSUs), Mr. Yuzdepski owns 40,515 Cash-Settled PSUs (7.8% of the outstanding Cash-Settled PSUs), Mr. Granger owns 33,879 Cash-Settled PSUs (6.5% of the outstanding Cash-Settled PSUs), Mr. Alson owns 34,740 Cash-Settled PSUs (6.7% of the outstanding Cash-Settled PSUs), Mr. Gear owns 37,112 Cash-Settled PSUs (7.1% of the outstanding Cash-Settled PSUs), Mr. Campbell owns 21,252 Cash-Settled PSUs (4.1% of the outstanding Cash-Settled PSUs), Mr. Castren owns 18,931 Cash-Settled PSUs (3.6% of the outstanding Cash-Settled PSUs), Mr. Dlugan owns 30,461 Cash-Settled PSUs (5.8% of the outstanding Cash-Settled PSUs) and Mr. Telang owns 31,012 Cash-Settled PSUs (5.9% of the outstanding Cash-Settled PSUs). No independent directors of MEG own any Cash-Settled PSUs. As at June 13, 2025, there were 518,003 Cash-Settled PSUs outstanding.
(5) As of June 13, 2025, there were 712,851 DSUs outstanding. As of June 13, 2025, Mr. Bosgoed owns 22,497 DSUs (3.1% of the outstanding DSUs), Mr. Hodgins owns 93,796 DSUs (13.1% of the outstanding DSUs), Ms. Lynch Proctor owns 23,071 DSUs (3.2% of the outstanding DSUs), Ms. MacKenzie owns 61,258 DSUs (8.5% of the outstanding DSUs), Mr. McAllister owns 4,567 DSUs (0.6% of the outstanding DSUs), Mr. McCaig owns 220,955 DSUs (30.9% of the outstanding DSUs), Mr. McFarland owns 146,936 DSUs (20.6% of the outstanding DSUs), Ms. McQueen owns 126,730 DSUs (17.7% of the outstanding DSUs) and Mr. Rooney owns 13,052 DSUs (1.8% of the outstanding DSUs). Ms. Gates does not, nor does any other officer of MEG, own any DSUs.
(6) The information as to securities beneficially owned, directly or indirectly, or over which control or direction is exercised, not being within the knowledge of MEG, has been furnished by the respective directors and officers.
(7) As at December 31, 2024 no stock options remained outstanding under MEG's stock option plan and the option plan was terminated in early 2025.

PRINCIPAL HOLDERS OF MEG SHARES

To the knowledge of the directors and officers of MEG, after reasonable enquiry, as at June 13, 2025, other than as set forth below, no person owned, directly or indirectly, or exercised control or direction over 10% or more of any class of voting securities of MEG and no person acting jointly or in concert with MEG owned any securities of MEG:

Name	Type of Ownership	Number of MEG Shares	% of Outstanding MEG Shares
FMR LLC[(1)]	Direct/Indirect	30,156,714[(2)]	11.85%[(3)]

Notes:

(1) Represents various Fidelity entities set forth on the filing made by FMR LLC under MEG's SEDAR+ profile on November 10, 2023.
(2) Based on the filing made by FMR LLC under MEG's SEDAR+ profile on November 10, 2023.
(3) Based on the issued and outstanding MEG Shares as of the close of business on June 13, 2025.

INTENTION OF DIRECTORS, OFFICERS AND OTHER SHAREHOLDERS WITH RESPECT TO THE STRATHCONA OFFER

To the knowledge of the directors and officers of MEG, after reasonable enquiry, as at June 13, 2025, none of the directors and officers of MEG, the associates or affiliates of any insider of MEG, the associates or affiliates of MEG, other insiders of MEG or any other person or company acting jointly or in concert with MEG have accepted or indicated their intention to accept the Strathcona Offer.

TRADING IN SECURITIES OF MEG

During the six (6) month period preceding the date hereof, none of MEG, the directors, officers or other insiders of MEG nor, to the knowledge of the directors and officers of MEG, after reasonable enquiry, any associate or affiliate of an insider of MEG, any associate or affiliate of MEG or any person or company acting jointly or in concert with MEG, has traded any MEG Shares except as set forth below.

Name	Date of Trade	Nature of Transaction[(1)(2)(3)]	Number of MEG Shares	Price per MEG Share ($)
Erik Alson	2025-03-15	Exercise of rights	+11,274	$24.52
	2025-03-15	Exercise of rights	+27,142	$24.52
	2025-03-15	Disposition in the public market	-32,728	$24.52
	2025-06-06	Acquisition under a plan	+352	[(4)]
Gary Bosgoed	2025-03-15	Exercise of rights	+896	$24.52
	2025-03-15	Disposition in the public market	-443	$24.52
	2025-06-06	Acquisition under a plan	+9	[(4)]
Jim Campbell	2025-03-15	Exercise of rights	+4,731	$24.52
	2025-03-15	Disposition in the public market	-2,344	$24.52
	2025-06-06	Acquisition under a plan	+24	[(4)]
Garth Castren	2025-03-15	Exercise of rights	+3,684	$24.52
	2025-03-15	Exercise of rights	+5,889	$24.52
	2025-03-15	Disposition in the public market	-4,743	$24.52
	2025-06-06	Acquisition under a plan	+33	[(4)]
Mike Dlugan	2025-03-15	Exercise of rights	+6,059	$24.52
	2025-03-15	Disposition in the public market	-3,002	$24.52
	2025-06-06	Acquisition under a plan	+29	[(4)]

Name	Date of Trade	Nature of Transaction[(1)(2)(3)]	Number of MEG Shares	Price per MEG Share ($)
Darlene M. Gates	2025-03-15	Exercise of rights	+74,105	$24.52
	2025-03-15	Exercise of rights	+35,275	$24.52
	2025-03-15	Disposition in the public market	-91,584	$24.52
	2025-06-06	Acquisition under a plan	+805	[(4)]
Tom Gear	2025-03-15	Exercise of rights	+28,159	$24.52
	2025-03-15	Exercise of rights	+17,310	$24.52
	2025-03-15	Disposition in the public market	-22,529	$24.52
	2025-0606	Acquisition under a plan	+183	[(4)]
Dave Granger	2025-03-15	Exercise of rights	+28,310	$24.52
	2025-03-15	Exercise of rights	+10,820	$24.52
	2025-03-15	Disposition in the public market	-39,130	$24.52
	2025-0606	Acquisition under a plan	+280	[(4)]
Robert B. Hodgins	2025-03-15	Exercise of rights	+2,726	$24.52
	2025-03-15	Disposition in the public market	-2,726	$24.52
Ryan Kubik	2025-03-15	Exercise of rights	+67,458	$24.52
	2025-03-15	Exercise of rights	+24,112	$24.52
	2025-03-15	Disposition in the public market	-45,371	$24.52
	2025-06-06	Acquisition under a plan	+361	[(4)]
Kim Lynch Procter	2025-03-15	Exercise of rights	+1,737	$24.52
	2025-04-08	Acquisition in the public market	+3,500	$18.62
	2025-06-06	Acquisition under a plan	+13	[(4)]
Susan M. MacKenzie	2025-03-15	Exercise of rights	+1,737	$24.52
	2025-03-15	Disposition in the public market	-1,737	$24.52
Michael G. McAllister	2025-03-15	Exercise of rights	+502	$24.52
	2025-03-15	Disposition in the public market	-249	$24.52
	2025-06-06	Acquisition under a plan	+1	[(4)]
James. D. McFarland	2025-03-15	Exercise of rights	+1,901	$24.52
	2025-06-06	Acquisition under a plan	+9	[(4)]
Diana J. McQueen	2025-03-15	Exercise of rights	+742	$24.52
	2025-03-15	Disposition in the public market	-367	$24.52
	2025-06-06	Acquisition under a plan	+152	[(4)]
Robert. R. Rooney	2025-03-15	Exercise of rights	+585	$24.52
	2025-03-15	Disposition in the public market	-326	$24.52
	2025-06-06	Acquisition under a plan	+1	[(4)]
Mark Telang	2025-03-15	Exercise of rights	+18,745	$24.52
	2025-03-15	Exercise of rights	+9,867	$24.52
	2025-03-15	Disposition in the public market	-14,177	$24.52
	2025-04-02	Acquisition in the public market	+785	$25.03
	2025-06-06	Acquisition under a plan	+119	[(4)]
	2025-06-06	Acquisition under a plan	+7	[(5)]
Lyle Yuzdepski	2025-03-15	Exercise of rights	+43,713	$24.52
	2025-03-15	Exercise of rights	+14,973	$24.52
	2025-03-15	Disposition in the public market	-58,686	$24.52
	2025-06-06	Acquisition under a plan	+282	[(4)]

Notes:

(1) Other than noted above, all dispositions in the public market were made in respect of the satisfaction of withholdings taxes pursuant to the vesting and settlement of Treasury-Settled RSUs and Treasury-Settled PSUs, as applicable. See "*Issuances of Securities of MEG*".
(2) This table does not include the issuances of MEG Shares pursuant to the vesting and settlement of Treasury-Settled RSUs and Treasury-Settled PSUs, as applicable. See "*Issuances of Securities of MEG*".
(3) References to "*Acquisition under a plan*" reflects MEG Shares purchased with proceeds from the dividends paid by MEG on January 15, 2025 and April 15, 2025 respectively.
(4) The average purchase price for the MEG Shares purchased over the facilities of the TSX with proceeds from the dividends paid by MEG on January 15, 2025 was $24.02 per MEG Share. The average purchase price for the MEG Shares purchased with proceeds from the dividends paid by MEG on April 15, 2025 was $19.41 per MEG Share.
(5) The average purchase price for the MEG Shares purchased with proceeds from the dividends paid by MEG on January 15, 2025 was $23.47 per MEG Share. The average purchase price for the MEG Shares purchased with proceeds from the dividends paid by MEG on April 15, 2025 was $19.51 per MEG Share.

ISSUANCES OF SECURITIES OF MEG

Except as set out below, no MEG Shares or securities convertible into MEG Shares have been issued to the directors, officers and any other insiders of MEG during the two (2) years preceding the date of this Directors' Circular.

MEG Shares

Name	Nature of Issue	MEG Shares Issued	Price per MEG Share(1)(2)(3) ($)	Date Issued
Darlene M. Gates	Exercise of rights	104,358	$30.24	2024-03-15
	Exercise of rights	90,402	$30.24	2024-03-15
	Exercise of rights	74,105	$24.52	2025-03-15
	Exercise of rights	35,275	$24.52	2025-03-15
Ryan Kubik	Exercise of rights	17,208	$30.24	2024-03-15
	Exercise of rights	67,458	$24.52	2025-03-15
	Exercise of rights	24,112	$24.52	2025-03-15
Lyle Yuzdepski	Exercise of rights	83,154	$30.24	2024-03-15
	Exercise of rights	31,455	$30.24	2024-03-15
	Exercise of rights	43,713	$24.52	2025-03-15
	Exercise of rights	14,973	$24.52	2025-03-15
Dave Granger	Exercise of rights	55,925	$30.24	2024-03-15
	Exercise of rights	21,512	$30.24	2024-03-15
	Exercise of rights	28,310	$24.52	2025-03-15
	Exercise of rights	10,820	$24.52	2025-03-15
Erik Alson	Exercise of rights	49,114	$30.24	2024-03-15
	Exercise of rights	19,942	$30.24	2024-03-15
	Exercise of rights	11,274	$24.52	2025-03-15
	Exercise of rights	27,142	$24.52	2025-03-15
Tom Gear	Exercise of rights	13,895	$30.24	2024-03-15
	Exercise of rights	28,159	$24.52	2025-03-15
	Exercise of rights	17,310	$24.52	2025-03-15
Jim Campbell	Exercise of rights	2,641	$30.24	2024-03-15
	Exercise of rights	4,731	$24.52	2025-03-15
Garth Castren	Exercise of rights	3,684	$24.52	2025-03-15
	Exercise of rights	5,889	$24.52	2025-03-15
Mike Dlugan	Exercise of rights	3,075	$30.24	2024-03-15
	Exercise of rights	6,059	$24.52	2025-03-15

Name	Nature of Issue	MEG Shares Issued	Price per MEG Share[(1)(2)(3)] ($)	Date Issued
Mark Telang	Exercise of rights	6,799	$30.24	2024-03-15
	Exercise of rights	18,745	$24.52	2025-03-15
	Exercise of rights	9,867	$24.52	2025-03-15
Gary A. Bosgoed	Exercise of rights	888	$30.24	2024-03-15
	Exercise of rights	896	$24.52	2025-03-15
Robert B. Hodgins	Exercise of rights	5,297	$30.24	2024-03-15
	Exercise of rights	2,726	$24.52	2025-03-15
Kim Lynch Proctor	Exercise of rights	986	$30.24	2024-03-15
	Exercise of rights	1,737	$24.52	2024-03-15
Susan M. MacKenzie	Exercise of rights	986	$30.24	2024-03-15
	Exercise of rights	1,737	$24.52	2025-03-15
Michael G. McAllister	Exercise of rights	502	$24.52	2025-03-15
Jeffrey J. McCaig	Exercise of rights	3,329	$30.24	2024-03-15
James D. McFarland	Exercise of rights	1,035	$30.24	2024-03-15
	Exercise of rights	1,901	$24.52	2025-03-15
Diana J. McQueen	Exercise of rights	3,329	$30.24	2024-03-15
	Exercise of rights	742	$24.52	2025-03-15
Robert R. Rooney	Exercise of rights	585	$24.52	2025-03-15

Notes:

(1) Represents the volume weighted average trading price of the MEG Shares on TSX for the five trading days prior to the date of grant of each of the Treasury-Settled RSUs or Treasury Settled PSUs, as applicable.

(2) No funds are received by MEG upon the issuance of MEG Shares pursuant to the vesting and settlement of Treasury-Settled RSUs and Treasury-Settled PSUs.

(3) MEG Shares purchased on the open market by Shareworks through the re-investment of dividends accrued on MEG Shares have not been included in the above table. Details of these purchases may be viewed on SEDI at www.sedi.ca.

Treasury-Settled RSUs

Name	Number of Treasury-Settled RSUs Granted[(1)]	Date Granted	Expiry Date
Darlene M. Gates	39,443	2024-03-15	2027-03-15
	59,931	2025-03-14	2028-03-15
Ryan Kubik	20,157	2024-03-15	2027-03-15
	27,919	2025-03-14	2028-03-15
Lyle Yuzdepski	11,660	2024-03-15	2027-03-15
	15,592	2025-03-14	2028-03-15
Dave Granger	9,004	2024-03-15	2027-03-15
	13,760	2025-03-14	2028-03-15
Erik Alson	9,630	2024-03-15	2027-03-15
	399	2024-05-16	2027-03-15
	13,340	2025-03-14	2028-03-15

Name	Number of Treasury-Settled RSUs Granted[(1)]	Date Granted	Expiry Date
Tom Gear	9,467	2024-03-15	2027-03-15
	383	2024-05-16	2027-03-15
	15,085	2025-03-14	2028-03-15
Jim Campbell	6,162	2024-03-15	2027-03-15
	8,134	2025-03-14	2028-03-15
Garth Castren	567	2024-05-16	2027-03-15
	8,316	2025-03-14	2028-03-15
Mike Dlugan	9,226	2023-08-21	2026-03-15
	8,814	2024-03-15	2027-03-15
	11,677	2025-03-14	2028-03-15
Mark Telang	8,977	2024-03-15	2027-03-15
	11,884	2025-03-14	2028-03-15
Robert B. Hodgins	2,211	2024-03-15	2027-03-15
	3,032	2025-03-14	2026-03-15
Kim Lynch Proctor	2,211	2024-03-15	2027-03-15
	3,032	2025-03-14	2026-03-15
Susan M. MacKenzie	2,211	2024-03-15	2027-03-15
	3,032	2025-03-14	2026-03-15
Michael G. McAllister	1,499	2024-07-02	2027-03-15
	3,032	2025-03-14	2026-03-15
James D. McFarland	149	2023-12-07	2026-03-15
	2,551	2024-03-15	2027-03-15
	3,465	2025-03-14	2026-03-15
Diana J. McQueen	2,211	2024-03-15	2027-03-15
	3,032	2025-03-14	2026-03-15
Robert R. Rooney	1,743	2024-05-16	2027-03-15

Note:

(1) In accordance with the terms of the Treasury-Settled RSU Plan, additional Treasury-Settled RSUs are issued to holders of MEG Treasury Settled RSUs as a bonus for services rendered in the calendar year reflecting the cash dividends paid on the MEG Shares (the "**Additional RSUs**"). The number of Additional RSUs issued to a holder is determined by dividing the total amount of the dividends that would have been paid to such holder of MEG Treasury Settled RSUs if the Treasury-Settled RSUs, as of the record date for payment of such dividends (the "**Dividend Record Date**") were MEG Shares, by the volume weighted average trading price for the MEG Shares on the TSX for the five trading days immediately prior to the Dividend Payment Date. The issuances of the Additional RSUs have not been included in the above table and details in respect of the issuances of these Additional RSUs may be viewed SEDI at www.sedi.ca.

Treasury-Settled PSUs

Name	Number of Treasury-Settled PSUs Granted[(1)(2)]	Date Granted	Expiry Date
Darlene M. Gates	20,049	2024-03-15	2024-04-01
	2,782	2024-03-15	2025-04-01
	3,250	2024-03-15	2026-03-15
	25,595	2025-03-15	2025-03-15

Name	Number of Treasury-Settled PSUs Granted(1)(2)	Date Granted	Expiry Date
Ryan Kubik	2,532	2024-03-15	2025-04-01
	2,217	2024-03-15	2026-03-15
	23,300	2025-03-15	2025-03-15
Lyle Yuzdepski	15,975	2024-03-15	2024-04-01
	1,641	2024-03-15	2025-04-01
	1,387	2024-03-15	2026-03-15
	15,098	2025-03-15	2025-03-15
Dave Granger	10,744	2024-03-15	2024-04-01
	1,063	2024-03-15	2025-04-01
	1,072	2024-03-15	2026-03-15
	9,778	2025-03-15	2025-03-15
Erik Alson	9,435	2024-03-15	2024-04-01
	1,018	2024-03-15	2025-04-01
	1,146	2024-03-15	2026-03-15
	9,375	2025-03-15	2025-03-15
Tom Gear	1,057	2024-03-15	2025-04-01
	1,126	2024-03-15	2026-03-15
	9,725	2025-03-15	2025-03-15
Jim Campbell	729	2024-03-15	2026-03-15
Garth Castren	1,273	2025-03-15	2025-03-15
Mike Dlugan	13,839	2023-08-21	2026-03-15
	848	2024-03-15	2024-03-15
Mark Telang	703	2024-03-15	2025-04-01
	1,052	2024-03-15	2026-03-15
	6,475	2025-03-15	2025-03-15

Notes:

(1) The Treasury-Settled PSUs shown in the table above were issued to reflect the application of the Board approved multiplier to previously issued Treasury-Settled PSUs in respect of the applicable performance year.

(2) In accordance with the terms of the Treasury-Settled RSU Plan, additional Treasury-Settled PSUs are issued to holders of MEG Treasury Settled PSUs as a bonus for services rendered in the calendar year reflecting the cash dividends paid on the MEG Shares (the "**Additional PSUs**"). The number of Additional PSUs issued to a holder is determined by dividing the total amount of the dividends that would have been paid to such holder of MEG Treasury Settled PSUs if the Treasury-Settled PSUs, as of the Dividend Record Date were MEG Shares, by the volume weighted average trading price for the MEG Shares on the TSX for the five trading days immediately prior to the Dividend Payment Date. The issuances of the Additional PSUs have not been included in the above table and details in respect of the issuances of these Additional PSUs may be viewed SEDI at *www.sedi.ca*.

DSUs

Name	Number of DSUs Granted(1)(2)(3)	Date Granted
Gary A. Bosgoed	4,421	2024-03-15
	6,064	2025-03-14
Robert B. Hodgins	2,211	2024-03-15
	3,032	2025-03-14
Kim Lynch Proctor	2,211	2024-03-15
	1,191	2024-03-15
	92	2024-08-07
	3,032	2025-03-14
	1,733	2025-03-14

Name	Number of DSUs Granted(1)(2)(3)	Date Granted
Susan M. MacKenzie	2,211	2024-03-15
	3,032	2025-03-14
Michael G. McAllister	1,499	2024-07-02
	3,032	2025-03-14
Jeffrey J. McCaig	2,381	2024-03-15
	4,421	2024-03-15
	184	2024-08-07
	3,465	2025-03-14
	6,064	2025-03-14
James D. McFarland	149	2023-12-07
	2,551	2024-03-15
	3,465	2025-03-14
Diana J. McQueen	2,211	2024-03-15
	3,032	2025-03-14
Robert R. Rooney	1,743	2024-05-16
	1,502	2024-06-16
	184	2024-08-07
	3,465	2025-03-14
	6,064	2025-03-14

Notes:

(1) DSUs may only be redeemed for cash or MEG Shares acquired in the open market.

(2) DSUs are redeemed on the earlier of: (i) December 15 of the first calendar year starting after the date on which a director of MEG ceases to be a director of MEG; and (ii) the fifth business day following the date on which a director delivers a redemption notice.

(3) In accordance with the terms of the DSU Plan, a holder shall receive additional DSUs reflecting the cash dividends paid on the MEG Shares (the "**Additional DSUs**"). The number of Additional DSUs issued to a holder is calculated by dividing (i) the amount obtained by multiplying the amount of cash dividend declared and paid per MEG Shares by the number of DSUs held by the holder on the Dividend Record Date; and (ii) the volume weighted average trading price of the MEG Shares on the TSX for the five trading days immediately preceding the Dividend Record Date. The issuances of these Additional DSUs have not been included in the above table and details in respect of these Additional DSUs may be viewed SEDI at *www.sedi.ca*.

ARRANGEMENTS BETWEEN THE OFFEROR AND THE DIRECTORS, OFFICERS AND SECURITYHOLDERS OF MEG

There are no agreements, commitments or understandings made or, to the knowledge of the directors and officers of MEG, proposed to be made between Strathcona and any of the directors or officers of MEG, including any agreement, commitment or understanding including pursuant to which a payment or other benefit is proposed to be made or given by way of compensation for loss of office or as to any such person remaining in or retiring from office if the Strathcona Offer is successful. No director or officer of MEG is a director or officer of Strathcona or of any subsidiary of Strathcona.

To the knowledge of the directors and officers of MEG, there are no agreements, commitments or understandings made or proposed to be made between Strathcona and any securityholder of MEG relating to the Strathcona Offer.

ARRANGEMENTS BETWEEN MEG AND ITS DIRECTORS AND OFFICERS

Other than as described in this Directors' Circular, no agreement, commitment or understanding has been made, or is proposed to be made, between MEG and any of its directors or officers, including pursuant to which a payment or other benefit is to be made or given by way of compensation for loss of office or as to their remaining in or retiring from office if the Strathcona Offer is successful.

Executive Employment Agreements with Officers

MEG has Executive Employment Agreements with each of Darlene Gates, Ryan Kubik, Erik Alson, Jim Campbell, Garth Castren, Mike Dlugan, Tom Gear, Dave Granger, Mark Telang and Lyle Yuzdepski (the "**Officers**"). The Executive Employment Agreements require a "double trigger" before payment of the applicable Officer's Retiring Allowance (as defined below) is due, which means both a Change of Control and involuntary termination (including by way of constructive dismissal) must occur for any payment of benefits.

A "**Change of Control**" under the Executive Employment Agreements is defined as any of the following: (A) the acceptance by Shareholders representing more than 50% of the MEG Shares of any offer for any or all of the outstanding MEG Shares; (B) the acquisition by any person, or group of persons acting jointly or in concert, of more than 50% of the outstanding MEG Shares; (C) the passing of a resolution by Shareholders to substantially liquidate the assets or wind-up or significantly re-arrange the affairs of MEG; (D) the sale of all or substantially all of the assets of MEG; (E) individuals who were proposed as nominees to become directors of MEG immediately prior to a meeting of Shareholders not constituting a majority of the directors following such meeting; and (F) any other event which, in the opinion of the Board, reasonably constitutes a change of control of MEG.

The Executive Employment Agreements provide that where a Change of Control occurs and either (i) MEG terminates the Officer's employment with MEG other than for just cause within 180 days following the Change of Control or (ii) the Officer terminates their employment with MEG following an event or events that constitute Good Reason (as defined below) that occurs within 180 days following the Change of Control, MEG shall pay the officer a "Retiring Allowance", which, depending on the position held, consists of:

(a) the officer's annual base salary and perquisite allowance as at the termination date multiplied by applicable multiplier; plus

(b) an amount equal to the average of the annual discretionary bonus payments paid to the officer in the two full calendar years immediately preceding the calendar year in which the termination date falls, as applicable, multiplied by the applicable multiplier; plus

(c) an amount equal to twenty-seven (27%) percent of the officer's annual base salary as at the termination date multiplied by the applicable multiplier, to compensate the officer for the loss of benefits and participation in MEG's savings plan.

The multiplier to be applied to the Retiring Allowance set forth above is 2.0 for Ms. Gates and Mr. Kubik, and 1.5 for all other Officers. In exchange for payment of the Retiring Allowance, the Officer is required to provide to MEG a full and final release, in a form satisfactory to MEG, and the applicable Executive Employment Agreement will terminate immediately upon payment of the Retiring Allowance.

"Good Reason" is the occurrence of any of the following, without the agreement of the officer: (A) a material decrease in the officer's annual base salary (excluding reductions that are generally applicable to other executive-level employees of MEG); (B) a material decrease in any of the officer's duties, responsibilities, powers, rights, discretions, title or lines of reporting, such that immediately after such change or series of changes, the responsibilities and status of the officer, taken as a whole, are not at least substantially equivalent to those assigned to the officer immediately prior to such change; (C) MEG requires the officer to relocate to another primary workplace location that is more than fifty kilometres from the location of the officer's primary workplace as at the date of the Executive Employment Agreement; or (D) any other reason that would constitute constructive dismissal under common law.

In the event of a Change of Control, if MEG terminates the Officer other than for just cause, or the Officer terminates their employment following an event or events that constitute Good Reason, in each case within 180 days following the

Change of Control, all unvested RSUs and PSUs held by the officer will immediately vest and be paid out in accordance with the RSU Plans and applicable grant agreements. See "*MEG's Long Term Incentive Plans*".

Absent a termination of the Officer's employment with MEG by MEG on a without cause basis or a termination by the Officer for Good Reason, a Retiring Allowance would not be payable if Strathcona takes up and pays for the MEG Shares pursuant to the Strathcona Offer. However, assuming the Strathcona Offer was successful and all of the Officers' employment was terminated by Strathcona, the aggregate Retiring Allowances which the Officers as a group would be entitled to, assuming such termination occurred on June 15, 2025, would be approximately $15 million.

MEG's Long Term Incentive Plans

The following is a summary only of the treatment of RSUs and PSUs on a Change of Control pursuant to the provisions of the RSU Plan or the agreements in respect thereof and is qualified entirely by the text of each of such plans. For a more comprehensive description of the terms of each plan, please refer to MEG's management information circular and proxy statement dated April 1, 2025 and filed on SEDAR+.

RSUs and PSUs

The outstanding RSUs and PSUs have been granted pursuant to the RSU Plans. As of June 13, 2025, the directors and officers of MEG hold an aggregate of 1,643,270 Treasury-Settled RSUs, 956,152 Treasury-Settled PSUs and 518,003 Cash-Settled PSUs.

The RSU Plans provide that, for holders of RSUs and PSUs, the occurrence of an event of a Change of Control, followed within one hundred and eighty (180) days of a Change of Control by the occurrence of the holder ceasing to be a director or employee of MEG as a result of involuntary termination, other than by way of termination for cause, will result in the vesting and payout of all outstanding RSUs and PSUs. With respect to PSUs, the multipliers to be applied to each PSU grant will be: (i) in respect of one or more performance year(s) that is(are) complete at the time a Change of Control occurs, any multiplier(s) already determined and approved by the Board; (ii) in respect of a performance year during which a Change of Control occurs, a multiplier to be determined and approved by the Board based on satisfaction of performance criteria as at the time of occurrence of a Change of Control; and (iii) in respect of any performance year that has not yet begun as at the time a Change of Control occurs, a multiplier to be determined by calculating an average of the multipliers determined pursuant to (i) if applicable and (ii). Where a Change of Control has occurred but a holder's PSUs have not been made subject to such accelerated vesting and payout, such PSUs will continue to vest and payout in accordance with the terms of the relevant grant agreement however the foregoing multipliers shall apply.

In the event of a Change of Control, and within one hundred and eighty (180) days immediately following a Change of Control, the Treasury-Settled RSU Plan is terminated by MEG, all outstanding MEG Treasury Settled RSUs and Treasury Settled PSUs will vest and be settled effective as of the date of discontinuance of the Treasury-Settled RSU Plan. With respect to Treasury Settled PSUs, the multipliers to be applied to each MEG Treasury Settled PSU grant will be: (i) in respect of a performance year that is complete at the time a Change of Control occurs, any multiplier already determined and approved by the Board; (ii) in respect of a performance year during which a Change of Control occurs, a multiplier to be determined and approved by the Board based on satisfaction of performance criteria as at the time of occurrence of a Change of Control; and (iii) in respect of any performance year that has not yet begun as at the time a Change of Control occurs, a multiplier to be determined by calculating an average of the multipliers determined pursuant to (i) if applicable and (ii).

The RSU Plans define Change of Control to mean: (i) the acquisition, by whatever means (including, without limitation, by way of an arrangement, merger, amalgamation, take-over (on take-up of MEG Shares thereunder) or otherwise), by a person (or two or more persons acting jointly or in concert), directly or indirectly, of the beneficial ownership of, or control or direction over, MEG Shares or rights to acquire MEG Shares, together with such person's then owned MEG Shares and rights to acquire MEG Shares, if any, representing more than fifty percent (50%) in aggregate of all issued and outstanding MEG Shares (except where such acquisition is part of a bona fide reorganization of MEG in circumstances where the affairs of MEG are continued, directly or indirectly, and where the shareholdings remain substantially the same following the reorganization as existed prior to the reorganization); (ii) the passing of a resolution by the Shareholders to substantially liquidate the assets or wind-up or significantly re-arrange the affairs of MEG in one or more transactions or series of transactions (including by way of an arrangement, merger or amalgamation) or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such resolution relates to a liquidation, winding-up or re-arrangement as part of a bona fide re-organization of MEG in circumstances where the affairs of MEG are continued, directly or indirectly, and where the shareholdings remain substantially the same following the reorganization as existed prior to the reorganization); (iii) the sale by MEG of all or substantially all of its assets (other than to an affiliate of MEG in circumstances where the affairs of MEG is continued, directly or indirectly, and where the shareholdings of MEG remain substantially the same following the sale as existed prior to the sale); (iv) individuals who were proposed as nominees (but not including nominees under a shareholder proposal) to become directors of MEG immediately prior to a meeting of the Shareholders involving a contest for, or an item of business relating to the election of directors of MEG, not constituting a majority of the directors of MEG following such election; or (v) any other event which, in the opinion of the Board, reasonably constitutes a change of control of MEG.

However, no event will be considered a "Change of Control" for purposes of accelerating payout of any RSUs or PSUs held by a US Participant (as defined the in the RSU Plans) unless the circumstances constitute a "change in control event" under Section 409A of the Internal Revenue Code of 1986, as amended.

In the event that the conditions in the Strathcona Offer are satisfied and Strathcona takes up and pays for the MEG Shares and all of the Officers' employment is terminated by Strathcona, the aggregate payment in respect of such RSUs and PSUs to which the Officers as a group would be entitled and, assuming a 1.0x performance multiplier for the PSUs and using a share price of $25.81 (the closing price of the MEG Shares on the TSX on June 12, 2025), would be approximately $26.0 million.

DSUs

MEG has a DSU Plan for non-management directors. As of June 13, 2025, the non-management directors of MEG own an aggregate of 712,851 DSUs.

A DSU is a unit of participation in the DSU Plan, equivalent in value to a MEG Share at the time of grant, and credited by means of a bookkeeping entry to a director's account, which entitles the holder thereof, at the time specified in the DSU Plan, to receive the cash equivalent of one MEG Share or, if MEG so determines, in its discretion, a MEG Share acquired on the open market, subject to the provisions of the DSU Plan.

On the earlier of (a) December 15 of the first calendar year starting after the date on which a director of MEG ceases to be a director of MEG, and (b) the fifth business day following the date on which a former director of MEG delivers a redemption notice, or, in respect of a US former director, on the date such US former director ceases to be a director of a member of MEG (as applicable, the "**Redemption Date**"), the former director shall become entitled to receive from MEG a cash payment equal to the product of the number of DSUs recorded in the former director's account multiplied by the Market Value on the Redemption Date, less applicable withholding taxes or, if a redemption notice has been delivered, the product of the number of DSUs specified in such redemption notice multiplied by the Market Value on the Redemption Date, less applicable withholding taxes. A former director, other than a US former director, may deliver up to two redemption notices prior to the date specified in (a) above. "**Market Value**" means the volume weighted average trading price of the MEG Shares on the TSX for the five trading days immediately preceding the applicable date of determination.

In the event that the conditions in the Strathcona Offer are satisfied and Strathcona takes up and pays for the MEG Shares, Strathcona would own a majority of the issued and outstanding MEG Shares and be in a position to replace all members of the Board, in which case, all DSUs will become payable in accordance with the terms of the DSU Plan. The aggregate payment in respect of such outstanding DSUs, using a share price of $25.81 (the closing price of the MEG Shares on the TSX on June 12, 2025), would be approximately $18.40 million.

OWNERSHIP OF SECURITIES OF AND RELATIONSHIP WITH THE OFFEROR

None of MEG or the directors or officers of MEG or, to their knowledge after reasonable enquiry, any associate or affiliate of an insider of MEG, any affiliate or associate of MEG, any insider of MEG who is not a director or officer of MEG or any person acting jointly or in concert with MEG, beneficially owns, or exercises control or direction over, any securities of Strathcona. None of the directors or officers of MEG are directors or officers of Strathcona or any subsidiary of Strathcona.

INTEREST OF DIRECTORS AND OFFICERS IN MATERIAL TRANSACTIONS WITH THE OFFEROR

None of the directors or officers of MEG and their associates and, to the knowledge of the directors and officers of MEG, after reasonable enquiry, no person who owns more than 10% of any class of equity securities of MEG for the time being outstanding has any interest in any material transaction to which Strathcona is a party.

MATERIAL CHANGES IN THE AFFAIRS OF MEG

Except as otherwise described or referred to in this Directors' Circular or as otherwise publicly disclosed, the directors and officers of MEG are not aware of any information that indicates any material change in the affairs of MEG since the date of its last published financial statements, being its unaudited financial statements for the quarter ended March 31, 2025.

SHAREHOLDER RIGHTS PLAN

In connection with the initial public offering of MEG Shares on August 6, 2010, MEG adopted the Shareholder Rights Plan. At the annual and special meeting of Shareholders held on May 1, 2023, Shareholders passed a resolution extending the term of the Shareholder Rights Plan until the annual meeting of Shareholders to be held in 2026.

The objective of the Shareholder Rights Plan is to ensure, to the extent possible, that all Shareholders are treated equally and fairly in connection with any take-over bid or similar proposal to acquire the MEG Shares and to provide the Board with sufficient time to evaluate any unsolicited take-over bid and develop alternatives to maximize Shareholder value. The Shareholder Rights Plan discourages the making of any unsolicited take-over bid by creating the potential of significant dilution to any offeror who does so. This is done through the issuance to all Shareholders of SRP Rights at a significant discount to the then prevailing market prices, which could, in certain circumstances, become exercisable by all Shareholders other than an offeror and its associates, affiliates and joint actors.

In connection with the adoption of the Shareholder Rights Plan, MEG issued one SRP Right in respect of each MEG Share outstanding at the close of business on August 6, 2010 (the "**Effective Date**") and authorized the issuance of one SRP Right in respect of each additional MEG Share issued after the Effective Date and prior to the earlier of the Separation Time (as defined in the Shareholder Rights Plan) and the time at which the SRP Rights expire and terminate. The SRP Rights trade with and are represented by MEG Share certificates, including certificates issued prior to the Effective Date.

OTHER TRANSACTIONS

Other than as described or referred to in this Directors' Circular, no negotiations are underway in response to the Strathcona Offer which relate to or would result in: (i) an extraordinary transaction such as a merger or reorganization involving MEG or a subsidiary of MEG; (ii) the purchase, sale or transfer of a material amount of assets by MEG or a subsidiary of MEG; (iii) a competing take-over bid; (iv) a bid by MEG for its own securities or for those of another issuer; or (v) any material change in the present capitalization or dividend policy of MEG.

Other than as described or referred to in this Directors' Circular, there is no transaction, resolution of the Board, agreement in principle or signed contract to which MEG is a party or bound has occurred in response to the Strathcona Offer and that related to one of the matters set forth in the preceding paragraph. Notwithstanding the foregoing, the Board may in the future engage in negotiations in response to the Strathcona Offer that could have one or more of the effects specified in the preceding paragraph. The Board has determined that disclosure with respect to the parties to, and the possible terms of, any transactions or proposals of the type referred to in the preceding paragraph might jeopardize any discussions or negotiations that MEG may conduct. Accordingly, MEG does not intend to disclose the possible terms of any such transaction or proposal until an agreement in principle relating thereto has been reached or as otherwise may be required by applicable law.

OTHER MATERIAL INFORMATION

Except as noted below or as otherwise described or referred to in this Directors' Circular, or which is otherwise publicly disclosed, no other information is known to the directors or officers of MEG that would reasonably be expected to affect the decision of the Shareholders to accept or reject the Strathcona Offer.

OTHER PERSONS RETAINED IN CONNECTION WITH THE STRATHCONA OFFER

MEG has retained Burnet, Duckworth & Palmer LLP and Latham & Watkins LLP as its external legal advisors and BMO Capital Markets as its financial advisor in connection with the Strathcona Offer. The Special Committee has retained Norton Rose Fulbright Canada LLP as its external legal counsel and RBC Capital Markets as its financial advisor.

MEG has retained Sodali & Co as its Information Agent in connection with the Strathcona Offer and certain related matters. Sodali & Co will receive reasonable and customary compensation for its services and reimbursement for its reasonable out-of-pocket expenses. MEG has agreed to indemnify Sodali & Co against certain liabilities arising out of or in connection with the engagement.

MEG has also retained Longview Communications Inc. ("**Longview**") to provide communications consulting services, including in connection with the Strathcona Offer and certain related matters. Longview will receive reasonable and customary compensation for its services and will be reimbursed for its reasonable out-of-pocket expenses. MEG has agreed to indemnify Longview against certain liabilities arising out of or in connection with the engagement.

Except as set forth above, neither MEG nor any person acting on its behalf has employed, retained or agreed to compensate any person making solicitations or recommendations to Shareholders in connection with the Strathcona Offer.

ERRORS AND MISLEADING STATEMENTS BY STRATHCONA

Strathcona does not offer a Section 85 election to defer Canadian tax on the capital gains of Shareholders

Strathcona does not offer an election pursuant to section 85 of the Tax Act which would generally allow a Shareholder who tenders MEG Shares to defer most, if not all, accrued capital gains so long as the Shareholder's adjusted cost basis is greater than $4.10 per MEG Share.

There is no automatic rollover, or tax-deferral, under the Tax Act for the exchange of a MEG Share for a combination of both cash and a portion of a Strathcona Share. Despite this, the Strathcona Circular states that a Shareholder will generally receive a rollover, or tax deferral, under section 85.1 of the Tax Act for the so-called Remaining Percentage (as defined in the Strathcona Circular) of a MEG Share that is exchanged for 0.62 of a Strathcona Shares. Strathcona, therefore, takes the position that – even though the offer is cash and a portion of a Strathcona Share for <u>each</u> MEG Share – the true transaction will be an exchange of a fraction of a MEG Shares for cash and a fraction of a MEG Shares for 0.62 of a Strathcona Shares. There is no certainty that the Canada Revenue Agency will agree with this position, which is acknowledged by Strathcona in the Strathcona Circular. **If the Canada Revenue Agency disagrees, the exchange of MEG Shares under the Strathcona Offer will be fully taxable for Canadian federal income tax purposes. This**

would mean that a Shareholder who disposes of MEG Shares under the Strathcona Offer will be fully taxable for Canadian income tax purposes, and will recognize full capital gains (or losses) without any ability for deferral.

By not offering a section 85 election, Strathcona provides no certainty that a Shareholder will be able to defer any portion of accrued capital gains on the transaction.

If certain of the transactions contemplated by the Strathcona Offer do not qualify as a reorganization under Section 368(a) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), a Shareholder that is subject to U.S. income tax could incur significant U.S. income tax liabilities, and the cash to which such Shareholder is entitled pursuant to the Strathcona Offer may not be sufficient to pay such U.S. income tax liabilities.

Strathcona states in the Strathcona Circular that qualification as a reorganization under Section 368(a) of the Code depends on MEG amalgamating with a subsidiary of Strathcona or with Strathcona in connection with the Strathcona Offer and certain other requirements being met and that there can be no assurances that such amalgamation will occur or that such requirements will be satisfied. If certain of the transactions contemplated by the Strathcona Offer do not qualify as a reorganization under Section 368(a) of the Code, a U.S. Holder (as defined in the Strathcona Circular) of MEG Shares will generally recognize capital gain or loss for U.S. federal income tax purposes equal to the difference between (a) the fair market value of any Strathcona Shares plus the U.S. dollar value of any cash to which the holder is entitled pursuant to the Strathcona Offer and (b) the U.S. Holder's adjusted tax basis in the MEG Shares so disposed. In such case, a U.S. Holder could incur significant U.S. income tax liabilities and the cash to which such holder is entitled pursuant to the Strathcona Offer may not be sufficient to pay such U.S. income tax liabilities.

STATUTORY RIGHTS

Securities legislation in the provinces and territories of Canada provides securityholders of MEG with, in addition to any other rights they may have at law, one or more rights of rescission, price revision or to damages, if there is a misrepresentation in a circular or notice that is required to be delivered to those securityholders. However, such rights must be exercised within prescribed time limits. Securityholders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult a lawyer.

APPROVAL OF DIRECTORS' CIRCULAR

The content of this Directors' Circular has been approved and the delivery thereof has been authorized by the Board.

CERTIFICATE

Dated: June 13, 2025

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

On behalf of the Board of Directors

(Signed)"*James D. McFarland*"	(Signed) "*Robert Rooney*"
James D. McFarland	Robert Rooney
Chair and Director	Chair of the Special Committee and Director

APPENDIX "A"

OPINION OF BMO CAPITAL MARKETS

June 12, 2025

The Board of Directors
MEG Energy Corp.
2500, 600 – 3 Avenue SW
Calgary, Alberta, T2P 0G5

To the Board of Directors of MEG Energy Corp.:

BMO Nesbitt Burns Inc. ("BMO Capital Markets" or "we" or "us") understands that Strathcona Resources Ltd. (the "Acquiror") has made a take-over bid offer (the "Offer") to acquire all of the issued and outstanding common shares (the "Common Shares") of MEG Energy Corp. (the "Company") not already owned by the Acquiror or its affiliates, together with the associated rights to purchase Common Shares issued and outstanding under the amended and restated shareholder rights plan agreement of the Company dated May 25, 2017, including any Common Shares that may become issued and outstanding after the date of the Offer, May 30, 2025, but prior to the expiry date of the Offer, currently September 15, 2025. The consideration per Common Share offered pursuant to the Offer is 0.62 of a common share of the Acquiror and $4.10 in cash (together, the "Consideration"). The terms and conditions of the Offer are set out in the take-over bid circular of the Acquiror dated May 30, 2025 (the "Take-over Bid Circular") and the related Letter of Transmittal and Notice of Guaranteed Delivery, which have been filed and are available on SEDAR+ under the Company's profile at www.sedarplus.ca.

We have been retained to provide financial advice to the Company, including our opinion (the "Opinion") to the board of directors of the Company (the "Board of Directors") as to the adequacy, from a financial point of view, of the Consideration offered to the holders of Common Shares (the "Shareholders") (other than the Acquiror and its affiliates) pursuant to the Offer.

Engagement of BMO Capital Markets

The Company initially contacted BMO Capital Markets regarding a potential advisory assignment in April 2025. BMO Capital Markets was formally engaged by the Company pursuant to an agreement effective April 29, 2025 (the "Engagement Agreement"). Under the terms of the Engagement Agreement, BMO Capital Markets has agreed to provide the Company and the Board of Directors with various advisory services in connection with the Offer including, among other things, the provision of the Opinion.

BMO Capital Markets will receive a fee for rendering the Opinion. We will also receive certain fees for our advisory services under the Engagement Agreement, a substantial portion of which is contingent upon the completion or non-completion of the Offer or any alternative transaction. The Company has also agreed to reimburse us for our reasonable out-of-pocket expenses and to indemnify us against certain liabilities that might arise out of our engagement.

Credentials of BMO Capital Markets

BMO Capital Markets is one of North America's largest investment banking firms, with operations in all facets of corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading, investment research and investment management. BMO Capital Markets has been a financial advisor in a significant number of transactions throughout North America involving public and private companies in various industry sectors, including the oil & gas sector, and has extensive experience in preparing fairness opinions.

The Opinion represents the opinion of BMO Capital Markets, the form and content of which have been approved for release by a committee of our officers who are collectively experienced in merger and acquisition, divestiture, restructuring, valuation, fairness opinion and capital markets matters.

Independence of BMO Capital Markets

Neither BMO Capital Markets, nor any of our affiliates, is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Alberta) or the rules made thereunder) of the Company, the Acquiror, or any of their respective associates or affiliates (collectively, the "Interested Parties").

BMO Capital Markets has not been engaged to provide any financial advisory services nor has it participated in any financings involving the Interested Parties within the past two years, other than: (i) acting as financial advisor to the Company and the Board of Directors pursuant to the Engagement Agreement; (ii) acting as administrative agent, collateral agent and joint lead arranger and joint bookrunner in connection with the Company's current $600 million syndicated revolving credit facility, (iii) acting as sole bilateral lender in connection with the Company's current $600 million letter of credit facility, (iv) acting as broker with respect to the Company's normal-course issuer bids in 2023, 2024 and 2025, (v) providing various cash management, commodities and trading product services to the Company; with respect to the Acquiror, (vi) acting as financial advisor to the Acquiror with respect to its sale of Grande Prairie Montney assets announced in May 2025, (vii) acting as financial advisor to the Acquiror with respect to its sale of Kakwa Montney assets announced in May 2025, (viii) acting as joint bookrunner, co-lead arranger and syndication agent in connection with the Acquiror's current $3.0 billion revolving credit facility, including various amendments related to such facility provided in or prior to April 2025, (ix) acting as joint bookrunner, co-lead arranger and syndication agent in connection with the Acquiror's $700 million term loan in August 2022, subsequently repaid and cancelled in December 2023, (x) providing various cash management, commodities, trading product services as well as carbon trading and credit development services to the Acquiror; and, with respect to Greenfire Resources Ltd. ("Greenfire"), an affiliate of certain entities managed by Waterous Energy Fund Management Corp. which collectively own approximately 79.6% of the issued and outstanding shares of the Acquiror, (xi) acting as lead arranger, sole bookrunner and administrative agent in connection with the current $50 million revolving credit facility of Greenfire, (xii) acting as lead arranger, sole bookrunner and administrative agent in connection with a current $55 million letter of credit facility of Greenfire, (xiii) providing financial advisory services to Greenfire pursuant to an engagement agreement entered into in April 2024 and subsequently terminated by Greenfire in March 2025, (xiv) acting as left lead bookrunner on Greenfire's offering of US$300 million of senior secured notes in September 2023 and associated consent solicitation with respect to retirement of Greenfire's US$218 million principal amount senior secured notes due 2025 and (xv) providing various cash management and commodities hedging services to Greenfire.

Other than as set forth above, there are no understandings, agreements or commitments between BMO Capital Markets and any of the Interested Parties with respect to future business dealings. BMO Capital Markets may, in the future, in the ordinary course of business, provide financial advisory, investment banking, or other financial services to one or more of the Interested Parties from time to time.

BMO Capital Markets and certain of our affiliates act as traders and dealers, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of one or more of the Interested Parties and, from time to time, may have executed or may execute transactions on behalf of one or more Interested Parties for which BMO Capital Markets or such affiliates received or may receive compensation. As investment dealers, BMO Capital Markets and certain of our affiliates conduct research on securities and may, in the ordinary course of business, provide research reports and investment advice to clients on investment matters, including with respect to one or more of the Interested Parties or the Offer. In addition, Bank of Montreal ("BMO"), of which BMO Capital Markets is a wholly-owned subsidiary, or one or more affiliates of BMO, may provide banking or other financial services to one or more of the Interested Parties in the ordinary course of business.

Scope of Review

In connection with rendering the Opinion, we have reviewed and relied upon, or carried out, among other things, the following:

1. the Take-over Bid Circular;
2. a draft of the Company's Directors' Circular dated June 10, 2025 (the "Directors' Circular");
3. certain publicly available information relating to the business, operations, financial condition and trading history of the Company and the Acquiror and other selected public companies we considered relevant;
4. certain internal financial, operating, corporate and other information prepared or provided by or on behalf of the Company relating to the business, operations and financial condition of the Company;
5. internal management forecasts, projections, estimates and budgets prepared or provided by or on behalf of management of the Company;
6. discussions with management of the Company relating to the Company's current business, plans, financial condition and prospects;
7. information disclosed by the Company related to the independent engineering report prepared by GLJ Petroleum Consultants Ltd. for the Company and effective December 31, 2024;

8. information disclosed by the Acquiror related to the independent engineering report prepared by McDaniel & Associates Consultants Ltd. for the Acquiror and effective December 31, 2024;

9. discussions with legal counsel to the Company;

10. public information with respect to selected precedent oil sands and thermal transactions we considered relevant;

11. historical commodity prices and the impact of various commodity pricing assumptions on the business, prospects and financial forecasts of the Company and the Acquiror;

12. various reports published by equity research analysts, industry sources and credit rating agencies we considered relevant;

13. a letter of representation as to certain factual matters and the completeness and accuracy of certain information upon which the Opinion is based, addressed to us and dated as of the date hereof, provided by senior officers of the Company; and

14. such other information, investigations, analyses and discussions as we considered necessary or appropriate in the circumstances.

BMO Capital Markets has not, to the best of its knowledge, been denied access by the Company to any information under the Company's control requested by BMO Capital Markets.

Assumptions and Limitations

We have relied upon and assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions, representations and other material obtained by us from public sources or provided to us by or on behalf of the Company or otherwise obtained by us in connection with our engagement (the "Information"). The Opinion is conditional upon such completeness, accuracy and fair presentation. We have not been requested to, and have not assumed any obligation to, independently verify the completeness, accuracy or fair presentation of any such Information. We have assumed that forecasts, projections, estimates and budgets provided to us and used in our analyses were reasonably prepared on bases reflecting the best currently available assumptions, estimates and judgments of management of the Company, having regard to the Company's business, plans, financial condition and prospects.

Senior officers of the Company have represented to BMO Capital Markets in a letter of representation delivered as of the date hereof, among other things, that: (i) the Information in respect of the Company or any of its subsidiaries provided to BMO Capital Markets orally by, or in the presence of, an officer or employee of, the Company, or in writing by the Company or any of its subsidiaries (as defined in National Instrument 45-106 – *Prospectus Exemptions*) or any of its or their representatives in connection with our engagement was, at the date the Information was provided to BMO Capital Markets, and is, as of the date hereof, complete, true and correct in all material respects, and did not and does not contain a misrepresentation (as defined in the *Securities Act* (Alberta)); and (ii) since the dates on which the Information was provided to BMO Capital Markets, except as disclosed in writing to BMO Capital Markets, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company or any of its subsidiaries, and no change has occurred in the Information or any part thereof which would have or which could reasonably be expected to have a material effect on the Opinion.

In preparing the Opinion, we have made several assumptions, including that all of the conditions to the Offer will be met and that the disclosure provided or incorporated by reference in the Take-over Bid Circular and the draft Directors' Circular that we reviewed, with respect to the Company, the Acquiror and the Offer is true, complete and correct in all material respects, and that the final version of the Directors' Circular will not differ in any material respect from the draft Directors' Circular that we reviewed.

The Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as of the date hereof and the condition and prospects, financial and otherwise, of the Company and the Acquiror as they are reflected in the Information and as they have been represented to BMO Capital Markets in discussions with management of the Company and its representatives. In our analyses and in preparing the Opinion, BMO Capital Markets made numerous judgments and assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond our control or that of any party involved in the Offer.

The Opinion is provided to the Board of Directors for its exclusive use only in considering the Offer and may not be used or relied upon by any other person or for any other purpose without our prior written consent. The Opinion does not constitute a recommendation as to whether any Shareholder should tender their Common Shares to the Offer or act on any matter relating to the Offer. Except for the inclusion of the Opinion in its entirety and a summary thereof (in a form acceptable to us) in the Company's Directors' Circular, the Opinion is not to be reproduced, disseminated, quoted from or referred to (in whole or in part) without our prior written consent.

We have not been asked to prepare and have not prepared a formal valuation or appraisal of the securities or assets of the Company, the Acquiror, or of any of their affiliates, and the Opinion should not be construed as such. The Opinion is not, and should not be construed as, advice as to the price at which the securities of the Company or the Acquiror may trade at any time. BMO Capital Markets was not engaged to review any legal, tax or regulatory aspects of the Offer and the Opinion does not address any such matters. We have relied upon, without independent verification, the assessment by the Company and its legal and tax advisors with respect to such matters. In addition, the Opinion does not address the relative merits of the Offer as compared to any strategic alternatives that may be available to the Company.

The Opinion is rendered as of the date hereof and BMO Capital Markets disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion which may come or be brought to the attention of BMO Capital Markets after the date hereof. Without limiting the foregoing, if we learn that any of the information we relied upon in preparing the Opinion was inaccurate, incomplete or misleading in any material respect, BMO Capital Markets reserves the right to change or withdraw the Opinion.

Conclusion

Based upon and subject to the foregoing, BMO Capital Markets is of the opinion that, as of the date hereof, the Consideration offered to the Shareholders (other than the Acquiror and its affiliates) pursuant to the Offer is inadequate from a financial point of view to such Shareholders.

Yours truly,

BMO Nesbitt Burns Inc.

BMO Nesbitt Burns Inc.

APPENDIX "B"

OPINION OF RBC CAPITAL MARKETS

RBC Capital Markets®

RBC Dominion Securities Inc.
P.O. Box 50
Royal Bank Plaza
Toronto, Ontario M5J 2W7
Telephone: (416) 842-2000

June 12, 2025

The Special Committee of the Board of Directors
MEG Energy Corp.
600 – 3 Avenue SW
Calgary, Alberta, Canada
T2P 0G5

To the Special Committee and the Board of Directors:

RBC Dominion Securities Inc. ("RBC"), a member company of RBC Capital Markets, understands that Strathcona Resources Ltd. ("Strathcona") has made an offer (the "Strathcona Offer") to acquire all of the issued and outstanding common shares (the "Common Shares") of MEG Energy Corp. (the "Company") not already owned by Strathcona or its affiliates for consideration per Common Share of i) 0.62 of a common share of Strathcona (the "Strathcona Shares") and ii) $4.10 in cash. The terms of the Strathcona Offer are more fully described in a take-over bid circular dated May 30, 2025 (the "Strathcona Circular"), which has been mailed to holders of the Common Shares (the "Shareholders") in connection with the Strathcona Offer.

RBC understands that Strathcona currently owns approximately 9.2% of the Common Shares. RBC also understands that Waterous Energy Fund ("WEF"), the holder of approximately 79.6% of the outstanding Strathcona Shares through certain limited partnerships comprising Waterous Energy Fund III, has committed to purchase an additional 21.4 million Strathcona Shares through subscription receipts, conditional upon completion of the Strathcona Offer.

RBC further understands that the board of directors (the "Board") of the Company has formed a special committee comprised of independent directors (the "Special Committee") to consider the Strathcona Offer and make recommendations thereon to the Board. The Special Committee has retained RBC to provide advice and assistance to the Special Committee in evaluating the Strathcona Offer, including the preparation and delivery, to the Special Committee and the Board, of RBC's opinion (the "Opinion") as to the fairness of the consideration under the Strathcona Offer from a financial point of view to the Shareholders (other than Strathcona and its affiliates). RBC has not prepared a valuation of the Company or any of its securities or assets and the Opinion should not be construed as such.

Engagement

The Special Committee initially contacted RBC regarding a potential advisory assignment in May 2025, and RBC was formally engaged by the Special Committee through an agreement between the Special Committee and RBC (the "Engagement Agreement") dated May 19, 2025. The terms of the Engagement Agreement provide that RBC is to be paid a fee for its services as financial advisor, including fees that are contingent on a change of control of the Company or certain other events, including the non-completion of an unsolicited take-over bid for the Common Shares. In addition, RBC is to be reimbursed for its reasonable out-of-pocket expenses and to be indemnified by the Company in certain circumstances. RBC consents to the inclusion of the Opinion in its entirety and a summary thereof in the directors' circular to be mailed to the Shareholders (the "Directors' Circular") and to the filing thereof, as necessary, by the Company with the securities commissions or similar regulatory authorities in each province of Canada.

RBC acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of the Company, Strathcona, WEF or any of their respective associates or affiliates and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it received or may receive compensation. As an investment dealer, RBC conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to the Company, Strathcona, WEF or any of their respective associates and affiliates or the Strathcona Offer.

Credentials of RBC Capital Markets

RBC is one of Canada's largest investment banking firms, with operations in all facets of corporate and government finance, corporate banking, mergers and acquisitions, equity and fixed income sales and trading and investment research. RBC Capital Markets also has significant operations in the United States and internationally. The Opinion expressed herein represents the opinion of RBC and the form and content herein have been approved for release by a committee of its directors, each of whom is experienced in merger, acquisition, divestiture and fairness opinion matters.

Scope of Review

In connection with our Opinion, we have reviewed and relied upon or carried out, among other things, the following:

1. the Strathcona Circular;
2. the most recent draft, dated June 10, 2025, of the Directors' Circular (the "Draft Directors' Circular");
3. audited financial statements of the Company for each of the five years ended December 31, 2020 to December 31, 2024;
4. audited financial statements of Strathcona for each of the last two years ended December 31, 2023 and December 31, 2024;
5. the unaudited interim reports of each of the Company and Strathcona for the quarter ended March 31, 2025;
6. annual reports of each of the Company and Strathcona for each of the two years ended December 31, 2023 and December 31, 2024;
7. the Notice of Annual Meeting of Shareholders and Management Information Circulars of each of the Company and Strathcona for each of the two years ended December 31, 2023 and December 31, 2024;
8. annual information forms of each of the Company and Strathcona for each of the two years ended December 31, 2023 and December 31, 2024;
9. unaudited historical operating and financial information of the Company for each of the five years ended December 31, 2020 to December 31, 2024,
10. unaudited historical operating and financial information of Strathcona for each of the two years ended December 31, 2023 and December 31, 2024;
11. unaudited projected financial information for the Company prepared by management of the Company for the years ending December 31, 2025 through December 31, 2075;

12. independent reserves and resources assessment and evaluation of the Christina Lake oil sands property of the Company prepared by GLJ Ltd., effective as of December 31, 2024;
13. discussions with senior management of the Company;
14. discussions with the Special Committee;
15. discussions with the Special Committee's legal counsel;
16. discussions with the Company's financial advisor;
17. discussions with the Company's legal counsel;
18. public information relating to the business, operations, financial performance and stock trading history of the Company, Strathcona and other selected public companies considered by us to be relevant;
19. public information with respect to other transactions of a comparable nature considered by us to be relevant;
20. public information regarding the Canadian oil sands and global oil and gas industries;
21. representations contained in a certificate addressed to us, dated as of the date hereof, from senior officers of the Company as to the completeness and accuracy of the information upon which the Opinion is based; and
22. such other corporate, industry and financial market information, investigations and analyses as RBC considered necessary or appropriate in the circumstances.

RBC has not, to the best of its knowledge, been denied access by the Company to any information requested by RBC.

Assumptions and Limitations

With the Special Committee's approval and as provided for in the Engagement Agreement, RBC has relied upon the completeness, accuracy and fair presentation of all of the financial (including, without limitation, the financial statements of the Company) and other information, data, advice, opinions or representations obtained by it from public sources, senior management of the Company, and their consultants and advisors (collectively, the "Information"). The Opinion is conditional upon such completeness, accuracy and fair presentation of such Information. Subject to the exercise of professional judgment and except as expressly described herein, we have not attempted to verify independently the completeness, accuracy or fair presentation of any of the Information.

Senior officers of the Company have represented to RBC in a certificate delivered as of the date hereof, among other things, that (i) the Information (as defined above) provided to RBC orally by, or in the presence of, any officer or employee of the Company, or in writing by the Company, any of its affiliates (as such term is defined in National Instrument 62-104 *Take-Over Bids and Issuer Bids* of the Canadian Securities Administrators) or any of their respective agents or advisors, for the purpose of preparing the Opinion was, at the date provided to RBC, and is at the date hereof complete, true and correct in all material respects, and did not and does not contain any untrue statement of a material fact, and did not and does not omit to state any material fact necessary to make the Information, or any statement contained therein, not misleading in light of the circumstances in which it was provided to RBC; and that (ii) since the dates on which the Information was provided to RBC, except as disclosed in writing to RBC, there has been no material change or change in material facts, financial or otherwise, in or relating to the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company or any of its subsidiaries, and there has been no material change in the Information or other material change or change in material facts, in each case, that might reasonably be considered material to the Opinion.

In preparing the Opinion, RBC has made several assumptions, including that all of the conditions required to implement the Strathcona Offer will be met and that the disclosure provided or incorporated by reference in the Strathcona Circular and Draft Directors' Circular with respect to the Company, Strathcona, their respective subsidiaries and affiliates and the Strathcona Offer is accurate in all material respects.

The Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as at the date hereof and the condition and prospects, financial and otherwise, of the Company, Strathcona and their respective subsidiaries and affiliates, as they were reflected in the Information and as they have been represented to RBC in discussions with management of the Company. In its analyses and in preparing the Opinion, RBC made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of RBC or any party involved in the Strathcona Offer.

The Opinion has been provided for the use of the Special Committee and the Board and may not be used by any other person or relied upon by any other person other than the Special Committee and the Board without the express prior written consent of RBC. The Opinion is given as of the date hereof and RBC disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion which may come or be brought to RBC's attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Opinion after the date hereof, RBC reserves the right to change, modify or withdraw the Opinion.

RBC believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. The Opinion is not to be construed as a recommendation to any Shareholder as to whether to tender its Common Shares to the Strathcona Offer.

Fairness Conclusion

Based upon and subject to the foregoing, RBC is of the opinion that, as of the date hereof, the consideration under the Strathcona Offer is inadequate from a financial point of view to the Shareholders (other than Strathcona and its affiliates).

Yours very truly,

RBC Dominion Securities Inc.

RBC DOMINION SECURITIES INC.

APPENDIX "C"

GLOSSARY

In the Directors' Circular, the following terms shall have the meanings set forth below, unless the subject matter or context is inconsistent therewith or such terms are otherwise defined in the Directors' Circular.

"**ABCA**" means the *Business Corporations Act* (Alberta), as amended;

"**AER**" means the Alberta Energy Regulator;

affiliate" has the meaning ascribed to that term in NI 62-104;

"**April 2025 Proposal**" has the meaning given to it under the heading "*Background to the Strathcona Offer and Response of MEG – Key Events and Prior Discussion that Led to the Strathcona Offer*";

"**associate**" has the meaning ascribed to that term in NI 62-104;

"**BD&P**" means Burnet, Duckworth & Palmer LLP, legal counsel to MEG and the Board;

"**BMO Capital Markets**" means BMO Nesbitt Burns Inc., financial advisor to MEG;

"**BMO Engagement Agreement**" means the engagement agreement effective April 29, 2025 between MEG and BMO Capital Markets*;*

"**Board**" means the board of directors of MEG as constituted from time to time being, as of the date of this Directors' Circular, Gary Bosgoed, Darlene Gates, Robert Hodgins, Kim Lynch Proctor, Susan MacKenzie, Michael McAllister, Jeffrey McCaig, James McFarland, Diana McQueen, and Robert Rooney;

"**CAGR**" means the compound annual growth rate;

"**Cash-Settled PSUs**" means the performance share units awarded pursuant to the Cash-Settled RSU Plan, including any related dividend equivalent units;

"**Cash-Settled RSU Plan**" means MEG's amended and restated Cash-Settled RSU Plan;

"**Cash-Settled RSUs**" means the restricted share units awarded pursuant to the Cash-Settled RSU Plan, including any related dividend equivalent units;

"**CDS**" has the meaning provided under the heading "*How to Withdraw Your Deposited MEG Shares*";

"**Change of Control**" means "Change of Control" as defined in the Executive Employment Agreements;

"**COGE Handbook**" means 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 (Petroleum Society), as amended from time to time;

"**Compulsory Acquisition**" means the acquisition of the remainder of the MEG Shares by way of compulsory acquisition pursuant to Part 16 of the ABCA;

"**CSS**" means cyclic steam stimulation;

"**Directors' Circular**" means this directors' circular of MEG dated June 13, 2025;

"**DBIIP**" discovered bitumen initially-in-place;

"**DSU Plan**" means the MEG Directors Deferred Share Unit Plan;

"**DSUs**" means deferred share units awarded pursuant to the DSU Plan, including any related dividend equivalent units;

"**DTC**" has the meaning given to it under the heading "*How to Withdraw Your Deposited MEG Shares*";

"**eMSAGP**" means MEG's proprietary and patented reservoir technology of enhanced Modified Steam and Gas Push, which involves the injection of non-condensable gas into the SAGD reservoir;

"**Executive Employment Agreements**" means the Executive Employment Agreements between certain officers of MEG and MEG, as more fully described under the heading "*Arrangements between MEG and its Directors and Officers*";

"**Expiry Time**" means 5:00 p.m. (Mountain time) on September 15, 2025, or such earlier or later time or times and date or dates as may be fixed by Strathcona from time to time pursuant to Section 5 of the Strathcona Offer, "*Extension, Variation or Change in the Offer*";

"**FEP**" means MEG's Christina Lake Facility Expansion Project;

"**Financial Advisors**" means, collectively, BMO Capital Markets and RBC Capital Markets;

"**FOFI**" has the meaning given to it under the heading "*Financial Outlook*";

"**forward-looking information**" has the meaning given to it under the heading "*Cautionary Statement on Forward-Looking Statements*";

"**GHG**" means greenhouse gas;

"**GLJ**" means GLJ Ltd., MEG's independent reserves and resources evaluator;

"**Good Reason**" has the meaning given to it under the heading "*Arrangements between MEG and its Directors and Officers – Executive Employment Agreements with Officers*";

"**IFRS Accounting Standards**" means the International Financial Reporting Standards as issued by the International Accounting Standards Board;

"**Information Agent**" or "**Sodali & Co**" means Morrow Sodali (Canada) Ltd., the information agent and strategic shareholder advisor retained by MEG in connection with the Strathcona Offer;

"**Legal Advisors**" means collectively, BD&P and NRF;

"**Letter of Transmittal**" means the letter of transmittal in the form accompanying the Strathcona Offer;

"**Longview**" has the meaning given to it under the heading "*Other Persons Retained in Connection with the Strathcona Offer*";

"**Market Value**" has the meaning given to it under the heading "*Arrangements between MEG and its Directors and Officers – DSUs*";

"**MEG**" means MEG Energy Corp., a corporation existing under the ABCA;

"**MEG Annual Information Form**" has the meaning given to it under the heading "*Cautionary Statement on Forward-Looking Statements*";

"**MEG Shares**" means the common shares in the capital of MEG;

"**MEG US**" means MEG (U.S.) Inc., as more fully described under the heading "*MEG Energy Corp.*";

"**Montney Dispositions**" has the meaning given to it under the heading "*Background to the Strathcona Offer and Response of MEG – Key Events and Prior Discussion that Led to the Strathcona Offer*";

"**NI 51-101**" means National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*, as amended;

"**NI 62-104**" means National Instrument 62-104 – *Take-Over Bids and Issuer Bids*, as amended;

"**Non-GAAP Measures**" has the meaning given to it under the heading "*Non-GAAP and Other Financial Measures*";

"**NRF**" means Norton Rose Fulbright Canada LLP, legal counsel to the Special Committee;

"**Officers**" has the meaning given to it under the heading "*Arrangements between MEG and its Directors and Officers – Executive Employment Agreements with Officers*";

"**OOIP**" is means original oil in-place;

"**Pathways Alliance**" means the consortium of Canada's six largest oil sand producers (Canadian Natural Resources Ltd., Cenovus Energy Inc., ConocoPhillips Canada, Imperial Oil Limited, MEG and Suncor Energy Inc.) established on June 15, 2022;

"**Preferred Shares**" means the preferred shares, issuable in series, of MEG;

"**PSUs**" means, together, the Treasury-Settled PSUs and the Cash-Settled PSUs;

"**RBC Capital Markets**" means RBC Dominion Securities Inc., financial advisor to the Special Committee;

"**RBC Engagement Agreement**" means the engagement agreement dated effective May 19, 2025 between the Special Committee and RBC Capital Markets*;*

Redemption Date" has the meaning given to it under the heading "*Arrangements between MEG and its Directors and Officers – DSUs*";

"**Registration Statement**" has the meaning given to it under the heading "*Notice to Shareholders in the United* States" of the Strathcona Circular;

"**Regulatory Approvals**" has the meaning given to it under the heading "*Glossary*" of the Strathcona Circular;

"**Retiring Allowance**" has the meaning given to it under the heading "*Arrangements between MEG and its Directors and Officers – Executive Employment Agreements with Officers*";

"**RSUs**" means, together, the Treasury-Settled RSUs and the Cash-Settled RSUs;

"**RSU Plans**" means together, the Cash-Settled RSU Plan and the Treasury-Settled RSU Plan;

"**SAGD**" means steam-assisted gravity drainage;

"**SEC**" means the United States Securities and Exchange Commission;

"**SEDAR+**" means the System for Electronic Document Analysis and Retrieval+;

"**SEDI**" means the System for Electronic Disclosure by Insiders;

"**Shareholder**" means a holder of MEG Shares;

"**Shareholder Rights Plan**" means the shareholder rights plan agreement dated as of August 6, 2010 with Olympia Trust Company, which agreement was amended and restated May 1, 2014 and, May 25, 2017, June 17, 2020 and May 1, 2023, and any shareholder rights plan adopted by MEG after that date;

"**SOR**" means steam-oil ratio;

"**Special Committee**" means the special committee of independent directors of the Board comprised of Robert Rooney (Chair), Jeffrey McCaig, James McFarland, Robert Hodgins and Diana McQueen;

"**SRP Rights**" means the rights issued pursuant to the Shareholder Rights Plan, and "**SRP Right**" means any one of them;

"**Strathcona**" or the "**Offeror**" means Strathcona Resources Ltd.;

"**Strathcona Board**" means the board of directors of Strathcona as constituted from time to time;

"**Strathcona Circular**" means the Strathcona Offer and the accompanying take-over bid circular of Strathcona dated May 30, 2025;

"**Strathcona Offer**" means the formal take-over bid by Strathcona dated May 30, 2025, as set forth in and forming part of the Strathcona Circular, for consideration per MEG Share comprised of: (i) 0.62 of a Strathcona Share; and (ii) $4.10 in cash;

"**Strathcona Shareholder**" means a holder of Strathcona Shares;

"**Strathcona Shares**" means common shares in the capital of Strathcona;

"**subsidiary**" has the meaning prescribed under the *Securities Act* (Alberta);

"**Take-over Bid Circular Form**" means Form 62-104F1 – *Take-over Bid Circular*;

"**Take-Up Date**" means a date upon which the Offeror takes up or acquires MEG Shares pursuant to the Strathcona Offer;

"**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5^{th} Supp.);

"**Treasury-Settled PSUs**" means the performance share units awarded pursuant to the Treasury-Settled RSU Plan, including any related dividend equivalent units;

"**Treasury-Settled RSU Plan**" means MEG's amended and restated Treasury-Settled RSU Plan;

"**Treasury-Settled RSUs**" means the restricted share units awarded pursuant to the Treasury-Settled RSU Plan, including any related dividend equivalent units;

"**TSX**" means the Toronto Stock Exchange;

"**US Participant**" has the meaning given to it in the RSU Plans; and

"**WEF**" means Waterous Energy Fund.

Words importing the singular include the plural and vice versa and words importing any gender include all genders.

DIRECTORS' CIRCULAR

RECOMMENDING

REJECTION

of the unsolicited offer by

STRATHCONA RESOURCES LTD.

to purchase all of the outstanding MEG Shares of

MEG ENERGY CORP.

for consideration per MEG Share of
(i) 0.62 of a Strathcona Share and (ii) $4.10 in cash

For the reasons set out herein, the Board unanimously concluded that the consideration to be received by the Shareholders (other than Strathcona and its affiliates) pursuant to the Strathcona Offer is inadequate, from a financial point of view, to such Shareholders, and that the Strathcona Offer is not in the best interests of MEG or the Shareholders and recommends that you

REJECT the Strathcona Offer by taking no action and **NOT TENDER** your MEG Shares

NO ACTION IS REQUIRED to REJECT the Strathcona Offer

If you have already tendered your MEG Shares to the Strathcona Offer, you can withdraw your MEG Shares by contacting your broker or Sodali & Co, by toll free phone call in North America to 1-888-999-2785, or to 1-289-695-3075 for banks, brokers, and callers outside North America or by email at assistance@investor.sodali.com.