



INTERIM FINANCIAL STATEMENTS

Consolidated Balance Sheet (Unaudited, expressed in millions of Canadian dollars)

As at	Note	September 30, 2025	December 31, 2024
Assets			
Current assets			
Cash and cash equivalents	20	\$ 130	\$ 156
Accrued revenue and accounts receivable	4	481	440
Inventories	5	294	258
		905	854
Non-current assets			
Property, plant and equipment	6	5,732	5,556
Exploration and evaluation assets	7	128	128
Other assets	8	215	206
Total assets		\$ 6,980	\$ 6,744
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	9	\$ 455	\$ 471
Dividends payable		28	26
Interest payable		9	22
Current portion of provisions and other liabilities	11	32	35
		524	554
Non-current liabilities			
Long-term debt	10	829	858
Provisions and other liabilities	11	387	417
Deferred income tax liability		481	362
Total liabilities		2,221	2,191
Shareholders' equity			
Share capital	13	4,472	4,571
Contributed surplus		175	176
Retained earnings (deficit)		70	(242)
Accumulated other comprehensive income		42	48
Total shareholders' equity		4,759	4,553
Total liabilities and shareholders' equity		\$ 6,980	\$ 6,744

Commitments and contingencies (Note 24)

Subsequent events (Note 25)

The accompanying notes are an integral part of these Interim Consolidated Financial Statements.

Consolidated Statement of Earnings and Comprehensive Income
(Unaudited, expressed in millions of Canadian dollars, except per share amounts)

		Three months ended September 30		Nine months ended September 30	
	Note	2025	2024	2025	2024
Revenues					
Petroleum revenue, net of royalties	15	\$ 1,171	\$ 1,255	\$ 3,073	\$ 3,956
Power and transportation revenue	15	10	10	27	46
Revenues		1,181	1,265	3,100	4,002
Expenses					
Diluent expense		314	403	1,059	1,271
Transportation and storage expense		171	171	495	448
Operating expenses		57	66	215	218
Purchased product		228	214	331	859
Depletion and depreciation	6	109	161	276	470
General and administrative		17	17	51	55
Stock-based compensation	14	8	3	34	21
Net finance expense	17	23	24	69	88
Other (income) expense	19	25	(1)	31	(5)
Commodity risk management loss	22	—	2	—	7
Foreign exchange (gain) loss	16	15	(9)	(20)	26
Earnings before income taxes		214	214	559	544
Income tax expense	18	55	47	122	143
Net earnings		159	167	437	401
Other comprehensive income (loss), net of tax					
Items that may be reclassified to profit or loss:					
Foreign currency translation adjustment		4	(2)	(6)	5
Comprehensive income		\$ 163	\$ 165	\$ 431	\$ 406
Net earnings per common share					
Basic	21	\$ 0.63	\$ 0.62	\$ 1.71	\$ 1.48
Diluted	21	\$ 0.62	\$ 0.62	\$ 1.71	\$ 1.47

The accompanying notes are an integral part of these Interim Consolidated Financial Statements.

Consolidated Statement of Changes in Shareholders' Equity
(Unaudited, expressed in millions of Canadian dollars)

	Share Capital	Contributed Surplus	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income	Total Shareholders' Equity
Balance as at December 31, 2024	\$ 4,571	\$ 176	\$ (242)	\$ 48	\$ 4,553
Stock-based compensation	—	25	—	—	25
RSUs and PSUs vested and released	26	(26)	—	—	—
Repurchase of shares for cancellation	(125)	—	(43)	—	(168)
Tax on repurchases of equity	—	—	(3)	—	(3)
Dividends	—	—	(79)	—	(79)
Comprehensive income (loss)	—	—	437	(6)	431
Balance as at September 30, 2025	\$ 4,472	\$ 175	\$ 70	\$ 42	\$ 4,759
Balance as at December 31, 2023	\$ 4,845	\$ 180	\$ (531)	\$ 33	\$ 4,527
Stock-based compensation	—	15	—	—	15
Stock options exercised	2	—	—	—	2
RSUs vested and released	23	(23)	—	—	—
Repurchase of shares for cancellation	(195)	—	(108)	—	(303)
Tax on repurchases of equity	—	—	(6)	—	(6)
Dividends	—	—	(27)	—	(27)
Comprehensive income	—	—	401	5	406
Balance as at September 30, 2024	\$ 4,675	\$ 172	\$ (271)	\$ 38	\$ 4,614

The accompanying notes are an integral part of these Interim Consolidated Financial Statements.

Consolidated Statement of Cash Flow
(Unaudited, expressed in millions of Canadian dollars)

		Three months ended September 30		Nine months ended September 30	
	Note	2025	2024	2025	2024
Cash provided by (used in):					
Operating activities					
Net earnings		\$ 159	\$ 167	\$ 437	\$ 401
Adjustments for:					
Deferred income tax expense	18	54	47	121	140
Depletion and depreciation	6	109	161	276	470
Stock-based compensation	14	5	5	25	15
Unrealized loss (gain) on foreign exchange	16	14	(9)	(20)	25
Unrealized net gain on commodity risk management	22	—	(8)	—	(15)
Debt extinguishment expense	17	—	—	—	7
Accretion on provisions	11	4	2	10	9
Other		1	1	1	1
Decommissioning expenditures	11	(2)	(1)	(5)	(4)
Payments on onerous contract	11	(2)	(3)	(8)	(6)
Net change in long-term incentive compensation liability	11	1	—	5	2
Net change in non-cash working capital items	20	(203)	79	(77)	(16)
Net cash provided by (used in) operating activities		140	441	765	1,029
Investing activities					
Capital expenditures	6	(129)	(141)	(486)	(376)
Net change in non-cash working capital items	20	(50)	20	(44)	17
Net cash provided by (used in) investing activities		(179)	(121)	(530)	(359)
Financing activities					
Repurchase and redemption of long-term debt		—	(136)	—	(351)
Debt redemption premium		—	(2)	—	(7)
Repurchase of shares	13	—	(108)	(168)	(303)
Tax on share repurchases	13	—	(2)	(3)	(6)
Issue of shares, net of issue costs		—	—	—	1
Receipts on leased assets	20	1	1	1	2
Payments on leased liabilities	20	(4)	(4)	(13)	(12)
Payments of dividends	12	(26)	—	(78)	—
Net change in non-cash working capital items	20	—	6	9	1
Net cash provided by (used in) financing activities		(29)	(245)	(252)	(675)
Effect of exchange rate changes on cash and cash equivalents held in foreign currency		3	(3)	(9)	3
Change in cash and cash equivalents		(65)	72	(26)	(2)
Cash and cash equivalents, beginning of year		195	86	156	160
Cash and cash equivalents, end of period		\$ 130	\$ 158	\$ 130	\$ 158

The accompanying notes are an integral part of these Interim Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Period ended September 30, 2025

All amounts are expressed in millions of Canadian dollars unless otherwise noted.

1. CORPORATE INFORMATION

MEG Energy Corp. (the "Corporation") was incorporated under the *Alberta Business Corporations Act* on March 9, 1999. The Corporation's shares trade on the Toronto Stock Exchange under the symbol "MEG". The Corporation owns a 100% interest in over 410 square miles of mineral leases in the southern Athabasca oil region of Alberta, Canada and is primarily engaged in *in situ* thermal oil production at its Christina Lake Project.

The corporate office is located at 600 – 3rd Avenue SW, Calgary, Alberta, Canada.

2. BASIS OF PRESENTATION

The unaudited interim consolidated financial statements ("interim consolidated financial statements") were prepared using the same accounting policies and methods as those used in the Corporation's audited consolidated financial statements for the year ended December 31, 2024, unless otherwise noted. The interim consolidated financial statements are in compliance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), has been omitted or condensed. The preparation of interim consolidated financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Corporation's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, have been set out in Note 4 of the Corporation's audited consolidated financial statements for the year ended December 31, 2024. These interim consolidated financial statements should be read in conjunction with the Corporation's audited consolidated financial statements for the year ended December 31, 2024.

Effective January 1, 2025, the Corporation made a change to the unit-of-production depletion method to better estimate the allocation of costs over the remaining estimated useful lives of certain assets. Please see note 6 of these interim consolidated financial statements for further details.

These interim consolidated financial statements are presented in Canadian dollars (\$ or C\$), which is the Corporation's functional currency and were approved by the Corporation's Audit Committee on November 10, 2025.

3. CHANGE IN ACCOUNTING POLICY

New accounting standards

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 'Presentation and Disclosure in Financial Statements' was issued on April 9, 2024 by the International Accounting Standards Board effective for annual periods beginning on or after January 1, 2027. The standard is to be applied retrospectively, with certain transition provisions. The standard introduces new requirements for improved comparability in the structure of the statement of earnings and comprehensive income, enhanced transparency of management-defined performance measures and more useful grouping of information in the financial statements. The Corporation is currently evaluating the impacts of the standard on its consolidated financial statements.

4. ACCRUED REVENUE AND ACCOUNTS RECEIVABLE

As at	September 30, 2025	December 31, 2024
Accrued revenue	\$ 410	\$ 411
Accounts receivable	9	9
Deposits and advances	61	19
Current portion of sublease receivable	1	1
	\$ 481	\$ 440

5. INVENTORIES

As at	September 30, 2025	December 31, 2024
Bitumen blend	\$ 259	\$ 221
Diluent	15	17
Material and supplies	20	20
	\$ 294	\$ 258

6. PROPERTY, PLANT AND EQUIPMENT

	Crude oil	Right-of-use assets	Corporate assets	Total
Cost				
Balance as at December 31, 2023	\$ 10,396	\$ 308	\$ 79	\$ 10,783
Additions	548	7	—	555
Derecognition	(11)	—	—	(11)
Change in decommissioning provision	(56)	—	—	(56)
Balance as at December 31, 2024	\$ 10,877	\$ 315	\$ 79	\$ 11,271
Additions	486	(2)	—	484
Change in decommissioning provision	(20)	—	—	(20)
Balance as at September 30, 2025	\$ 11,343	\$ 313	\$ 79	\$ 11,735
Accumulated depletion and depreciation				
Balance as at December 31, 2023	\$ 4,954	\$ 85	\$ 61	\$ 5,100
Depletion and depreciation	603	19	4	626
Derecognition	(11)	—	—	(11)
Balance as at December 31, 2024	\$ 5,546	\$ 104	\$ 65	\$ 5,715
Depletion and depreciation	274	12	2	288
Balance as at September 30, 2025	\$ 5,820	\$ 116	\$ 67	\$ 6,003
Carrying amounts				
Balance as at December 31, 2024	\$ 5,331	\$ 211	\$ 14	\$ 5,556
Balance as at September 30, 2025	\$ 5,523	\$ 197	\$ 12	\$ 5,732

At September 30, 2025, PP&E was assessed for indicators of impairment and none were identified. Assets under construction and not available for use as at September 30, 2025 totaled \$115 million (as at December 31, 2024 - \$44 million).

Effective January 1, 2025, field production assets are depleted using the unit-of-production method based on estimated proved developed bitumen reserves. Prior to January 1, 2025, field production assets were depleted using the unit-of-production method based on estimated proved bitumen reserves plus estimated future development costs to develop and produce these proved bitumen reserves. This change in estimate has been applied on a prospective basis resulting in an approximately \$151 million decrease to depletion and depreciation expense during the nine months ended September 30, 2025. This change in estimate better allocates costs over the remaining estimated useful lives of the field production assets.

7. EXPLORATION AND EVALUATION ASSETS

As at September 30, 2025, E&E assets consist of \$128 million in exploration projects which are pending the determination of proved or probable bitumen reserves (year ended December 31, 2024 – \$128 million). These assets were assessed for indicators of impairment at September 30, 2025 and none were identified.

8. OTHER ASSETS

As at	September 30, 2025	December 31, 2024
Non-current pipeline linefill ^(a)	\$ 200	\$ 189
Finance sublease receivables	7	8
Prepaid transportation costs	6	7
Intangible assets	3	3
	216	207
Less current portion, included in accrued revenue and accounts receivable	(1)	(1)
	\$ 215	\$ 206

- a. Non-current pipeline linefill on third-party owned pipelines is classified as a non-current asset as these transportation contracts expire after December 2029.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	September 30, 2025	December 31, 2024
Trade payables and other	\$ 434	\$ 455
Current liability for cash-settled stock-based compensation	21	16
	\$ 455	\$ 471

10. LONG-TERM DEBT

As at	September 30, 2025	December 31, 2024
5.875% senior unsecured notes (September 30, 2025 - US\$600 million; due 2029; December 31, 2024 - US\$600 million)	834	864
Less unamortized deferred debt discount and debt issue costs	(5)	(6)
	\$ 829	\$ 858

The U.S. dollar denominated debt was translated into Canadian dollars at the period end exchange rate of US\$1 = C\$1.3906 (December 31, 2024 – US\$1 = C\$1.4405).

11. PROVISIONS AND OTHER LIABILITIES

As at	September 30, 2025	December 31, 2024
Lease liabilities ^(a)	\$ 234	\$ 247
Decommissioning provision ^(b)	144	161
Onerous contract ^(c)	35	42
Long-term incentive compensation liability	6	2
Provisions and other liabilities	419	452
Less current portion	(32)	(35)
Non-current portion	\$ 387	\$ 417

a. Lease liabilities:

As at	September 30, 2025	December 31, 2024
Balance, beginning of period	\$ 247	\$ 259
Payments	(30)	(40)
Interest expense	18	25
Foreign exchange impact	(1)	3
Balance, end of period	234	247
Less current portion	(16)	(16)
Non-current portion	\$ 218	\$ 231

The Corporation's minimum lease payments are as follows:

As at September 30	2025
Within one year	\$ 38
Later than one year but not later than five years	150
Later than five years	355
Minimum lease payments	543
Amounts representing finance charges	(309)
Net minimum lease payments	\$ 234

b. Decommissioning provision:

The following table presents the decommissioning provision associated with the reclamation and abandonment of the Corporation's PP&E and E&E assets:

As at	September 30, 2025	December 31, 2024
Balance, beginning of period	\$ 161	\$ 210
Changes in estimated life and estimated future cash flows	(4)	(41)
Changes in discount rates	(16)	(15)
Liabilities settled	(5)	(5)
Accretion	8	12
Balance, end of period	144	161
Less current portion	(5)	(8)
Non-current portion	\$ 139	\$ 153

The decommissioning provision represents the present value of the estimated future costs for the reclamation and abandonment of the Corporation's PP&E and E&E assets. The total undiscounted amount of the estimated future cash flows to settle the decommissioning obligations is \$816 million (December 31, 2024 – \$898 million). At September 30, 2025, the Corporation estimated the net present value of the decommissioning obligations using a weighted-average credit-adjusted risk-free rate of 9.0% (December 31, 2024 – 8.5%) and an inflation rate of 2.1% (December 31, 2024 – 2.1%). The decommissioning provision is estimated to be settled in periods up to the year 2066 (December 31, 2024 – periods up to the year 2066).

c. Onerous contract:

As at	September 30, 2025	December 31, 2024
Balance, beginning of period	\$ 42	\$ 47
Modification	—	(3)
Payments	(8)	(8)
Accretion	2	2
Foreign exchange impact	(1)	4
Balance, end of period	35	42
Less current portion	(11)	(11)
Non-current portion	\$ 24	\$ 31

The onerous contract liability represents the present value of the estimated future cash flows with a remaining term of 3.5 years and relates to the assignment of an onerous marketing contract.

12. DIVIDENDS

On July 25, 2024, the Board of Directors approved the initiation of a base dividend program with the intent to pay a cash dividend each quarter, subject to Board of Directors' approval. Dividends are recognized as a reduction to retained earnings when declared. The declaration of dividends is at the sole discretion of the Corporation's Board of Directors.

The following dividends were declared or paid in 2025:

Board of Directors Declaration Date	Shareholders of Record Date	Payment Date	Amount (C\$/share)
November 5, 2024	December 16, 2024	January 15, 2025	\$0.10
February 27, 2025	March 20, 2025	April 15, 2025	\$0.10
May 6, 2025	June 16, 2025	July 15, 2025	\$0.10
July 31, 2025	September 12, 2025	October 15, 2025	\$0.11

13. SHARE CAPITAL

Common shares are classified as equity. Transaction costs directly attributable to the issuance of shares are recognized as a reduction of shareholders' equity, net of any related income tax. When the Corporation repurchases its own common shares, share capital is reduced by the average carrying value of the shares repurchased. If the average carrying value of the shares exceeds the purchase price, the difference will be recognized as contributed surplus. If the purchase price exceeds the average carrying value of the shares, any previous contributed surplus related to such transactions is reversed. To the extent there is none, the difference is recognized as a reduction to retained earnings.

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

Changes in issued common shares and the amount of share capital are as follows:

	Nine months ended September 30, 2025		Year ended December 31, 2024	
	Number of shares (thousands)	Amount	Number of shares (thousands)	Amount
Balance, beginning of year	260,151	\$ 4,571	274,642	\$ 4,845
Issued upon exercise of stock options	—	—	155	1
Issued upon vesting and release of equity-settled RSUs and PSUs	1,334	26	2,311	23
Repurchase of shares for cancellation	(7,108)	(125)	(16,957)	(298)
Balance, end of period	254,377	\$ 4,472	260,151	\$ 4,571

On March 6, 2025, the Toronto Stock Exchange ("TSX") approved the renewal of the Corporation's normal course issuer bid ("NCIB"). Pursuant to the NCIB, MEG will purchase for cancellation, from time to time, as it considers advisable, up to a maximum of 22,535,791 common shares of the Corporation. The NCIB became effective on March 11, 2025 and will terminate on March 10, 2026 or such earlier time as the NCIB is completed or terminated at the option of MEG. As a result of the Strathcona Resources Ltd. ("Strathcona") unsolicited offer and the Cenovus plan of arrangement, and in accordance with applicable securities laws, the Corporation has paused all share repurchases under its NCIB program.

For the nine months ended September 30, 2025, the Corporation repurchased for cancellation 7.1 million common shares under its NCIB at a weighted-average price of \$23.66 per share for a total cost of \$168 million. Share capital was reduced by \$125 million, reflecting the average carrying value of \$17.57 per share. Retained earnings was reduced by \$43 million for the repurchase price of shares above the carrying value. A 2% tax levied on share repurchases totaling \$3 million was also recorded as a reduction to retained earnings.

14. STOCK-BASED COMPENSATION

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Cash-settled expense	\$ 3	\$ (2)	\$ 9	\$ 6
Equity-settled expense	5	5	25	15
Stock-based compensation	\$ 8	\$ 3	\$ 34	\$ 21

As at September 30, 2025, the Corporation recognized a current liability of \$21 million relating to the fair value of cash-settled deferred share units ("DSUs") (September 30, 2024 - \$19 million) which is included within accounts payable and accrued liabilities and a non-current liability of \$6 million relating to the fair value of cash-settled performance share units ("PSUs") (September 30, 2024 - \$2 million) which is included within provisions and other liabilities.

15. REVENUES

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Sales from:				
Production	\$ 998	\$ 1,207	\$ 2,972	\$ 3,539
Purchased product ⁽ⁱ⁾	249	217	353	876
Petroleum revenue	\$ 1,247	\$ 1,424	\$ 3,325	\$ 4,415
Royalties	(76)	(169)	(252)	(459)
Petroleum revenue, net of royalties	\$ 1,171	\$ 1,255	\$ 3,073	\$ 3,956
Power revenue	\$ 10	\$ 10	\$ 26	\$ 45
Transportation revenue	—	—	1	1
Power and transportation revenue	\$ 10	\$ 10	\$ 27	\$ 46
Revenues	\$ 1,181	\$ 1,265	\$ 3,100	\$ 4,002

(i) The associated third-party purchases are included in the consolidated statement of earnings and comprehensive income under the caption "Purchased product".

a. Disaggregation of revenue from contracts with customers

The Corporation recognized revenue upon delivery of goods and services in the following geographic regions:

Three months ended September 30						
2025			2024			
	Petroleum Revenue			Petroleum Revenue		
	Proprietary	Third-party	Total	Proprietary	Third-party	Total
Country:						
Canada	\$ 346	\$ 79	\$ 425	\$ 386	\$ 32	\$ 418
United States	652	170	822	821	185	1,006
	\$ 998	\$ 249	\$ 1,247	\$ 1,207	\$ 217	\$ 1,424
Nine months ended September 30						
2025			2024			
	Petroleum Revenue			Petroleum Revenue		
	Proprietary	Third-party	Total	Proprietary	Third-party	Total
Country:						
Canada	\$ 982	\$ 132	\$ 1,114	\$ 1,284	\$ 143	\$ 1,427
United States	1,990	221	2,211	2,255	733	2,988
	\$ 2,972	\$ 353	\$ 3,325	\$ 3,539	\$ 876	\$ 4,415

For the three and nine months ended September 30, 2025, power and transportation revenue of \$10 million and \$27 million was attributed to Canada, respectively (three and nine months ended September 30, 2024 – \$10 million and \$46 million attributed to Canada, respectively).

b. Revenue-related assets

The Corporation has recognized the following revenue-related assets in accrued revenue and accounts receivable:

As at	September 30, 2025	December 31, 2024
Petroleum revenue	\$ 405	\$ 409
Power and transportation revenue	5	2
Total revenue-related assets	\$ 410	\$ 411

Revenue-related receivables are typically settled within 30 days. At September 30, 2025 and December 31, 2024, there was no material expected credit loss recorded against revenue-related receivables.

16. FOREIGN EXCHANGE (GAIN) LOSS

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Unrealized foreign exchange (gain) loss on:				
Long-term debt	\$ 17	\$ (12)	\$ (29)	\$ 28
US\$ denominated cash and cash equivalents	(3)	3	9	(3)
Unrealized net (gain) loss on foreign exchange	14	(9)	(20)	25
Realized (gain) loss on foreign exchange	1	—	—	1
Foreign exchange (gain) loss	\$ 15	\$ (9)	\$ (20)	\$ 26
C\$ equivalent of 1 US\$				
Beginning of period	1.3622	1.3687	1.4405	1.3205
End of period	1.3906	1.3505	1.3906	1.3505

17. NET FINANCE EXPENSE

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Interest expense on long-term debt	\$ 12	\$ 14	\$ 37	\$ 51
Interest expense on lease liabilities	6	6	18	18
Credit facility fees	3	3	9	9
Interest income	(2)	(1)	(5)	(6)
Net interest expense	19	22	59	72
Debt extinguishment expense	—	—	—	7
Accretion on provisions	4	2	10	9
Net finance expense	\$ 23	\$ 24	\$ 69	\$ 88

Debt extinguishment expense of \$7 million was recognized on debt redemptions executed during the nine months ended September 30, 2024.

18. INCOME TAX EXPENSE

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Current income tax expense	\$ 1	\$ —	\$ 1	\$ 3
Deferred income tax expense	54	47	121	140
Income tax expense	\$ 55	\$ 47	\$ 122	\$ 143

19. OTHER (INCOME) EXPENSE

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Transaction costs	\$ 25	\$ —	\$ 31	\$ —
Onerous contract expense (recovery)	—	(1)	—	(3)
Third party camp recovery	—	—	—	(2)
Other (income) expense	\$ 25	\$ (1)	\$ 31	\$ (5)

Transaction costs in 2025 are comprised of legal and financial advisor fees associated with the Strathcona unsolicited offer and Cenovus plan of arrangement.

20. SUPPLEMENTAL CASH FLOW DISCLOSURES

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Cash provided by (used in):				
Accrued revenue and accounts receivable	\$ (277)	\$ 192	\$ (45)	\$ 97
Inventories	27	37	(37)	(16)
Accounts payable and accrued liabilities	8	(108)	(17)	(57)
Interest payable	(11)	(16)	(13)	(22)
	\$ (253)	\$ 105	\$ (112)	\$ 2
Changes in non-cash working capital relating to:				
Operating	\$ (203)	\$ 79	\$ (77)	\$ (16)
Investing	(50)	20	(44)	17
Financing	—	6	9	1
	\$ (253)	\$ 105	\$ (112)	\$ 2
Cash and cash equivalents: ^(a)				
Cash	\$ 130	\$ 158	\$ 130	\$ 158
Cash equivalents	—	—	—	—
	\$ 130	\$ 158	\$ 130	\$ 158
Cash interest paid	\$ 24	\$ 30	\$ 49	\$ 69

- a. As at September 30, 2025, \$123 million of the Corporation's total cash and cash equivalents balance was held in U.S. dollars (September 30, 2024 – \$118 million). The U.S. dollar cash and cash equivalents balance has been translated into Canadian dollars at the period end exchange rate of US\$1 = C\$1.3906 (September 30, 2024 – US\$1 = C\$1.3505).

The following table provides a reconciliation of assets and liabilities to cash flows arising from financing activities:

	Finance sublease receivables	Lease liabilities	Long-term debt
Balance as at December 31, 2024	\$ 8	\$ 247	\$ 858
Financing cash flow changes:			
Receipts on leased assets	(1)	—	—
Payments on leased liabilities	—	(13)	—
Other cash and non-cash changes:			
Interest payments on lease liabilities	—	(17)	—
Interest expense on lease liabilities	—	18	—
Unrealized gain on foreign exchange	—	(1)	(29)
Balance as at September 30, 2025	\$ 7	\$ 234	\$ 829

(i) Finance sublease receivables, lease liabilities & long-term debt all include their respective current portion.

21. NET EARNINGS PER COMMON SHARE

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Net earnings	\$ 159	\$ 167	\$ 437	\$ 401
Weighted average common shares outstanding (millions) ^(a)	255	268	255	271
Dilutive effect of stock options and equity-settled RSUs and PSUs (millions)	1	1	1	2
Weighted average common shares outstanding – diluted (millions)	256	269	256	273
Net earnings per share, basic	\$ 0.63	\$ 0.62	\$ 1.71	\$ 1.48
Net earnings per share, diluted	\$ 0.62	\$ 0.62	\$ 1.71	\$ 1.47

- a. Weighted average common shares outstanding for the three and nine months ended September 30, 2025 include 87,909 and 93,755 PSUs vested but not yet released, respectively (three and nine months ended September 30, 2024 - 116,217 and 209,875 PSUs vested but not yet released, respectively).

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The financial instruments recognized on the consolidated balance sheet are comprised of cash and cash equivalents, trade receivables and other, risk management contracts, accounts payable and accrued liabilities, interest payable, dividends payable and long-term debt.

- a. Fair values:

The carrying values of cash and cash equivalents, trade receivables and other, accounts payable and accrued liabilities, dividends payable and interest payable included on the consolidated balance sheet approximate the fair values of the respective assets and liabilities due to the short-term nature of those instruments.

The following fair values are based on Level 2 inputs to fair value measurement:

As at	September 30, 2025		December 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Long-term debt (Note 10)	\$ 834	\$ 834	\$ 864	\$ 841

The estimated fair value of long-term debt is derived using quoted prices in an inactive market from a third-party independent broker. The fair value was determined based on estimates at September 30, 2025 and is expected to fluctuate over time.

b. Risk management:

All risk management contracts expired at the end of 2024, and the Corporation does not have any outstanding risk management assets or liabilities in 2025.

As at September 30	2025		2024
Risk management assets (liabilities), beginning of year	\$ —	\$ —	(22)
Realized risk management (gain) loss on:			
Commodity risk management contracts	—	—	22
Change in fair value on:			
Commodity risk management contracts	—	—	(7)
Risk management assets (liabilities), end of period	\$ —	\$ —	(7)

c. Credit risk management:

Credit risk arises from the potential that the Corporation may incur a loss if a counterparty fails to meet its obligations in accordance with agreed terms. The Corporation applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The Corporation uses a combination of historical and forward-looking information to determine the appropriate loss allowance provisions. Credit risk exposure is mitigated through credit policies governing the Corporation's credit portfolio and with credit practices that limit transactions according to each counterparty's credit quality. A substantial portion of accounts receivable are with investment grade customers in the energy industry and are subject to normal industry credit risk. The Corporation has experienced no material loss in relation to trade receivables. At September 30, 2025, the Corporation's estimated maximum exposure to credit risk related to trade receivables and deposits and advances was \$480 million. Counterparty default risk associated with the Corporation's commodity risk management activities is also partially mitigated through credit exposure limits, frequent assessment of counterparty credit ratings and netting arrangements.

The Corporation's cash balances are used to repay debt, fund capital expenditures and return capital to shareholders. The cash balances are held in high interest savings accounts or are invested in high grade, liquid, short-term instruments such as commercial paper, money market deposits or similar instruments. The cash and cash equivalents balance at September 30, 2025 was \$130 million, which is the estimated maximum exposure to credit risk related to its cash and cash equivalents.

d. Liquidity risk management:

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. Liquidity risk also includes the risk that the Corporation cannot generate sufficient cash flow from the Christina Lake Project or is unable to raise further capital to meet its obligations under its debt agreements. In the event of a default, the lenders are entitled to exercise any and all remedies available under the debt

agreements. The Corporation manages its liquidity risk through the active management of cash, debt and revolving credit facilities and by maintaining appropriate access to credit.

Management believes its current capital resources and its ability to manage cash flow and working capital levels will allow the Corporation to meet its current and future obligations, to make scheduled principal and interest payments, and to fund the other needs of the business for at least the next 12 months. Meeting current and future obligations through periods of volatility is supported by the Corporation's financial framework and credit risk management policies which minimize exposure related to customer receivables primarily to investment grade customers in the energy industry. However, no assurance can be given that this will be the case or that future sources of capital will not be necessary.

The US\$600 million of 5.875% senior unsecured notes due February 2029 represents the earliest and only long-term debt maturity and does not contain financial maintenance covenants. Additionally, the Corporation's modified covenant-lite \$600 million revolving credit facility has no financial maintenance covenant unless drawn in excess of 50%, or \$300 million. If drawn in excess of 50%, or \$300 million, the Corporation is required to maintain a quarterly first lien net leverage ratio (first lien net debt to last twelve-month EBITDA) of 3.5 or less. Under the Corporation's credit facility, first lien net debt is calculated as debt under the credit facility plus other debt that is secured on a *pari passu* basis with the credit facility, less cash on hand.

23. CAPITAL MANAGEMENT

The Corporation's capital consists of cash and cash equivalents, debt and shareholders' equity. The Corporation's objective for managing capital is to prioritize balance sheet strength while maintaining flexibility to repay debt, fund capital expenditures, return capital to shareholders or fund future production growth. In the current price environment, management believes its capital resources and its ability to manage cash flow and working capital levels will allow the Corporation to meet its current and future obligations, to make scheduled principal and interest payments, and to fund the other needs of the business for at least the next 12 months. Share repurchases, dividends and capital expenditures are anticipated to be funded by the Corporation's adjusted funds flow, cash-on-hand and/or other available liquidity.

The Corporation intends to return 100% of free cash flow ("FCF") to shareholders through share repurchases and a quarterly base dividend while managing working capital cash requirements. As a result of Strathcona's unsolicited offer and the Cenovus plan of arrangement, and in accordance with applicable securities laws, the Corporation paused all share repurchases under its NCIB program.

The Corporation has \$1.2 billion of available credit, comprised of \$600 million under a revolving credit facility and \$600 million under a letter of credit facility guaranteed by Export Development Canada ("EDC Facility").

The Corporation's US\$600 million of 5.875% senior unsecured notes due February 2029 represents the only long-term debt maturity. At September 30, 2025, the Corporation had \$600 million unutilized capacity under the revolving credit facility, with \$212 million of issued letters of credit, and had \$388 million of unutilized capacity under the \$600 million EDC Facility.

The following table summarizes the Corporation's adjusted funds flow ("AFF") and free cash flow ("FCF"):

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Net cash provided by (used in) operating activities	\$ 140	\$ 441	\$ 765	\$ 1,029
Net change in non-cash working capital items	\$ 203	\$ (79)	\$ 77	\$ 16
Transaction costs	\$ 25	\$ —	\$ 31	\$ —
Adjusted funds flow	368	362	873	1,045
Capital expenditures	(129)	(141)	(486)	(376)
Free cash flow	\$ 239	\$ 221	\$ 387	\$ 669

Adjusted Funds Flow (AFF) and Free Cash Flow (FCF) are capital management measures defined in the Corporation's consolidated financial statements and all are presented to assist management and investors in analyzing operating performance and cash flow generating ability. AFF is calculated as net cash provided by (used in) operating activities before the net change in non-cash working capital items and excludes items not considered part of ordinary continuing operating results. By excluding non-recurring adjustments, the AFF measure provides a meaningful metric for management and investors by establishing a clear link between the Corporation's cash flows and cash operating netback. FCF is presented to assist management and investors in analyzing performance by the Corporation as a measure of financial liquidity and the capacity of the business to return capital to shareholders. FCF is calculated as AFF less capital expenditures.

The following table summarizes the Corporation's net debt:

As at	Note	September 30, 2025	December 31, 2024
Long-term debt	10	\$ 829	\$ 858
Cash and cash equivalents		(130)	(156)
Net debt - C\$		\$ 699	\$ 702
Net debt - US\$		\$ 503	\$ 488

Net debt is an important measure used by management to analyze leverage and liquidity.

Net debt and FCF are not standardized measures and may not be comparable with the calculation of similar measures by other companies.

24. COMMITMENTS AND CONTINGENCIES

a. Commitments

The Corporation's commitments are enforceable and legally binding obligations to make payments in the future for goods and services. These items exclude amounts recorded on the consolidated balance sheet. The Corporation had the following commitments as at September 30, 2025:

	2025	2026	2027	2028	2029	Thereafter	Total
Transportation and storage ⁽ⁱ⁾	\$ 126	\$ 504	\$ 501	\$ 465	\$ 470	\$ 6,039	\$ 8,105
Diluent purchases ⁽ⁱⁱ⁾	137	72	64	64	64	32	433
Other operating commitments	5	20	10	9	6	58	108
Variable office lease costs	1	4	4	4	4	8	25
Capital commitments	43	—	—	—	—	—	43
Commitments	\$ 312	\$ 600	\$ 579	\$ 542	\$ 544	\$ 6,137	\$ 8,714

(i) This represents transportation and storage commitments from 2025 to 2048. Excludes amounts recognized on the consolidated balance sheet (Note 11).

(ii) The associated transportation commitment is included in transportation and storage.

b. Contingencies

The Corporation is involved in various legal claims associated with the normal course of operations. The Corporation believes that any liabilities that may arise pertaining to such matters would not have a material impact on its financial position.

25. SUBSEQUENT EVENTS

On November 6, 2025, the shareholders of MEG approved a Plan of Arrangement with Cenovus Energy Inc. ("Cenovus") pursuant to which Cenovus will acquire all of the issued and outstanding shares of the Corporation. Closing of the transaction remains subject to the approval of the Court of King's Bench of Alberta and closing is expected to occur shortly thereafter. Upon closing of the transaction, additional transaction and other costs of approximately \$90 million will be incurred.

Under the terms of the Plan of Arrangement, upon closing of the transaction the Corporation will terminate its \$600 million revolving covenant-lite credit facility and \$600 million EDC Facility.