



## PRESS RELEASE

### MEG Energy Announces Preliminary 2019 Fourth Quarter and Full-Year Financial and Operating Data

All financial figures are in Canadian dollars (\$) or C\$) and all references to barrels are per barrel of bitumen sales unless otherwise noted

**CALGARY, ALBERTA (January 16, 2020)** - MEG Energy Corp. ("MEG" or the "Company") (TSX: MEG) announced today its preliminary estimates of expected ranges of certain financial and operating data for the three months and year ended December 31, 2019.

The table below presents management's preliminary estimates, based on the information and data currently available, of expected ranges of certain financial and operating data for the three months and year ended December 31, 2019. The line items in the table for the three months ended December 31, 2019 are estimates and are subject to finalization. Based on estimated results for the fourth quarter of 2019, MEG anticipates achieving results in line with its previously disclosed 2019 guidance.

	Range of Expected Estimates				Actual Results		
	Year ended		Three months ended		Three months ended		
	Dec 31, 2019		Dec 31, 2019		Sep 30, 2019	Jun 30, 2019	Mar 31, 2019
	Low	High	Low	High			
Production (bbls/d)	92,750	93,250	94,000	95,000	93,278	97,288	87,133
Non-Energy Operating Cost (C\$/bbl)	\$4.61	\$4.65	\$4.43	\$4.61	\$4.22	\$4.53	\$5.22
General and Administrative Expenses <sup>1</sup> (C\$/bbl)	\$1.98	\$2.00	\$2.20	\$2.25	\$1.66	\$1.81	\$2.27
Capital Expenditures (C\$mm)	\$195	\$200	\$70	\$75	\$40	\$32	\$53
Cash and Cash Equivalents (C\$mm)	\$203	\$209	\$203	\$209	\$154	\$399	\$154

1. \$ per barrel based on production.

## Update to MEG 2020 Commodity Price Risk Management Positions

In the fourth quarter of 2019 and the first few days of 2020, MEG entered into additional derivative financial contracts to manage commodity price risk. MEG's current commodity price risk management contracts, including those entered into in the fourth quarter of 2019 and the first few days of 2020, are summarized below:

	Forecast Period				
	Q1 2020	Q2 2020	Q3 2020	Q4 2020	2020
<b>WTI Hedges</b>					
WTI Fixed Price Hedges					
Volume (bbls/d)	72,899	62,395	19,043	16,887	42,806
Weighted average fixed WTI price (US\$/bbl)	\$58.67	\$59.68	\$59.38	\$59.36	\$59.19
Enhanced WTI Fixed Price Hedges with Sold Put Options					
Volume (bbls/d)	-	-	16,870	24,500	10,342
Weighted average fixed WTI price (US\$/bbl) / Put option strike price <sup>1</sup> (US\$/bbl)	-	-	\$59.38 / \$52.00	\$59.11 / \$52.00	\$59.22 / \$52.00
Total WTI hedge volume (bbls/d)	72,889	62,395	35,913	41,387	53,148
<b>WTI:WCS Differential Hedges</b>					
Volume <sup>2</sup> (bbls/d)	30,150	30,150	30,150	32,150	30,650
Weighted average fixed WTI:WCS differential at Edmonton (US\$/bbl)	(\$20.14)	(\$20.14)	(\$20.14)	(\$20.01)	(\$20.10)
<b>Condensate Hedges</b>					
Volume <sup>3</sup> (bbls/d)	19,149	23,298	23,208	23,208	22,216
Average % of WTI landed in Edmonton (%)	102%	101%	100%	100%	101%

1. Includes fixed price swap and sold put option.

2. 2020 includes approximately 13,200 bbls/d of physical forward rail blend sales at a fixed WTI:AWB differential.

3. Q4 2019 and 2020 include approximately 13,300 bbls/d and 7,200 bbls/d (annual average) of physical forward condensate purchases, respectively. Where applicable, the average % of WTI landed in Edmonton includes estimated net transportation costs.

## About MEG

MEG is an oil company focused on sustainable in situ thermal oil development and production in the southern Athabasca region of Alberta, Canada. MEG is actively developing enhanced oil recovery projects that utilize steam-assisted gravity drainage extraction methods to improve the economic recovery of oil as well as lower carbon emissions. MEG transports and sells Access Western Blend to refiners throughout North America and internationally. MEG's common shares are listed on the Toronto Stock Exchange under the symbol "MEG".

## Forward-Looking Information

Certain statements contained in this news release may constitute forward-looking statements within the meaning of applicable Canadian securities laws. These statements relate to future events or MEG's future performance. All statements other than statements of historical fact may be forward-looking statements. The use of any of the

words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", "dependent", "ability", "plan", "intend", "target", "potential" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are often, but not always, identified by such words. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. In particular, and without limiting the foregoing, this news release contains forward-looking statements with respect to the expected ranges of certain financial and operating data for the three months and year ended December 31, 2019, including anticipated results that are in line with previously disclosed guidance for 2019. Such forward-looking information is based on certain assumptions and analysis made by MEG in light of its experience and perception of current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances. However, whether actual results, performance or achievements will conform to MEG's expectations and predictions is subject to a number of known and unknown risks and uncertainties which could cause actual results to differ materially from MEG's expectations. Other factors which could materially affect such forward-looking information are described in the risk factors detailed in the offering documentation prepared and delivered by MEG in connection with the offering.

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