PRESS RELEASE

MEG Energy announces first quarter 2020 free cash flow of $24 million, current full year 2020 hedge book value of $525 million and a further 25% reduction in full year capital investment to $150 million

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 (May 4, 2020) – MEG Energy Corp. (TSX:MEG, "MEG" or the "Corporation") reported its first quarter 2020 operational and financial results.

MEG continues to respond proactively to the safety and financial challenges associated with the COVID-19 pandemic.

"We are committed to ensuring the health and safety of all our personnel and the safe and reliable operation of the Christina Lake facility" said Derek Evans, President and Chief Executive Officer. "The current business environment demands swift, decisive actions to enhance MEG's already strong financial liquidity position. To that end, we are reducing production to minimum levels and advancing the planned plant turnaround, cutting capital by $100 million versus original guidance, and reducing non-energy operating cost and G&A guidance by $20 million and $10 million, respectively."

MEG remains well positioned from a financial liquidity perspective, benefiting not only from its significant 2020 hedge book, the term and structure of its outstanding indebtedness and credit facility but also from the low decline, low cost structure of its high-quality Christina Lake asset.

First quarter financial and operating highlights include:

- Free cash flow of $24 million driven by adjusted funds flow of $78 million ($0.26 per share) and disciplined capital spend of $54 million;
- MEG exited the first quarter with $62 million of cash on hand. Based on the current commodity price environment, MEG does not expect this level of cash on hand to materially change in the second quarter of 2020;
- Bitumen production volumes of 91,557 barrels per day (bbls/d) at a steam-oil ratio (SOR) of 2.31;
- Net operating costs of $5.51 per barrel, including non-energy operating costs of $4.57 per barrel and strong power sales which had the impact of offsetting 70% of per barrel energy operating costs resulting in a net energy operating cost of $0.94 per barrel;
- MEG utilized cash on hand to repay an additional $132 million of long-term debt concurrent with the refinancing of US$1.2 billion of existing indebtedness announced January 16, 2020. The combination of these transactions is neutral to ongoing cash costs and results in no outstanding debt maturities before 2024;

- Realized commodity price risk management gain of $106 million. At current strip pricing the full year 2020 value of MEG's commodity price risk management hedge positions, including the $106 million realized gain, is estimated at $525 million, providing strong financial liquidity through the remainder of the year;

- On March 10, 2020, MEG reduced its full year 2020 capital investment by 20% to $200 million from original guidance of $250 million. Notwithstanding the Corporation's strong hedge position, in light of the current weak oil price environment and MEG's focus on maintaining its financial liquidity, MEG is further reducing full year 2020 capital investment by an additional $50 million to $150 million, or 40% below original guidance and reducing non-energy operating cost and general and administrative ("G&A") expense by $20 million and $10 million respectively; and

- Subsequent to quarter end, a decision was made to roll back salaries across the company, with an emphasis on Board, executive and senior leader compensation. Effective June 1, 2020, Board members will receive a 25% cash compensation reduction. The President and Chief Executive Officer will have his annual base salary reduced by 25%, the Chief Operating Officer and Chief Financial Officer will each take a 15% annual base salary reduction, vice presidents will receive a 12% annual base salary rollback and all other employees will receive a 7.5% annual base salary rollback. In addition, the value of the 2020 long-term incentive awards issued to employees and directors on April 1 was reduced by 20% compared to 2019 levels.

Blend Sales Pricing and North American Market Access

MEG realized an average AWB blend sales price of US$27.12 per barrel during the three months ended March 31, 2020 compared to US$42.83 per barrel in Q4 2019. The reduction in average AWB blend sales price quarter over quarter was primarily a result of the average WTI price decreasing by US$10.79 per barrel combined with the average WTI:AWB differential at Edmonton widening by US$4.34 per barrel. MEG sold 23% (21% via pipe and 2% via rail) of its sales volumes to the US Gulf Coast ("USGC") in the first quarter of 2020 compared to 34% (28% via pipe and 6% via rail) in the fourth quarter of 2019. The reduction in sales to the USGC in the first quarter is a result of substantially all rail sales in the first quarter being sold freight on board ("FOB") at rail terminals at Edmonton, and 50% apportionment on the Enbridge mainline in the first quarter compared to 45% in the fourth quarter of 2019.

Transportation and storage costs averaged US$4.39 per barrel of AWB blend sales in the first quarter of 2020 compared to US$5.69 per barrel of AWB blend sales in the fourth quarter of 2019. The quarter over quarter reduction in transportation and storage costs is primarily due to the suspension of delivered rail contracts to refiners in January 2020 in favour of FOB rail contracts at Edmonton entered into during the fourth quarter of 2019, combined with improved rail facility utilization. MEG's AWB blend sales by rail increased to 30,152 bbls/d (27,867 bbls/d FOB Edmonton) in the first quarter of 2020 from 17,111 bbls/d (8,675 bbls/d FOB Edmonton) in the fourth quarter of 2019. The increase in first quarter 2020 rail sales was a direct result of fourth quarter 2019 rail contracting to allow MEG to take advantage of the Alberta Government's Special Production Allowance program for curtailed producers announced October 2019.

Excluding transportation and storage costs upstream of the Edmonton index sales point, MEG's net AWB blend sales price at Edmonton averaged US$24.55 per barrel during the three months ended March 31, 2020 compared to the posted AWB index price at Edmonton of US$23.39 per barrel. Notwithstanding that Enbridge mainline apportionment averaged 50% during the first quarter of 2020, MEG was able to capture pricing better than the Edmonton index as a result of its marketing and storage assets and the ability to move barrels to the higher-priced USGC market.

Operational Performance

Bitumen production averaged 91,557 bbls/d in the first quarter of 2020, compared to 94,566 bbls/d in the fourth quarter of 2019. Bitumen production in the first quarter was impacted by a combination of extreme cold weather in January, scheduled planned maintenance activities in February and implementation of the COVID-19 response plan in March which resulted in a significant reduction in operating personnel on site, which impacted production levels. Net operating costs in the first quarter of 2020 averaged $5.51 per barrel, a 6% decrease compared to the fourth quarter of 2019, directly impacted by higher sales revenues from surplus power from MEG's cogeneration facilities. Non-energy operating costs averaged $4.57 per barrel compared to $4.49 per barrel in the fourth quarter of 2019. Net energy operating costs averaged just $0.94 per barrel in the first quarter of 2020.

G&A expense was $16 million, or $1.96 per barrel of production, in the first quarter of 2020 compared to $20 million, or $2.25 per barrel of production, in the fourth quarter of 2019. The decrease in aggregate G&A quarter over quarter is a result of the Corporation continuing to drive efficiency gains into its operations.

Adjusted Funds Flow and Net Loss

MEG's bitumen realization averaged $19.45 per barrel in the first quarter of 2020 compared to $46.86 per barrel in the fourth quarter of 2019. The reduction in average bitumen realization quarter over quarter was driven by the same factors that drove the reduction in average AWB blend sales price. In addition, the widening WTI:AWB differential also resulted in a lower recovery of the cost of diluent through blend sales, which increased the Corporation's cost of diluent.

The decline in bitumen realization was the largest contributing factor to the 41% decline in MEG's cash operating netback. The lower cash operating netback drove a decrease in the Corporation's adjusted funds flow from $157 million in the fourth quarter of 2019 to $78 million in the first quarter of 2020.

The Corporation recognized a net loss of $284 million in the first quarter of 2020 compared to net earnings of $26 million in the fourth quarter of 2019. The decrease is due to decreased bitumen realization combined with a number of non-cash charges, including an unrealized foreign exchange loss of $267 million, an exploration expense of $366 million associated with certain non-core growth properties and an inventory impairment charge of $29 million partially offset by a $429 million unrealized gain on commodity risk management contracts.

Capital Expenditures

Capital expenditures in the first quarter of 2020 totaled $54 million compared to $72 million in the fourth quarter of 2019. Of the $54 million incurred in the first quarter, approximately $40 million was directed towards sustaining and maintenance activities and $13 million towards the brownfield project at MEG's Phase 2B central processing facility.

COVID-19 Global Pandemic

The Corporation is continually monitoring and responding to the ongoing evolving COVID-19 situation. The Corporation's business activities have been declared an essential service by the Alberta Government and the Corporation remains committed to the health and safety of all personnel and to the safety and continuity of operations. The Corporation has established a COVID-19 task force, comprised of senior management and employees as well as third party expert consultants to promptly implement measures to protect the health and safety of the Corporation's work force and the public, as well as to ensure continuity of operations. The Corporation is monitoring daily developments in the COVID-19 outbreak and actions taken by government authorities in response thereto. In accordance with the guidance of provincial and federal health officials and to limit the risk and transmission of COVID-19, the Corporation has implemented mandatory self-quarantine policies, travel restrictions, enhanced cleaning and sanitation measures, and social distancing measures, including directing the vast majority of its office staff and certain non-essential field staff to work from home. Only location essential personnel are currently working at the Corporation's Christina Lake site and Calgary head office. The Corporation believes that it can maintain safe operations with these pandemic-related procedures and protocols in place. Additionally, in order to prevent and/or minimize any COVID-19 outbreak at its Christina Lake site, the Corporation has implemented additional measures as part of its pandemic response, including changes to crew size and shift durations, screening measures prior to allowing employees and contractors on to the Corporation's Christina Lake site (or flights departing to the Christina Lake site), and mandating the use of masks and other measures to ensure continued safe and reliable operations.

Outlook

Since early March 2020 global crude oil prices have experienced multi-decade lows coupled with extreme levels of volatility driven primarily by the unprecedented demand shock due to COVID-19. Notwithstanding MEG's strong financial liquidity driven by its estimated $525 million full year 2020 hedge book, MEG is further reducing its 2020 full year capital budget to $150 million from the previously revised level of $200 million, of which $125 million will be directed toward sustaining and maintenance activities, including approximately $25 million related to major plant turnaround activities at the Corporation's Phase 1 & 2 facilities scheduled to begin in early June 2020. Relative to the original budget, the turnaround is expected to be longer in duration, with completion expected in August, while being undertaken at a lower total cash cost by relying more heavily on internal resources. This will allow the Corporation to take advantage of the current low oil price environment by reducing turnaround requirements in 2021. The remainder of the revised capital budget will be directed primarily towards regulatory, corporate and other.

MEG currently expects first half 2020 production to average approximately 76,000 bbls/d. In light of the current oil price environment, the Corporation is suspending full year 2020 production guidance. At present, MEG expects to produce approximately 30,000 bbls/d during the Phase 1 & 2 turnaround. This production volume reflects the minimum production level required to maintain the integrity of its operations and reservoir performance at the Phase 2B facility, which has current productive capacity of approximately 60,000 bbls/d. During the turnaround, if oil prices improve from current levels, MEG will have the ability to efficiently produce up to this 60,000 bbls/d level. Upon completion of the turnaround activities at MEG's Phase 1 & 2 facilities in August, MEG will determine, based on the oil price environment at that time, when to bring these facilities back into operation. Irrespective of actual production levels in the second half of 2020, which will be a function of the oil price environment as we move through the year, based on full year $150 million capital investment for 2020, the Corporation will have the ability to achieve production levels in excess of 80,000 bbls/d post turnaround, once Phase 1 & 2 are brought back into operation.

In consideration of the significant impact COVID-19 is having on the Corporation's bitumen realizations, MEG has taken further steps to reduce its 2020 full year non-energy operating costs and G&A expense. Non-energy operating costs are now targeted at $140 - $150 million, which is $20 million, or approximately 12%, lower than original guidance. G&A is now targeted at $52.5 - $55 million, which is $10 million, or approximately 16%, lower than original guidance. The majority of these cost reductions were a result of a reduction in staffing levels and rationalization of ongoing administrative costs. Targeted 2020 G&A expense is approximately $15 million, or 20%, lower than actual 2019 G&A expense, and approximately $30 million, or 35%, lower than 2018 G&A expense.

Guidance Update

Summary of 2020 Guidance	**Revised Guidance (May 4, 2020)**	**Previously Revised Guidance (March 10, 2020)**	**Original Guidance (November 21, 2019)**
Production (1H20)	**76,000 bbls/d**	N/A	N/A
Production (FY20 average)	**N/A**	93,000 – 95,000 bbls/d	94,000 – 97,000 bbls/d
Non-energy operating cost	**$140 - $150 million**	$155 - $165 million ($4.50 - $4.90 per barrel)	$160 - $170 million ($4.50 - $4.90 per barrel)

G&A expense	**$52.5 - $55 million**	$60 - $62.5 million ($1.75 - $1.85 per barrel)	$62.5 million - $65 million ($1.75 - $1.85 per barrel)
Capital Expenditures	**$150 million**	$200 million	$250 million

Financial Liquidity

MEG exited the first quarter with $62 million of cash on hand after making a debt repayment of $132 million in the quarter. Based on the current commodity price environment, MEG does not expect this level of cash on hand to materially change in the second quarter of 2020.

The Corporation's earliest maturing long-term debt is four years out, represented by US$600 million of senior unsecured notes due March 2024. None of the Corporation's outstanding long-term debt contain financial maintenance covenants. Additionally, MEG's modified covenant-lite $800 million revolving credit facility has no financial maintenance covenant unless drawn in excess of $400 million. If drawn in excess of $400 million, MEG 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 MEG'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.

2020 Commodity Hedges

For the second quarter of 2020, MEG has entered into benchmark WTI fixed price swaps for approximately 66,100 bbls/d of bitumen production at an average price of US$57.75 per barrel. The table below reflects all of MEG's current 2020 financial and physical hedge positions. At current strip pricing, MEG's financial hedge book is expected to add $525 million to full year 2020 adjusted funds flow, including the $106 million realized gain in the first quarter.

	Forecast Period			
	Q2 2020	**Q3 2020**	**Q4 2020**	**2020**
WTI Hedges				
WTI Fixed Price Hedges				
Volume (bbls/d)	66,103	29,043	16,887	**46,234**
Weighted average fixed WTI price (US$/bbl)	$57.75	$50.08	$59.36	**$57.06**
Enhanced WTI Fixed Price Hedges with Sold Put Options(1)				
Volume (bbls/d)	-	16,870	24,500	**10,342**
Weighted average fixed WTI price (US$/bbl) / Put option strike price (US$/bbl)	-	$59.38 / $52.00	$59.11 / $52.00	**$59.22 / $52.00**
Total WTI hedge volume (bbls/d)	**66,103**	**45,913**	**41,387**	**56,576**
WTI:WCS Differential Hedges				
Volume(2) (bbls/d)	42,448	34,150	41,150	**36,974**
Weighted average fixed WTI:WCS differential at Edmonton (US$/bbl)	($18.43)	($19.48)	($19.38)	**($19.29)**
Condensate Hedges				
Volume(3) (bbls/d)	21,936	23,208	23,208	**21,875**
Average % of WTI landed in Edmonton (%)	105%	104%	103%	**105%**

(1) *Includes fixed price swaps and sold put options entered into for the second half of 2020. At an average 2H20 WTI price of US$52.00 per barrel or higher, MEG's effective WTI hedge price for 2H20 is US$56.21 per barrel. Illustratively, at an average 2H20 WTI price of US$30.00 per barrel, MEG's effective WTI hedged price for 2H20 is US$45.78 per barrel.*

(2) *2020 includes approximately 12,000 bbls/d of physical forward rail blend sales at a fixed WTI:AWB differential.*

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

Conference Call

A conference call will be held to review MEG's first quarter 2020 operating and financial results at 6:30 a.m. Mountain Time (8:30 a.m. Eastern Time) on Tuesday, May 5th, 2020. To participate, please dial the North American toll-free number 1-888-390-0546, or the international call number 1-587-880-2171.

A recording of the call will be available by 12 noon Mountain Time (2 p.m. Eastern Time) on the same day at www.megenergy.com/investors/presentations-and-events.

Operational and Financial Highlights

	2020			**2019**			**2018**	
($ millions, except as indicated)	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**
Bitumen production - bbls/d	**91,577**	94,566	93,278	97,288	87,113	87,582	98,751	71,325
Steam-oil ratio	**2.31**	2.27	2.26	2.16	2.20	2.22	2.17	2.22
Bitumen sales - bbls/d	**97,214**	94,347	94,992	95,120	89,822	88,283	93,856	74,418
Bitumen realization - $/bbl	**19.45**	46.86	53.37	62.23	50.21	15.31	49.63	47.33
Net operating costs - $/bbl(1)	**5.51**	5.87	4.30	4.66	6.17	4.55	4.34	5.64
Non-energy operating costs - $/bbl	**4.57**	4.49	4.22	4.53	5.22	4.25	4.38	5.47
Cash operating netback - $/bbl(2)	**16.83**	28.33	32.44	37.88	29.80	7.14	24.01	18.66
Adjusted funds flow(3)	**78**	157	192	227	151	(37)	116	18
Per share, diluted	**0.26**	0.51	0.63	0.76	0.50	(0.13)	0.39	0.06
Revenue	**665**	992	958	1,062	919	520	803	689
Net earnings (loss)	**(284)**	26	24	(64)	(48)	(199)	118	(179)
Per share, diluted	**(0.95)**	0.09	0.08	(0.21)	(0.16)	(0.67)	0.39	(0.61)
Capital expenditures	**54**	72	40	32	53	144	139	191
Cash and cash equivalents	**62**	206	154	399	154	318	373	564
Long-term debt - C$	**3,212**	3,123	3,257	3,582	3,660	3,740	3,544	3,607
Long-term debt - US$	**2,275**	2,409	2,459	2,737	2,740	2,741	2,742	2,745

(1) Net operating costs include energy and non-energy operating costs, reduced by power revenue.
(2) Cash operating netback is a non-GAAP measure and does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures used by other companies.
(3) Refer to Note 19 of the March 31, 2020 interim consolidated financial statements for further detail.

ADVISORY

Basis of Presentation

MEG prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS") and presents financial results in Canadian dollars ($ or C$), which is the Corporation's functional currency.

Non-GAAP Measures

Certain financial measures in this news release including free cash flow and cash operating netback are non-GAAP measures. These terms are not defined by IFRS and, therefore, may not be comparable to similar measures provided by other companies. These non-GAAP financial measures should not be considered in isolation or as an alternative for measures of performance prepared in accordance with IFRS.

Free Cash Flow

Free cash flow 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 repay debt. Free cash flow is calculated as adjusted funds flow less capital expenditures.

	Three months ended March 31	
($ millions)	**2020**	**2019**
Net cash provided by (used in) operating activities	**$99**	$(69)
Net change in non-cash operating working capital items	**(30)**	220
Funds flow from (used in) operations	**$69**	$151
Adjustments:		
Contract cancellation	**7**	-
Decommissioning expenditures	**2**	-
Adjusted funds flow	**$78**	$151
Capital expenditures	**(54)**	(53)
Free cash flow	**$24**	$98

Cash Operating Netback

Cash operating netback is a non-GAAP measure widely used in the oil and gas industry as a supplemental measure of a company's efficiency and its ability to fund future capital expenditures. The Corporation's cash operating netback is calculated by deducting the related cost of diluent, blend purchases, transportation and storage, third-party curtailment credits, operating expenses, royalties and realized commodity risk management gains or losses from blend sales and power revenue. The per barrel calculation of cash operating netback is based on bitumen sales volume.

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", "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 press release contains forward looking statements with respect to: the Corporation's level of cash on hand in the second quarter of 2020; the Corporation's ability to weather the unprecedented oil demand shock due to COVID-19; the Corporation's ability to protect 2020 financial liquidity through optimizing administrative, operating and capital costs; ongoing G&A decreases as the Corporation continues to drive efficiency gains into its operations; proactive pandemic-related procedures and protocols to protect the health and safety of staff and the maintain effective operations in response to the COVID-19 pandemic; the Corporation's comprehensive pandemic response plan to ensure continued safe and reliable operations; the Corporation's strong liquidity driven by its 2020 hedge book; the Corporation's estimate of its full year 2020 hedge book; the Corporation's focus and strategy; forecast 2020 capital budget and its allocation; the planned major turnaround, including the timing, duration and cost thereof; the Corporation's ability to take advantage of the currently depressed oil price environment by reducing turnaround requirements in 2021; all statements related to the Corporation's revised guidance, including first half 2020 production and full year non-energy operating costs, general and administrative expenses and capital expenditures; the Corporation's production level during the Phase 1 and 2 turnaround; the minimum level of production required to maintain integrity of operations and reservoir performance at its Phase 2 facility; the production capacity of the Phase 2 facility; the Corporation's ability to achieve specified production levels post turnaround; the Corporation's financial liquidity; and the impact of commodity hedges on 2020 adjusted funds flow.

Forward-looking information contained in this press release is based on management's expectations and assumptions regarding, among other things: future crude oil, bitumen blend, natural gas, electricity, condensate and other diluent prices, differentials, level of apportionment on the Enbridge mainline, the level of contango in benchmark crude oil prices, foreign exchange rates and interest rates; the recoverability of MEG's reserves and contingent resources; MEG's ability to produce and market production of bitumen blend successfully to customers; extent and timelines of the Alberta Government's mandatory production curtailment program, future growth, results of operations and production levels; future capital and other expenditures; revenues, expenses and cash flow; operating costs; reliability; continued liquidity and runway to sustain operations through a prolonged market downturn; ability to reduce oil sands production, including without negative impacts to its assets; forecast production volumes are subject to potential further ramp down of production based on business and market conditions; anticipated reductions in operating costs as a result of optimization and scalability of certain operations; anticipated sources of funding for operations and capital investments; plans for and results of drilling activity; the regulatory framework governing royalties, land use, taxes and environmental matters, including the timing and level of government production curtailment and federal and provincial climate change policies, in which MEG conducts and will conduct its business; the impact of MEG's response to the COVID-19 global pandemic; and business prospects and opportunities. By its nature, such forward-looking information involves significant known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated.

These risks and uncertainties include, but are not limited to, risks and uncertainties related to: the oil and gas industry, for example, the securing of adequate access to markets and transportation infrastructure; the availability of capacity on the electricity transmission grid; the uncertainty of reserve and resource estimates; the uncertainty of estimates and projections relating to production, costs and revenues; health, safety and environmental risks; legislative and regulatory changes to, amongst other things, tax, land use, royalty and environmental laws and production curtailment; assumptions regarding and the volatility of commodity prices, interest rates and foreign exchange rates; 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; securing and maintaining the necessary regulatory approvals and financing to proceed with MEG's future phases and the expansion and/or operation of MEG's projects; access to pipeline and rail transportation; timing of completion, commissioning, and start-up, of MEG's turnarounds, and of future phases, expansions and projects; the operational risks and delays in the development, exploration, production, and the capacities and performance associated with MEG's projects; MEG's ability to reduce production to desired levels; MEG's ability to finance sustaining capital expenditures; MEG's ability to maintain sufficient liquidity to sustain operations through a prolonged market downturn; changes in credit ratings applicable to MEG or any of its securities; MEG's response to the COVID-19 global pandemic; the severity and duration of the COVID-19 pandemic; the potential for a temporary suspension of operations impacted by an outbreak of COVID-19; continued weakness and volatility of crude oil and other petroleum products due to decreased global demand due to the COVID-19 pandemic; changes in general economic, market and business conditions; and the potential costs associated with ongoing litigation cases.

Although MEG believes that the assumptions used in such forward-looking information are reasonable, there can be no assurance that such assumptions will be correct. Accordingly, readers are cautioned that the actual results achieved may vary from the forward-looking information provided herein and that the variations may be material. Readers are also cautioned that the foregoing list of assumptions, risks and factors is not exhaustive.

Further information regarding the assumptions and risks inherent in the making of forward-looking statements can be found in MEG's most recently filed Annual Information Form ("AIF"), along with MEG's other public disclosure documents. Copies of the AIF and MEG's other public disclosure documents are available through the Company's website at www.megenergy.com/investors and through the SEDAR website at www.sedar.com.

The forward-looking information included in this news release is expressly qualified in its entirety by the foregoing cautionary statements. Unless otherwise stated, the forward-looking information included in this news release is made as of the date of this news release and MEG assumes no obligation to update or revise any forward-looking information to reflect new events or circumstances, except as required by law.

This news release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about MEG's prospective results of operations including, without limitation, the Corporation's hedging program, adjusted cash flow, free cash flow, capital expenditures, production, operating costs, general and administrative costs, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth above. 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. MEG's 2019 Annual Management's Discussion and Analysis ("MD&A") and 2019 Annual Consolidated Financial Statements are available at www.megenergy.com/investors and at www.sedar.com.

About MEG

MEG is an energy company focused on sustainable in situ thermal oil production in the southern Athabasca region of Alberta, Canada. MEG is actively developing innovative enhanced oil recovery projects that utilize steam-assisted gravity drainage ("SAGD") extraction methods to improve the responsible economic recovery of oil as well as lower carbon emissions. MEG transports and sells its thermal oil production to refiners throughout North America and internationally.

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