



## PRESS RELEASE

### MEG Energy announces full year 2021 results, additional debt repayment and advancement of shareholder return strategy

All financial figures are in Canadian dollars (\$) or C\$) and all references to barrels are per barrel of bitumen unless otherwise noted. The Corporation's Non-GAAP and Other Financial Measures are detailed in the Advisory section of this news release. They include: cash operating netback, blend sales, bitumen realization, transportation and storage expense net of transportation revenue, operating expenses net of power revenue, non-energy operating costs, energy operating costs, adjusted funds flow, free cash flow and net debt.

**CALGARY, ALBERTA (March 3, 2022)** – MEG Energy Corp. (TSX:MEG, “MEG” or the “Corporation”) reported its full year 2021 operational and financial results.

MEG continues to proactively respond to the safety challenges associated with COVID-19 and remains committed to ensuring the health and safety of all its personnel and the safe and reliable operation of the Christina Lake facility.

“As we exit 2021, MEG is very well positioned from an operational and financial perspective to continue to deliver on its deleveraging and shareholder return strategy” said Derek Evans, President and Chief Executive Officer. “We expect to be in a position to initiate our share buyback program in the second quarter of 2022 which, combined with our ongoing debt reduction program, should drive continued shareholder value through 2022 and beyond.”

Highlights include:

- Adjusted funds flow of \$799 million (\$2.57 per share) and funds flow from operating activities of \$753 million;
- Record bitumen production volumes for the fourth quarter and full year 2021 of 100,698 barrels per day (bbls/d) and 93,733 bbls/d, respectively;
- Operating expenses net of power revenue of \$6.60 per barrel, including record low non-energy operating costs of \$4.24 per barrel. Power revenue offset energy operating costs by 52%, resulting in energy operating costs net of power revenue of \$2.36 per barrel;
- Total capital expenditures of \$331 million in 2021, approximately 2% lower than budget, was primarily directed towards sustaining and maintenance activities, resulting in \$468 million of free cash flow in 2021;
- Completed or announced the repayment of US\$325 million (approximately \$415 million) of outstanding indebtedness during 2021;
- Subsequent to year end, MEG issued a notice to redeem the remaining US\$171 million (approximately \$215 million) of MEG's 6.50% senior secured second lien notes due January 2025. The redemption is expected to be completed on or about April 4, 2022; and
- Also subsequent to year end, MEG's Board of Directors approved the filing of an application with the Toronto Stock Exchange (“TSX”) for a normal course issuer bid (“NCIB”) which once approved would allow MEG to buy back up to 10% of its public float, as defined by the TSX, over a one-year period.

## Blend Sales Pricing

MEG realized an average AWB blend sales price of US\$57.59 per barrel during 2021 compared to US\$28.07 per barrel in 2020. The increase in average AWB blend sales price year over year was primarily a result of the average WTI price increasing by US\$28.51 per barrel. MEG sold 42% of its sales volumes at the premium-priced U.S. Gulf Coast ("USGC") in 2021 compared to 40% in 2020.

Transportation and storage expense net of transportation revenue averaged US\$6.10 per barrel of AWB blend sales in 2021 compared to US\$6.74 per barrel of AWB blend sales in 2020. The decrease was primarily due to the elimination of rail transportation in 2021 compared to 2020.

## Operational Performance

Bitumen production averaged 93,733 bbls/d at a steam-oil ratio ("SOR") of 2.43 in 2021, compared to 82,441 bbls/d at a SOR of 2.32 in 2020. Increased steam utilization, improved field reliability, completed and ongoing well optimization and recompletion work all contributed to strong field-wide production performance in 2021. This compares to reduced bitumen production in 2020 due to the major planned turnaround at the Phase 1 and 2 facilities, which began in June 2020 and was completed mid-August 2020, as well as voluntary price-related production curtailments in April and May 2020.

Non-energy operating costs averaged \$4.24 per barrel of bitumen sales in 2021 compared to \$4.38 per barrel in 2020. Non-energy operating costs per barrel decreased slightly due to fixed costs being spread over increased sales volumes. Energy operating costs, net of power revenue, averaged \$2.36 per barrel in 2021 compared to \$1.80 per barrel in 2020. This increase year over year resulted from stronger natural gas prices and increased internal power consumption as production increased, partially offset by the strengthening of the Alberta power market. Power revenue, which includes the impact of physical risk management contracts on power sales, offset energy operating costs by 52% during 2021 compared to 45% in 2020.

General & administrative expense ("G&A") was relatively consistent year over year with \$56 million, or \$1.65 per barrel of production, in 2021 compared to \$49 million, or \$1.62 per barrel of production, in 2020.

## Funds Flow from Operating Activities, Adjusted Funds Flow and Net Earnings (Loss)

The Corporation's cash operating netback averaged \$33.37 per barrel in 2021 compared to \$19.22 per barrel in 2020. This increase in cash operating netback was primarily driven by the increase in average bitumen realization due to the higher WTI price, partially offset by realized commodity price risk management losses in 2021 compared to realized commodity price risk management gains in 2020. The increased cash operating netback was the main driver for the increase in the Corporation's funds flow from operating activities and adjusted funds flow from \$239 million and \$275 million, respectively, in 2020 to \$753 million and \$799 million, respectively, in 2021.

The Corporation recognized net earnings of \$283 million in 2021 compared to a net loss of \$357 million in 2020. This increase in net earnings was primarily due to stronger global crude oil prices partially offset by a commodity price risk management loss. The net loss recognized during 2020 was impacted by the recognition of a \$366 million exploration expense.

## Capital Expenditures

Capital expenditures in 2021 totaled \$331 million compared to \$149 million in 2020. While capital invested in the year was primarily directed towards sustaining and maintenance activities, approximately 20% of total capital expenditures was directed toward incremental well capital necessary to allow the Corporation to fully utilize the Christina Lake central plant facility's oil processing capacity of approximately 100,000 bbls/d, prior to any impact from scheduled maintenance activity or outages. As previously disclosed, the total investment for this optimization initiative is approximately \$125 million with approximately \$50 million remaining to be invested in the first half of 2022.

## Debt Repayment

MEG announced today that the Corporation has issued a notice to redeem the remaining US\$171 million (approximately \$215 million) of MEG's outstanding 6.50% senior secured second lien notes due January 2025 at a

redemption price of 101.625%, plus accrued and unpaid interest to, but not including, the redemption date. The redemption is expected to be completed on or about April 4, 2022. Inclusive of the redemption, MEG will have redeemed in full the original US\$750 million aggregate principal amount of the second lien notes.

Debt reduction over the last four years now totals approximately US\$2 billion. Continued debt reduction remains a core focus of the Corporation.

### Ongoing Debt Repayment and Intention to Initiate Capital Return to Shareholders

As MEG expects to soon reach its previously announced near-term net debt target of US\$1.7 billion, MEG's Board of Directors approved today the filing of an application with the TSX for a NCIB which, once approved by the TSX, will allow MEG to initiate a share buyback program to buy back over the next twelve months up to 10% of the Corporation's public float, as defined by the TSX, up to a maximum of approximately 27.2 million common shares of MEG.

As previously announced, MEG intends to allocate approximately 25% of free cash flow generated to share buybacks with the remaining free cash flow applied to ongoing debt reduction until the Corporation's net debt balance reaches US\$1.2 billion. In the current commodity price environment, MEG expects to reach this US\$1.2 billion net debt target in the third quarter of 2022.

Once the US\$1.2 billion net debt target is reached the Corporation intends to increase the percentage of free cash flow allocated to share buybacks to approximately 50% with the remainder applied to further debt reduction.

### Sustainability

In 2021, the Corporation advanced its Environmental, Social and Governance ("ESG") objectives with the establishment of a mid-term target of 30% reduction in bitumen greenhouse gas ("GHG") emissions (scope 1 and scope 2) from 2013 levels by 2030. This target is in addition to the Corporation's previously established long-term target of reaching net zero GHG emissions (scope 1 and scope 2) by 2050. Also in 2021, the Corporation, along with four oil sands operators who collectively operate 90% of Canada's oil sands production, formed the Oil Sands Pathways to Net Zero Alliance with the objective of working with the Federal and Alberta governments to achieve net zero GHG emissions from oil sands operations by 2050. This Alliance has grown to six companies operating approximately 95% of Canada's oil sands production and is focused on building a major CO2 capture and storage trunkline, connecting oil sands facilities in the Fort McMurray, Christina Lake and Cold Lake regions of Alberta, to a CO2 sequestration hub near Cold Lake. This enabling infrastructure is a key element to achieving net zero GHG emissions by 2050.

The Corporation published its second ESG report in 2021 in an effort to provide consistent, relevant information that is useful to Shareholders and other Stakeholders to provide greater transparency on ESG and climate-related risks. The report is aligned with guidance from the Sustainability Accounting Standards Board and the recommendations of the Task Force on Climate-related Financial Disclosure. The ESG report also references the Global Reporting Initiative ("GRI") and the United Nations Sustainable Development Goals.

The Corporation continues to advance ESG and progress on priority topics: Climate Change and GHG Emissions, Water and Wastewater Management, Health and Safety, and Indigenous Relations, led by a strong governance model, safe and reliable operations and a dedicated team as reflected across ESG metrics.

### Conference Call

A conference call will be held to review MEG's full year 2021 operating and financial results at 6:30 a.m. Mountain Time (8:30 a.m. Eastern Time) on Friday March 4<sup>th</sup>, 2022. To participate, please dial the North American toll-free number 1-888-390-0546, or the international call number 1-416-764-8688.

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](http://www.megenergy.com/investors/presentations-and-events).

## Operational and Financial Highlights

(\$millions, except as indicated)	Three months ended December 31		Year ended December 31	
	2021	2020	2021	2020
Bitumen production - bbls/d	100,698	91,030	93,733	82,441
Steam-oil ratio	2.42	2.31	2.43	2.32
Bitumen sales - bbls/d	98,894	95,731	92,138	82,722
Bitumen realization <sup>(1)</sup> - \$/bbl	71.06	38.64	62.47	27.23
Operating expenses net of power revenue - \$/bbl	8.20	6.98	6.60	6.18
Non-energy operating costs <sup>(2)</sup> - \$/bbl	4.56	4.70	4.24	4.38
Cash operating netback <sup>(1)</sup> - \$/bbl	37.87	18.66	33.37	19.22
General & administrative expense - \$/bbl of bitumen production volumes	1.58	1.65	1.65	1.62
Funds flow from operating activities	260	81	753	239
Adjusted funds flow <sup>(3)</sup>	266	84	799	275
Per share, diluted	0.85	0.27	2.57	0.90
Revenue	1,307	786	4,321	2,292
Net earnings (loss)	177	16	283	(357)
Per share, diluted	0.57	0.05	0.91	(1.18)
Capital expenditures	106	40	331	149
Net debt - C\$ <sup>(3)</sup>	2,401	2,798	2,401	2,798
Net debt - US\$ <sup>(3)</sup>	1,897	2,194	1,897	2,194

(1) Non-GAAP financial measure - please refer to the Advisory section of this news release.

(2) Supplementary financial measure - please refer to the Advisory section of this news release.

(3) Capital management measure - please refer to the Advisory section of this news release.

### 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 and Other Financial Measures

Certain financial measures in this news release are non-GAAP financial measures or ratios, supplementary financial measures and capital management measures. These measures are not defined by IFRS 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.

#### Adjusted Funds Flow and Free Cash Flow

Adjusted funds flow and free cash flow are capital management measures and are defined in the Corporation's annual financial statements. Adjusted funds flow and free cash flow are presented to assist management and investors in analyzing operating performance and cash flow generating ability. Funds flow from operating activities is an IFRS measure in the Corporation's consolidated statement of cash flow. Adjusted funds flow is calculated as funds flow from operating activities excluding items not considered part of ordinary continuing operating results. By excluding changes in non-recurring adjustments from cash flows, the adjusted funds flow measure provides a meaningful metric for management and investors by establishing a clear link between the Corporation's cash flows and the cash operating netback. 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.

The following table reconciles funds flow from operating activities to adjusted funds flow to free cash flow:

(\$millions)	Three months ended December 31		Year ended December 31	
	2021	2020	2021	2020
Net cash provided by (used in) operating activities	\$ 242	\$ 115	\$ 690	\$ 302
Net change in non-cash operating working capital items	18	(34)	63	(63)
Funds flow from operating activities	260	81	753	239
Adjustments:				
Payments on onerous contract	6	—	25	—
Settlement expense <sup>(1)</sup>	—	—	21	—
Contract cancellation	—	—	—	33
Net change in other liabilities <sup>(2)</sup>	—	3	—	3
Adjusted funds flow	266	84	799	275
Capital expenditures	(106)	(38)	(331)	(149)
Free cash flow	\$ 160	\$ 46	\$ 468	\$ 126

(1) During 2021, the Corporation reached an agreement to settle the litigation matter commenced in 2014 relating to legacy issues involving a unit train transloading facility in Alberta. Under the agreement, the Corporation paid the sum of \$21 million in full and final settlement of the claim and the claim has been discontinued.

(2) Includes the change in liability associated with the termination of a long-term transportation contract that was previously expensed.

### Net Debt

Net debt is a capital management measure and is defined in the Corporation's annual financial statements. Net debt is an important measure used by management to analyze leverage and liquidity. Net debt is calculated as long-term debt plus current portion of long-term debt less cash and cash equivalents.

The following table reconciles the Corporation's current and long-term debt to net debt:

As at December 31	2021	2020
Long-term debt	\$ 2,477	\$ 2,912
Current portion of long-term debt	285	—
Cash and cash equivalents	(361)	(114)
Net debt - C\$	\$ 2,401	\$ 2,798
Net debt - US\$	\$ 1,897	\$ 2,194

### Cash Operating Netback

Cash operating netback is a non-GAAP financial measure, or ratio when expressed on a per barrel basis. Its terms are not defined by IFRS and, therefore, may not be comparable to similar measures provided by other companies. This non-GAAP financial measure should not be considered in isolation or as an alternative for measures of performance prepared in accordance with IFRS.

Cash operating netback is a financial measure 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, capital expenditures, or other uses. The per barrel calculation of cash operating netback is based on bitumen sales volume.

Total revenues, is an IFRS measure in the Corporation's consolidated statement of earnings (loss) and comprehensive income (loss), which is the most directly comparable primary financial statement measure to cash operating netback. A reconciliation from total revenues to cash operating netback has been provided below:

(\$millions, except as indicated)	Three months ended December 31		Year ended December 31	
	2021	2020	2021	2020
Total revenues	\$ 1,307	\$ 786	\$ 4,321	\$ 2,292
Diluent & transportation expense	(532)	(362)	(1,748)	(1,210)
Purchased product	(241)	(197)	(828)	(613)
Operating expenses	(98)	(74)	(309)	(232)
Curtailement	—	—	—	2
Cash operating netback before realized commodity risk management	436	153	1,436	239
Realized gain (loss) on commodity risk management	(91)	11	(314)	343
Cash operating netback	\$ 345	\$ 164	\$ 1,122	\$ 582

### Blend Sales and Bitumen Realization

Blend sales and bitumen realization are non-GAAP financial measures, or ratios when expressed on a per barrel basis, and are used as a measure of the Corporation's marketing strategy by isolating petroleum revenue and costs associated with its produced and purchased products and excludes royalties. Their 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. Blend sales per barrel are based on blend sales volumes and bitumen realization per barrel is based on bitumen sales volumes.

Petroleum revenue, net of royalties, is an IFRS measure in the Corporation's consolidated statement of earnings (loss) and comprehensive income (loss), which is the most directly comparable primary financial statement measure to blend sales and bitumen realization. A reconciliation from petroleum revenue, net of royalties to blend sales and bitumen realization has been provided below:

(\$millions, except as indicated)	Three months ended December 31		Year ended December 31	
	2021	2020	2021	2020
	\$/bbl	\$/bbl	\$/bbl	\$/bbl
Petroleum revenue, net of royalties	\$ 1,280	\$ 770	\$ 4,222	\$ 2,235
Royalties	32	2	76	9
Petroleum revenue	1,312	772	4,298	2,244
Purchased product	(241)	(197)	(828)	(613)
Blend sales	1,071 \$ 82.43	575 \$ 45.75	3,470 \$ 72.20	1,631 \$ 37.65
Diluent expense	(425) (11.37)	(235) (7.11)	(1,369) (9.73)	(807) (10.42)
Bitumen realization	\$ 646 \$ 71.06	\$ 340 \$ 38.64	\$ 2,101 \$ 62.47	\$ 824 \$ 27.23

### Transportation and Storage Expense net of Transportation Revenue

Transportation and storage expense net of transportation revenue is a non-GAAP financial measure, or ratio when expressed on a per barrel basis. Its terms are not defined by IFRS and, therefore, may not be comparable to similar measures provided by other companies. This non-GAAP financial measure should not be considered in isolation or as an alternative for measures of performance prepared in accordance with IFRS. Per barrel amounts are based on bitumen sales volumes.

It is used as a measure of the Corporation's marketing strategy by focusing on maximizing the realized AWB sales price after transportation and storage expense by utilizing its network of pipeline and storage facilities to optimize market access. Per barrel amounts are based on bitumen sales volumes.

Diluent and transportation expense, is an IFRS measure in the Corporation's consolidated statement of earnings (loss) and comprehensive income (loss), which is the most directly comparable primary financial statement measure to transportation and storage expense. A reconciliation from diluent and transportation expense to transportation and storage expense has been provided below.

Other revenue, is an IFRS measure in the Corporation's consolidated statement of earnings (loss) and comprehensive income (loss), which is the most directly comparable primary financial statement measure to transportation revenue. A reconciliation from other revenue to transportation revenue has been provided below.

	Three months ended December 31		Year ended December 31	
	2021	2020	2021	2020
<i>(\$millions, except as indicated)</i>	<i>\$/bbl</i>	<i>\$/bbl</i>	<i>\$/bbl</i>	<i>\$/bbl</i>
Diluent and transportation expense	\$ (532)	\$ (362)	\$ (1,748)	\$ (1,210)
Less diluent expense	425	235	1,369	807
Transportation and storage expense	\$ (107) \$ (11.77)	\$ (127) \$ (14.46)	\$ (379) \$ (11.28)	\$ (403) \$ (13.32)
Other revenue	\$ 27	\$ 16	\$ 99	\$ 57
Less power revenue	(23)	(13)	(87)	(45)
Transportation revenue	\$ 4 \$ 0.38	\$ 3 \$ 0.35	\$ 12 \$ 0.35	\$ 12 \$ 0.40
Transportation and storage expense net of transportation revenue	\$ (103) \$ (11.39)	\$ (124) \$ (14.11)	\$ (367) \$ (10.93)	\$ (391) \$ (12.92)

#### 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. Its terms are not defined by IFRS and, therefore, may not be comparable to similar measures provided by other companies. This non-GAAP financial measure should not be considered in isolation or as an alternative for measures of performance prepared in accordance with IFRS. Per barrel amounts are based on bitumen sales volumes.

It is used as a measure of the Corporation's cost to operate its facilities at the Christina Lake project after factoring in the benefits from selling excess power to offset energy costs.

Non-energy operating costs and energy operating costs are supplementary financial measures as they represent portions of operating expenses. Non-energy operating costs relate to production-related operating activities and energy operating costs reflect the cost of natural gas used as fuel to generate steam and power. Per barrel amounts are based on bitumen sales volumes.

Operating expenses is an IFRS measure in the Corporation's consolidated statement of earnings (loss) and comprehensive income (loss). Other revenue, is an IFRS measure in the Corporation's consolidated statement of earnings (loss) and comprehensive income (loss), which is the most directly comparable primary financial statement measure to power revenue. A reconciliation from other revenue to power revenue has been provided below.

	Three months ended December 31				Year ended December 31			
	2021		2020		2021		2020	
<i>(\$millions, except as indicated)</i>	\$/bbl		\$/bbl		\$/bbl		\$/bbl	
Non-energy operating costs	\$ (42)	\$ (4.56)	\$ (33)	\$ (4.70)	\$ (143)	\$ (4.24)	\$ (133)	\$ (4.38)
Energy operating costs	(56)	(6.22)	(41)	(3.73)	(166)	(4.94)	(99)	(3.29)
Operating expenses	\$ (98)	\$ (10.78)	\$ (74)	\$ (8.43)	\$ (309)	\$ (9.18)	\$ (232)	\$ (7.67)
Other revenue	\$ 27		\$ 16		\$ 99		\$ 57	
Less transportation revenue	(4)		(3)		(12)		(12)	
Power revenue	\$ 23	\$ 2.58	\$ 13	\$ 1.45	\$ 87	\$ 2.58	\$ 45	\$ 1.49
Operating expenses net of power revenue	\$ (75)	\$ (8.20)	\$ (61)	\$ (6.98)	\$ (222)	\$ (6.60)	\$ (187)	\$ (6.18)

### 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 commitment to ensuring the health and safety of its personnel and safe and reliable operations of the Christina Lake facility; the ability of the Corporation to deliver on its deleveraging and shareholder return strategy; the Corporation's expectation of initiating its share buyback program in the second quarter of 2022; the Corporation's continued focus on debt reduction; statements regarding incremental well capital required to allow the Corporation to fully utilize the Christina Lake central plant facility's oil processing capacity of approximately 100,000 bbls/d, including the Corporation's expectation that the remaining \$50 million of optimization capital will be invested in the first half of 2022; statements with respect to the issuance of a notice for redemption of the remaining balance of the Corporation's Second Lien Notes and the timing and successful completion of the redemption of the remaining balance of the Second Lien Notes; the Corporation's expectation of reaching its near-term debt target of US\$1.7 billion in the second quarter of 2022 and thereafter allocating 25% of free cash flow to share buybacks with the remaining cash flow applied to ongoing debt reduction; the Corporation's expectation of reaching its debt-target of US\$1.2 billion in the third quarter of 2022 and thereafter allocating 50% of free cash flow to share buybacks while continuing to strengthen its balance sheet; and statements relating to the Corporation's 2030 and 2050 climate-related goals, its participation in the Oil Sands Pathways to Net Zero Alliance and its intention to continue advance ESG and progress on its priority topics.

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, the level of apportionment on the Enbridge mainline system, 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; 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; MEG's ability to reduce or increase production to desired levels, including without negative impacts to its assets; 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 availability of government support to industry to assist in the achievement of net zero GHG emissions by 2050; 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 (including pipelines and rail) and the commitments therein; 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, including public health crises, such as the COVID-19 pandemic, and any related actions taken by governments and businesses; legislative and regulatory changes to, amongst other things, tax, land use, royalty and environmental laws and production curtailment; the cost of compliance with current and future environmental laws, including climate change laws; risks relating to increased activism and public opposition to fossil fuels and oil sands; the inability to access government support to industry to assist in the achievement of net zero GHG emissions by 2050; 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; timing of completion, commissioning, and start-up, of MEG's turnarounds; 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 or increase production to desired levels, including without negative impacts to its assets; 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; actions taken by OPEC+ in relation to supply management; the availability and cost of labour and goods and services required in the Corporation's operations, including inflationary pressures; supply chain issues including transportation delays; the cost and availability of equipment necessary to our operations; and changes in general economic, market and business conditions.

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](http://www.megenergy.com/investors) and through the SEDAR website at [www.sedar.com](http://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.

## About MEG

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

Learn more at: [www.megenergy.com](http://www.megenergy.com)

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