PRESS RELEASE

MEG Energy announces operational update, continued debt repayment, inaugural share repurchases and renewal of credit facilities

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

CALGARY, ALBERTA (June 29, 2022) – MEG Energy Corp. (TSX:MEG, "MEG" or the "Corporation") announces operational update, inaugural share repurchases, continued debt reduction and renewal of credit facilities.

Operational Update

During the second quarter of 2022 the Corporation took its Christina Lake Phase 2B facility down for a scheduled major turnaround. As previously announced this turnaround was expected to occur during the month of May and impact full year 2022 average production by approximately 6,000 bbls/d. Despite a tight labour market and supply chain challenges, the turnaround was safely completed on time and on budget. However, following the turnaround the Christina Lake facility experienced an unplanned electrical event which resulted in a slower than forecast production ramp-up during the month of June. The Christina Lake facility has now returned to full production and MEG's second half 2022 average production levels are expected to meet or exceed the record production levels the Corporation reached in the first quarter of 2022. Given the slower June production ramp-up MEG now expects second quarter 2022 production to average approximately 67,000 bbls/d, impacting full year 2022 average production by approximately 2,000 bbls/d. As such, MEG is revising its full year 2022 average production guidance to 92,000 to 95,000 bbls/d from 94,000 to 97,000 bbls/d.

Continued Debt Repayment, Inaugural Share Repurchases and Renewal of Credit Facilities

During the second quarter of 2022, MEG has repaid a total of US$379 million (approximately $482 million) of outstanding indebtedness. This reduction in outstanding indebtedness was achieved through the redemption of the remaining US$171 million (approximately $214 million) of MEG's outstanding 6.50% senior secured second lien notes due January 2025 at a redemption price of 101.625% plus accrued interest and through the repurchase of US$208 million (approximately $268 million) of MEG's outstanding 7.125% senior unsecured notes due February 2027 at a weighted average price of 103.2%.

The Corporation has repaid approximately US$2.2 billion of outstanding indebtedness since 2018 and remains committed to continued debt reduction as a key component of its capital allocation strategy.

On March 7, 2022, MEG received approval from the Toronto Stock Exchange for a normal course issuer bid ("NCIB") which allows MEG to purchase for cancellation, from time to time, as the Corporation considers advisable, up to a maximum of 27,242,211 common shares of MEG. The NCIB became effective March 10, 2022 and will terminate on March 9, 2023 or such earlier time as the NCIB is completed or terminated at the option of MEG.

The Corporation began repurchasing MEG common shares for cancellation during the second quarter of 2022. To date, MEG has purchased for cancellation 4.45 million common shares, returning $94 million to MEG shareholders.

On June 24, 2022, MEG amended and restated its revolving credit facility (the "Revolving Credit Facility") and its letters of credit facility guaranteed by Export Development Canada (the "EDC Facility") and extended the maturity date of each facility by 2.3 years to October 31, 2026. Total credit available under the two facilities was reduced from $1.3 billion to $1.2 billion and is comprised of $600 million under the Revolving Credit Facility and $600 million under the EDC Facility.

The Revolving Credit Facility retains its modified covenant-lite structure, meaning it continues to contain no financial maintenance covenant unless MEG is drawn under the Revolving Credit Facility in excess of 50%. If drawn in excess of 50%, or $300 million, under the Revolving Credit Facility MEG is required to maintain a first lien net debt to last twelve month EBITDA ratio of 3.50 or less. MEG continues to have no first lien debt outstanding.

Outlook

MEG is revising its full year 2022 average production to 92,000 to 95,000 barrels per day. MEG is also revising its full year non-energy operating costs and G&A expense to $4.60 to $4.90 per barrel and $1.75 to $1.90 per barrel, respectively, reflecting lower full year 2022 production guidance. MEG will release its second quarter 2022 results on July 28, 2022.

Summary of 2022 Guidance	Revised Guidance (June 29, 2022)	Original Guidance (November 29, 2021)
Bitumen production - annual average	92,000 - 95,000 bbls/d	94,000 - 97,000 bbls/d
Non-energy operating costs	$4.60 - $4.90 per bbl	$4.50 - $4.80 per bbl
G&A expense	$1.75 - $1.90 per bbl	$1.70 - $1.85 per bbl
Capital expenditures	$375 million	$375 million

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.

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: all statements relating to the successful completion of the Corporation's scheduled major turnaround, including the Corporation's expectation that the unplanned electrical event will impact full year production by approximately 2,000 bbls/d; all statements relating to the Corporation's revised full year 2022 average production guidance to 92,000 to 95,000 bbls/d from 94,000 to 97,000 bbls/d; all statements related to average production levels in the second half of 2022 at the Phase 2B facility meeting or exceeding the record production levels the Corporation reached in the first quarter of 2022; MEG's commitment to continued debt reduction as a key component of its capital allocation strategy; and all statements related to MEG's revised 2022 guidance, including its full year 2022 production, non-energy operating costs and G&A expense.

Forward-looking information contained in this news 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 impact of the Russian invasion of Ukraine and associated sanctions on commodity prices; 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 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 capital expenditures, production, non-energy operating costs and 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.

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

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