PRESS RELEASE

MEG Energy announces first quarter 2023 financial and operating results

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, bitumen realization net of transportation and storage expense, operating expenses net of power revenue, energy operating costs net of power revenue, non-energy operating costs, energy operating costs, adjusted funds flow, free cash flow and net debt.

CALGARY, ALBERTA (May 1, 2023) – MEG Energy Corp. (TSX:MEG, "MEG" or the "Corporation") reported its first quarter 2023 operational and financial results.

"In Q1 our Christina Lake operations delivered strong bitumen production at an industry leading steam-oil ratio and with an operating cost structure that was positively impacted by low natural gas and higher power prices", said Derek Evans, President and Chief Executive Officer. "These strong operating results enabled our ongoing commitment to debt reduction with $117 million of debt repaid in the quarter as well as share buybacks of $103 million. All of this was achieved with our focus on health, safety and the environment that ensures nobody gets hurt, eliminates serious incidents and delivers operational excellence."

Highlights include:

- Bitumen production of 106,840 barrels per day ("bbls/d") at a 2.25 steam-oil ratio ("SOR");
- Adjusted funds flow ("AFF") of $274 million, or $0.94 per share, and $348 million of funds flow from operating activities ("FFO");
- Free cash flow ("FCF") of $161 million, after $113 million of capital expenditures;
- Debt repayment of US$86 million (approximately C$117 million). Net debt declined to US$1.0 billion (approximately C$1.4 billion) at the end of the first quarter of 2023;
- MEG returned $103 million to shareholders through the buyback and cancellation of 4.9 million shares at a weighted average price of $20.88 per share;
- Operating expenses net of power revenue of $6.13 per barrel. Power revenue offset 76% of energy operating costs, resulting in energy operating costs net of power revenue of $1.36 per barrel and non-energy operating costs of $4.77 per barrel;
- On March 8, 2023, the Toronto Stock Exchange ("TSX") approved the renewal of the Corporation's normal course issuer bid ("NCIB or Bid"). Pursuant to the Bid, MEG will purchase for cancellation, from time to time, as it considers advisable, up to a maximum of 28,596,214 common shares of the Corporation. The Bid became effective on March 10, 2023 and will terminate on March 9, 2024 or such earlier time as the Bid is completed or terminated at the option of MEG; and
- On April 14, 2023, S&P Global Ratings raised the Corporation's long-term issuer credit rating to BB- and a stable outlook from B+ and affirmed the issue-level rating on the Corporation's senior unsecured notes at BB-.

	2023	2022				2021		
($millions, except as indicated)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Bitumen production - bbls/d	**106,840**	110,805	101,983	67,256	101,128	100,698	91,506	91,803
Steam-oil ratio	**2.25**	2.22	2.39	2.46	2.43	2.42	2.56	2.39
Bitumen sales - bbls/d	**106,480**	113,582	95,759	73,091	100,186	98,894	92,251	89,980
Bitumen realization after net transportation and storage expense[1] - $/bbl	**43.40**	54.75	74.75	103.29	84.31	59.67	54.88	49.18
Operating expenses - $/bbl	**10.34**	11.05	10.61	16.05	11.54	10.78	9.23	8.11
Operating expenses net of power revenue[1] - $/bbl	**6.13**	5.83	5.45	12.97	8.98	8.20	7.17	5.54
Non-energy operating costs[2] - $/bbl	**4.77**	4.34	4.49	5.65	4.74	4.56	4.46	3.84
Cash operating netback[1] - $/bbl	**34.32**	43.89	62.63	81.75	70.21	37.87	37.31	31.30
General & administrative expense - $/bbl of bitumen production volumes	**1.94**	1.62	1.72	2.37	1.61	1.58	1.72	1.56
Funds flow from operating activities	**348**	383	501	412	587	260	212	160
Per share, diluted	**1.19**	1.28	1.63	1.31	1.87	0.83	0.68	0.51
Adjusted funds flow[3]	**274**	401	496	478	559	274	243	184
Per share, diluted[3]	**0.94**	1.34	1.61	1.52	1.78	0.88	0.78	0.59
Free cash flow[3]	**161**	295	418	374	471	168	159	113
Revenues	**1,480**	1,445	1,571	1,571	1,531	1,307	1,091	1,009
Net earnings (loss)	**81**	159	156	225	362	177	54	68
Per share, diluted	**0.28**	0.53	0.51	0.72	1.15	0.57	0.17	0.22
Capital expenditures	**113**	106	78	104	88	106	84	71
Long-term debt, including current portion	**1,466**	1,581	1,803	2,026	2,440	2,762	2,769	2,820
Net debt[3] - C$	**1,381**	1,389	1,634	1,782	2,150	2,401	2,559	2,661
Net debt[3] - US$	**1,020**	1,026	1,193	1,384	1,722	1,897	2,007	2,145

(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.

Financial Results

AFF and FFO in the first quarter of 2023 declined to $274 million and $348 million, respectively, from $559 million and $587 million in the same period of 2022, mainly reflecting a 48% decrease in cash operating netback. Higher 2023 bitumen sales volumes were more than offset by lower realized prices relative to the first quarter of 2022.

Cash operating netback per barrel in 2023 declined 51% from the first quarter of 2022, to $34.32. Bitumen realization after net transportation and storage expense decreased to $43.40 per barrel in the first three months of 2023, mainly reflecting a lower WTI benchmark price, wider WTI:AWB differentials partially offset by a weaker Canadian dollar. The impact of lower bitumen realization after net transportation and storage expense on cash operating netback per barrel was partially offset by reduced royalties and operating expenses net of power revenues.

The Corporation sold 56% and 58% of its blend sales volumes in the USGC market during the first quarter of 2023 and 2022, respectively. Average heavy oil apportionment on the Enbridge mainline system was 12% and 10% in those periods.

FCF was $161 million in the first quarter of 2023, compared to $471 million in the same period of 2022, driven by the lower AFF and an increase in capital spending to $113 million from $88 million. Higher 2023 capital expenditures reflect increased drilling activity.

Net earnings were $81 million and $362 million in the first quarter of 2023 and 2022, respectively. The 2023 decline mainly reflects a lower cash operating netback partially offset by reduced income tax expense.

Operating Results

Bitumen production rose approximately 6% in the first quarter of 2023 to 106,840 bbls/d, from 101,128 bbls/d in the same period of 2022. Higher 2023 production was delivered at a 2.25 SOR, a 7% reduction from 2.43 in the first quarter of 2022. The elevated production performance was driven by a focus on optimized well spacing, enhanced completion designs, a capital efficient well redevelopment program and targeted facility enhancements.

Non-energy operating costs of $4.77 per barrel of bitumen sales in the first quarter of 2023 were consistent with $4.74 per barrel during the same period of 2022.

Energy operating costs net of power revenue decreased to $1.36 per barrel in the first quarter of 2023, from $4.24 per barrel in the comparable period of 2022 reflecting a 78% increase in realized power prices and weaker AECO natural gas prices. Power revenue offset 76% and 38% of energy operating costs in the first quarters of 2023 and 2022, respectively.

General and administrative expense in the first quarter of 2023 rose to $18 million, or $1.94 per barrel of production, from $14 million, or $1.61 per barrel, in the comparable period of 2022 reflecting increased staff costs.

Debt Repurchases and Share Buybacks

The $161 million of first quarter 2023 FCF, and a portion of available cash, were used for debt repurchases and share buybacks. The Corporation repurchased US$86 million (approximately $117 million) of outstanding 7.125% senior unsecured notes at a weighted average price of 102.2%. Share buybacks totaled $103 million through the repurchase and cancellation of 4.9 million shares at a weighted average price of $20.88 per share.

Capital Allocation Strategy

Approximately 50% of 2023 FCF is being allocated to debt reduction with the remainder applied to share buybacks. This allocation will remain until US$600 million of net debt is achieved. The Corporation exited the first quarter of 2023 with net debt of US$1.0 billion.

Sustainability and Pathways Update

MEG, along with its Pathways Alliance ("Alliance") peers, is progressing pre-work on the proposed foundational carbon capture and storage project, which will transport CO_2 via pipeline from multiple oil sands facilities to be stored safely and permanently in the Cold Lake region of Alberta.

On March 28, 2023 the Canadian federal government announced measures in its 2023 budget to provide greater policy certainty to support and incentivize investment in clean technologies, including carbon capture, utilization and storage ("CCUS") projects, that are critical to meeting Canada's emissions reduction goals. The government indicated a clearer legislative timeline for the previously announced Investment Tax Credit ("ITC") for CCUS. In addition, the federal government committed that contracts for difference would be implemented by the Canada Growth Fund to backstop the future price of, for example, carbon or hydrogen, providing price and revenue predictability that helps to de-risk major projects that reduce Canada's emissions. The Public Sector Pension Investment Board ("PSP Investments") will be mandated to manage the assets of the Canada Growth Fund to allow them to start investing this year. The federal government also committed to consulting on the development of a broad-based approach to carbon contracts for difference that aim to make carbon pricing more predictable and to complement individualized contracts for difference offered by the Canada Growth Fund.

For further details on the Corporation's approach to ESG matters, please refer to the Corporation's 2021 ESG Report and its 2022 ESG Performance Data Supplement available in the "Sustainability" section of the Corporation's website at www.megenergy.com and the most recently filed AIF on www.sedar.com.

Adjusted Funds Flow Sensitivity

MEG's production is comprised entirely of crude oil and AFF is highly correlated with crude oil benchmark prices and light-heavy oil differentials. The following table provides an annual sensitivity estimate to the most significant market variables.

Variable	Range	2023 AFF Sensitivity(1)(2) - C$mm
WCS Differential (US$/bbl)	+/- US$1.00/bbl	+/- C$45mm
WTI (US$/bbl)	+/- US$1.00/bbl	+/- C$28mm
Bitumen Production (bbls/d)	+/- 1,000 bbls/d	+/- C$16mm
Condensate (US$/bbl)	+/- US$1.00/bbl	+/- C$14mm
Exchange Rate (C$/US$)	+/- $0.01	+/- C$9mm
Non-Energy Opex (C$/bbl)	+/- C$0.25/bbl	+/- C$6mm
AECO Gas(3) (C$/GJ)	+/- C$0.50/GJ	+/- C$2mm

(1) Each sensitivity is independent of changes to other variables.
(2) Assumes mid point of 2023 production guidance, US$80.00/bbl WTI, US$18.50/bbl WTI:AWB Edmonton discount, US$9.00/bbl WTI:AWB Gulf Coast discount, C$1.32/US$ F/X rate, condensate purchased at 100% of WTI and one bbl of bitumen per 1.44 bbls of blend sales (1.44 blend ratio).
(3) Assumes 1.3 GJ/bbl of bitumen, 70% of 150 MW of power generation sold externally and a 30.0 GJ/MWh heat rate.

Conference Call

A conference call will be held to review MEG's first quarter 2023 operating and financial results at 6:00 a.m. Mountain Time (8:00 a.m. Eastern Time) on May 2, 2023. 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 p.m. Mountain Time (2 p.m. Eastern Time) on the same day at https://www.megenergy.com/investors/presentations-events/.

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

AFF and FCF are capital management measures and are defined in the Corporation's consolidated financial statements. AFF and FCF are presented to assist management and investors in analyzing operating performance and cash flow generating ability. FFO is an IFRS measure in the Corporation's consolidated statement of cash flow. AFF is calculated as FFO excluding 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 repay debt and return capital to shareholders. FCF is calculated as AFF less capital expenditures.

In the second quarter of 2022, an adjustment was made to the presentation of AFF and FCF. In April 2020, the Corporation issued cash-settled RSUs under its long-term incentive ("LTI") plan when the share price was at a historic low of $1.57 per share. Concurrent with the issuance, the Corporation entered equity price risk management contracts to manage share price volatility in the subsequent three-year period, effectively reducing share price appreciation cash flow risk. The increase in the Corporation's share price from April 2020 to June 30, 2022 resulted in the recognition of a significant cash-settled stock-based compensation expense, which was previously included as a component of AFF and FCF. The actual cash impact of the 2020 cash-settled RSUs, however, is subject to equity price risk management contracts, so the cash impact over the term of these RSUs has been reduced and the change in value does not provide a valuable indication of operating performance.

Therefore, the financial statement impacts of the April 2020 cash-settled stock-based compensation and the equity price risk management contracts have been excluded from AFF and FCF. All prior periods presented have been adjusted to reflect this change in presentation. The adjustments to prior periods are as follows:

	2022	2021				2020		
($millions, except as indicated)	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**
Adjusted funds flow, as previously presented	**$ 587**	$ 266	$ 239	$ 166	$ 127	$ 84	$ 26	$ 89
Adjustments:								
Impact of cash-settled SBC units subject to equity price risk management	**18**	8	4	18	5	4	—	2
Realized equity price risk management gain	**(46)**	—	—	—	(8)	—	—	—
Adjusted funds flow, current presentation	**$ 559**	$ 274	$ 243	$ 184	$ 124	$ 88	$ 26	$ 91
Free cash flow, as previously presented	**$ 499**	$ 160	$ 155	$ 95	$ 57	$ 44	$ (9)	$ 69
Adjustments:								
Impact of cash-settled SBC units subject to equity price risk management	**18**	8	4	18	5	4	—	2
Realized equity price risk management gain	**(46)**	—	—	—	(8)	—	—	—
Free cash flow, current presentation	**$ 471**	$ 168	$ 159	$ 113	$ 54	$ 48	$ (9)	$ 71

The following table reconciles FFO to AFF to FCF:

	Three months ended March 31	
($millions)	**2023**	**2022**
Funds flow from operating activities	**$ 348**	$ 587
Adjustments:		
Impact of cash-settled SBC units subject to equity price risk management	**13**	18
Realized equity price risk management gain	**(87)**	(46)
Adjusted funds flow	**274**	559
Capital expenditures	**(113)**	(88)
Free cash flow	**$ 161**	$ 471

Net Debt

Net debt is a capital management measure and is defined in the Corporation's consolidated 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	March 31, 2023	December 31, 2022
Long-term debt	$ 1,466	$ 1,578
Current portion of long-term debt	—	3
Cash and cash equivalents	(85)	(192)
Net debt - C$	$ 1,381	$ 1,389
Net debt - US$	$ 1,020	$ 1,026

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 volumes.

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 revenues to cash operating netback has been provided below:

	Three months ended March 31	
($millions)	2023	2022
Revenues	$ 1,480	$ 1,531
Diluent expense	(498)	(517)
Transportation and storage expense	(143)	(118)
Purchased product	(414)	(160)
Operating expenses	(99)	(104)
Realized gain (loss) on commodity risk management	2	1
Cash operating netback	$ 328	$ 633

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 is based on blend sales volumes and bitumen realization per barrel is based on bitumen sales volumes.

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 blend sales and bitumen realization. A reconciliation from revenues to blend sales and bitumen realization has been provided below:

	Three months ended March 31			
	2023		2022	
($millions, except as indicated)		$/bbl		$/bbl
Revenues	**$ 1,480**		$ 1,531	
Other revenue	**(41)**		(24)	
Royalties	**31**		47	
Petroleum revenue	**1,470**		1,554	
Purchased product	**(414)**		(160)	
Blend sales	**1,056**	**$ 76.07**	1,394	$ 105.79
Diluent expense	**(498)**	**(17.89)**	(517)	(8.51)
Bitumen realization	**$ 558**	**$ 58.18**	$ 877	$ 97.28

Net Transportation and Storage Expense

Net transportation and storage expense 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.

Transportation and storage expense is an IFRS measure in the Corporation's consolidated statements 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 transportation revenue. A reconciliation from other revenue to transportation revenue has been provided below.

	Three months ended March 31			
	2023		2022	
($millions, except as indicated)		$/bbl		$/bbl
Transportation and storage expense	**$ (143)**	**$ (14.88)**	$ (118)	$ (13.12)
Other revenue	**$ 41**		$ 24	
Less power revenue	**(40)**		(23)	
Transportation revenue	**$ 1**	**$ 0.10**	$ 1	$ 0.15
Net transportation and storage expense	**$ (142)**	**$ (14.78)**	$ (117)	$ (12.97)

Bitumen Realization after Net Transportation and Storage Expense

Bitumen realization after net transportation and storage expense 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 net transportation and storage expense by utilizing its network of pipeline and storage facilities to optimize market access.

	Three months ended March 31			
	2023		2022	
($millions, except as indicated)		$/bbl		$/bbl
Bitumen realization[1]	**$ 558**	**$ 58.18**	$ 877	$ 97.28
Net transportation and storage expense[1]	**(142)**	**(14.78)**	(117)	(12.97)
Bitumen realization after net transportation and storage expense	**$ 416**	**$ 43.40**	$ 760	$ 84.31

(1) Non-GAAP financial measure as defined in this section.

Operating Expenses net of Power Revenue and Energy Operating Costs net of Power Revenue

Operating expenses net of power revenue and Energy operating costs net of power revenue are both non-GAAP financial measures, or ratios when expressed on a per barrel basis. 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. Per barrel amounts are based on bitumen sales volumes.

Operating expenses net of power revenue 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.

Energy operating costs net of power revenue is used to measure the performance of the Corporation's cogeneration facilities to offset energy operating costs.

Non-energy operating costs and energy operating costs are supplementary financial measures as they represent portions of operating expenses. Non-energy operating costs comprise 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 March 31			
	2023		2022	
($millions, except as indicated)		$/bbl		$/bbl
Non-energy operating costs	**$ (46)**	**$ (4.77)**	$ (43)	$ (4.74)
Energy operating costs	**(53)**	**(5.57)**	(61)	(6.80)
Operating expenses	**$ (99)**	**$(10.34)**	$ (104)	$(11.54)
Other revenue	**$ 41**		$ 24	
Less transportation revenue	**(1)**		(1)	
Power revenue	**$ 40**	**$ 4.21**	$ 23	$ 2.56
Operating expenses net of power revenue	**$ (59)**	**$ (6.13)**	$ (81)	$ (8.98)
Energy operating costs net of power revenue	**$ (13)**	**$ (1.36)**	$ (38)	$ (4.24)

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 industry leading steam oil ratios and cost structure; the Corporation's commitment to cost reduction and focus on safety and commitment to "nobody gets hurt"; the Corporation's focus on optimized well spacing, enhanced completion designs, a capital efficient well redevelopment program, and targeted facility enhancements; the Corporation's expectation of allocating 50% of free cash flow to share buybacks with the remaining cash flow applied to ongoing debt reduction until it reaches its net debt floor of US$600 million; the Corporation's ESG mid-term and long-term targets and actions the Corporation is undertaking to achieve these targets; and the Corporation's expectations regarding the Pathways Alliance projects and government support of these projects.

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 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; the severity and duration of ongoing consequences of the COVID-19 pandemic; 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, general and administrative costs and transportation 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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