PRESS RELEASE

MEG Energy announces 2024 Capital Investment Plan and Operational Guidance

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 (November 27th, 2023) – MEG Energy Corp. (TSX:MEG, "MEG" or the "Corporation") today announced its 2024 capital investment plan and operational guidance. Highlights include:

- Continued emphasis on operations excellence and safety leadership
- Annual production guidance of 102,000 to 108,000 bbls/d at a steam oil ratio ("SOR") of approximately 2.3;
- Capital expenditures of $550 million, consisting of $450 million of sustaining capital and $100 million supporting 4% production growth in 2024;
- Non-energy operating costs and general & administrative ("G&A") expense guidance of $5.10 to $5.40/bbl and $1.75 to $1.95/bbl, respectively; and
- 100% of free cash flow allocated to shareholders once the US$600 million net debt target is reached

2024 Guidance

MEG is focused on safe and reliable operations at our Christina Lake asset. We will continue to invest in our safety leadership program, for both employees and contractors, to advance operational excellence. This focus on operational excellence is underpinned by a comprehensive Operations Excellence Management System that is expected to drive increased production, a top tier SOR performance, and a reduced greenhouse gas ("GHG") emissions intensity.

	2024 Guidance
Capital expenditures	$550 million
Production (average)	102,000 – 108,000 bbls/d
Non-energy operating costs	$5.10 - $5.40 per bbl
G&A expense	$1.75 - $1.95 per bbl

The 105,000 bbls/d mid-point of MEG's 2024 guidance is approximately a 4% increase from the current 2023 production estimate. MEG anticipates exiting 2023 near its 110,000 bbls/d facility capacity, as its latest well pad ramps up and field and plant operations demonstrate high reliability.

The 2024 annual production estimate incorporates reduced turnaround activities spread more evenly throughout the year. The plan also includes the startup of two well pads, with the first pad on-stream mid-year and the second in the fourth quarter. New pad activity supports the higher 2024 production estimate and builds annualized capacity for future growth.

Under a US$75/bbl WTI oil price, MEG anticipates it will achieve its US$600 million long-term net debt target around the third quarter of 2024 and conclude its multi-year financial risk reduction strategy. The improved balance sheet and strong operating performance provides confidence to:

1. Initiate 100% free cash flow returns to shareholders; and
2. Commence investment in modest capacity growth

Capacity growth from MEG's long-life reserve base generates shareholder value. During 2024, we will commence investment in a new project to add 15,000 bbls/d of new productive capacity to our existing facility, with an estimated total cost of $300 million over the next three years.

Sustaining capital in 2024 reflects reduced turnaround activity, increased pad drilling, and investment in field infrastructure to advance production from high-quality undeveloped areas of our assets. These activities, combined with our operating strategy, will continue to enhance MEG's top tier SOR.

MEG's balance sheet and operating performance provide a solid foundation to fund the 2024 capital program, and no WTI or WTI:WCS differential hedges have been entered for 2024. MEG retains the flexibility to adjust capital expenditures in response to changing market conditions, such as declining oil prices, differentials and inflationary cost pressures.

2024 Capital Investment Summary

Category	2024 Guidance
Well Pads & Redevelopment	$315 million
Facility & Field Infrastructure	$120 million
Corporate, Other	$15 million
Total Sustaining	**$450 million**
Multi-year Capacity Growth	$100 million
Total Capital	**$550 million**

MEG's total 2024 capital program is $550 million, with $100 million allocated towards multi-year capacity growth and $450 million to sustaining activities. The growth investment commences a project with an estimated total cost of $300 million which is forecast to deliver incremental production towards the end of 2026.

Sustaining activities are mainly directed to increased well pad and redevelopment drilling and investment in pad gathering infrastructure to access high-quality resource. Remaining capital largely comprises field and facility infrastructure targeting sub-surface production optimization, gas and water processing, and reliability improvements. Budgeted sustaining capital also reflects a 5% year-over-year impact from inflationary and supply chain pressures.

Non-Energy Operating Costs and G&A Expense Per Barrel

Non-energy operating costs per barrel in 2024 are estimated to rise approximately 5% over 2023, to $5.25/bbl at the mid-point of our 2024 guidance range, reflecting an increased scope of operations and inflationary pressures.

The mid-point of the 2024 G&A per barrel guidance is consistent with our current outlook for 2023, driven by increased staff costs and support for near-term production growth.

Adjusted Funds Flow ("AFF") Sensitivity

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

Variable	Range	2024 AFF Sensitivity[1, 2] (Cdn$)
WCS Differential (US$/bbl)	+/- US$1.00/bbl	**+/- 47mm**
WTI (US$/bbl)	+/- US$1.00/bbl	**+/- 31mm**
Bitumen Production (bbls/d)	+/- 1,000 bbls/d	**+/- 16mm**
Condensate (US$/bbl)	+/- US$1.00/bbl	**+/- 14mm**
Exchange Rate (C$/US$)	+/- $0.01	**+/- 10mm**
Non-energy Opex (C$/bbl)	+/- C$0.25/bbl	**+/- 6mm**
AECO Gas[3] (C$/GJ)	+/- C$0.50/GJ	**+/- 6mm**

1. Each sensitivity is independent of changes to other variables.
2. Assumes mid-point of 2024 production guidance, US$75.00/bbl WTI, US$16.25/bbl WTI:AWB Edmonton discount, US$7.75/bbl WTI:AWB Gulf Coast discount, C$1.35/US$ F/X rate, condensate purchased at 100% of WTI and one bbl of bitumen per 1.42 bbls of blend sales (1.42 blend ratio).
3. Assumes 1.4 GJ/bbl of bitumen, 65% of 160 MW of power generation sold externally and a 25.0 heat rate (every $0.50/GJ change in AECO natural gas price changes the power price by C$12.50/MWh).

MEG has capacity to ship 100,000 bbls/d of AWB blend sales, on a pre-apportionment basis, to the U.S. Gulf Coast market via its committed capacity on the Flanagan South and Seaway Pipeline systems ("FSP"). In addition, 20,000 bbls/d of capacity is contracted on the TMX pipeline system to the Canadian West Coast. With TMX scheduled to start near the end of the first quarter of 2024, over 80% of MEG's blend sales will have tidewater access, positioning the company with broader market reach, improved realized prices, and reduced WCS differential volatility.

MEG had approximately $5.0 billion of available Canadian tax pools, including $3.4 billion of non-capital losses which are immediately deductible, at September 30, 2023. Those tax pools will shelter cash taxes until approximately mid-2027 under a US $75/bbl WTI oil price assumption.

Capital Allocation Strategy

MEG anticipates reaching its US $600 million net debt target around the third quarter of 2024 at a US$75/bbl WTI oil price, completing its multi-year financial risk reduction strategy. Capital returns to shareholders will rise to 100% of free cash flow at that point, reinforcing our long-term commitment to shareholder capital returns.

From April 1, 2022 through November 24, 2023 the corporation has repurchased and cancelled 35.0 million shares, reducing the outstanding share count by approximately 11% from year end 2021 and returning $715 million to shareholders at a weighted average price of $20.47 per share. Debt repurchases have totaled US $870 million (approximately $1.2 billion) over that same period.

Pathways Alliance

MEG, along with its Pathways Alliance ("Alliance") peers, will continue to progress pre-work on the proposed foundational carbon capture and storage ("CCS") project, which will transport CO2 via pipeline from multiple oil sands facilities to be stored safely and permanently underground in the Cold Lake region of Alberta. In 2024 technical teams will advance detailed evaluations of the proposed carbon storage hub and work with the Government on a carbon sequestration agreement to support regulatory submissions. In addition, the Alliance will progress engineering work, environmental field programs to minimize the project's environmental disturbance, and consultations with Indigenous and local communities along the proposed CO2 transportation and storage network corridor. The Alliance continues to work collaboratively with both the federal and Alberta governments on the necessary policy and co-financing frameworks required to move the project forward. It will be important for governments to work together with industry to ensure required support to enable CCS project development.

MEG's 2024 capital budget includes pre-FEED expenditures for carbon capture and storage facilities at Christina Lake that would capture post-combustion CO2 emissions for transportation to the proposed Pathways Alliance CO2 pipeline. The process to capture CO2 emissions from flue gas at MEG's Christina Lake facilities has been selected, after extensive review, as a key element in the carbon capture facilities design.

For further details on the Corporation's approach to ESG matters, please refer to the "Sustainability" section of the Corporation's website at www.megenergy.com and the most recently filed AIF on www.sedarplus.ca.

Non-GAAP Measures and Other Financial Measures

Certain financial measures in this news release including non-energy operating costs (in total, and per bbl), free cash flow, net debt and adjusted funds flow are non-GAAP financial measures or ratios, supplementary financial measures or ratios 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.

For further details, please refer to Section 14 of the Corporation's MD&A for the quarter ended September 30, 2023 which is available on the Corporation's website at www.megenergy.com and is also available on the SEDAR website at www.sedarplus.ca.

Forward-Looking Information

Certain statements contained in this news release may constitute forward-looking statements within the meaning of applicable Canadian securities laws. These statements relate to future events or MEG's future performance. All statements other than statements of historical fact may be forward-looking statements. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", "dependent", "ability", "plan", "intend", “target”, “potential” and similar expressions are intended to identify forward-looking statements. Forward-looking statements are often, but not always, identified by such words. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. In particular, and without limiting the foregoing, this news release contains forward looking statements with respect to: the Corporation's 2024 capital investment plan and operational guidance, including its 2024 annual production guidance, production growth, steam oil ratio, capital expenditures, non-energy operating costs and general and administrative expense; the Corporation's focus on operational excellence and safety leadership and expectation that this focus will drive increased production at a top tier SOR performance and reduce GHG emissions intensity; the Corporation's expectation that it will exit 2023 near its 110,000 bbl/d production capacity; the Corporation's expectation regarding its 2024 production plan, including reduced turnaround activities and start of new well pads; the Corporation's expectation that it will achieve its US$600 million net debt target around the third quarter of 2024; the Corporation's expectation that its improved balance sheet and strong operating performance will allow it to initiate 100% free cash flow returns to shareholders and commence investment in moderate capacity growth; the Corporation's anticipated investment in new productive capacity at an estimated cost of $300 million over the next three years; the Corporation's expectation that 2024 sustaining capital will continue to enhance its top tier SOR; the Corporation's expectation that its improved balance sheet and strong operating performance will fund its 2024 capital program; the Corporation's statements relating to its capital investment plans, including its expectation regarding its growth project which is forecast to deliver incremental production towards the end of 2026; the Corporation's expectations regarding inflationary and supply chain pressures; the Corporation's statements regarding estimated 2024 non-energy operating costs and G&A expenses and its 2023 guidance relating to non-energy operating costs and G&A expenses; the Corporation's adjusted funds flow sensitivities; the Corporation's expectation that TMX will start up near the end of the first quarter of 2024 and that tidewater access will position the Corporation with broader market reach, improved realized prices and reduced WCS differential volatility; the Corporation's statements regarding its tax pools; the Corporation's statements regarding its capital allocation strategy; the Corporation's statements regarding the Pathways Alliance objectives; and the Corporation's statement regarding its 2024 capital budget and pre-FEED expenditures for carbon capture and storage facilities at Christina Lake.

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 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 the Corporation's GHG emissions reduction targets by 2030 and 2050; 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 its GHG emissions targets by 2030 and 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 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.sedarplus.ca.

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 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 is a member of the Pathways Alliance, a group of Canada's largest oil sands producers working together to address climate change and achieve the goal of net zero emissions[1] by 2050. MEG's common shares are listed on the Toronto Stock Exchange under the symbol "MEG" (TSX: MEG).

[1] *Scope 1 and Scope 2 emissions*

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