WESTPEAK RESEARCH ASSOCIATION

Birchcliff Energy Ltd (TSE: BIR)

Natural Resources – Oil & Gas

Standing Tall in the Montney

February 22, 2025

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Equity Research	Canada/US
Price Target	**CAD$ 9.20**
Rating	Buy
Share Price (Feb. 20 Close)	CAD$ 6.94
Total Return	32.5%

Key Statistics	
52 Week H/L	$8.19/$4.89
Market Capitalization	$1.907B
Average Daily Trading Volume	$1.36M
Net Debt	$643.8M
Enterprise Value	$2.543B
Net Debt/EBITDA	1.5x
Diluted Shares Outstanding	255.3M
Free Float	98%
Dividend Yield	1.6%

Analyst Forecast

	2025E	2026E	2027E
Revenue	$720M	$812M	$840M
EBITDA	$423M	$518M	$546M
Net Income	$87M	$175M	$124M
EPS	$0.35	$0.69	$0.59
EV/DACF	5.42x	4.64x	4.49x
EV/Reserves	2.36x	2.41x	2.53x

1-Year Price Performance

Birchcliff Energy Ltd. is an intermediate Canadian natural gas producer focused on the Montney and Doig plays in northwest Alberta. The company averages ~80,000 boe/d, with 80%+ natural gas weighting, supported by its 100% owned Pouce Coupe Gas Plant and infrastructure network with ~340 MMcf/d of processing capacity. Growth is driven by low-cost operations, deep drilling inventory, and exposure to premium North American gas hubs.

Industry Analysis

Natural gas accounts for ~33% of Canada's total primary energy demand and 26% of end-use demand. Domestic consumption averaged 11.9 Bcf/d in 2023, led by industrial demand at 9 Bcf/d. Global LNG demand is expected to grow through 2030, supporting higher Canadian gas utilization. With LNG Canada Phase 1 in service and Phase 2 and Cedar LNG advancing, Montney producers are increasingly positioned to access premium export markets and improve long-term netbacks.

Thesis

Birchcliff offers leveraged exposure to strengthening North American natural gas fundamentals through a low-cost Montney asset base with meaningful infrastructure control. Production growth is driven by higher utilization of owned processing capacity and disciplined reinvestment, supporting margin expansion and free funds flow generation. As infrastructure is fully utilized and balance sheet strength improves, Birchcliff's deep inventory and reserve base underpin sustained per-share value creation.

Valuation

We initiate a **BUY** rating on Birchcliff Energy Ltd. with a price target of $9.20 per share, implying approximately 32.5% upside from the current share price of $6.94. Our target is derived using a blended valuation framework applying a 60% weighting to Base Case Net Asset Value, 20% to EV/EBITDA, and 20% to EV/DACF.

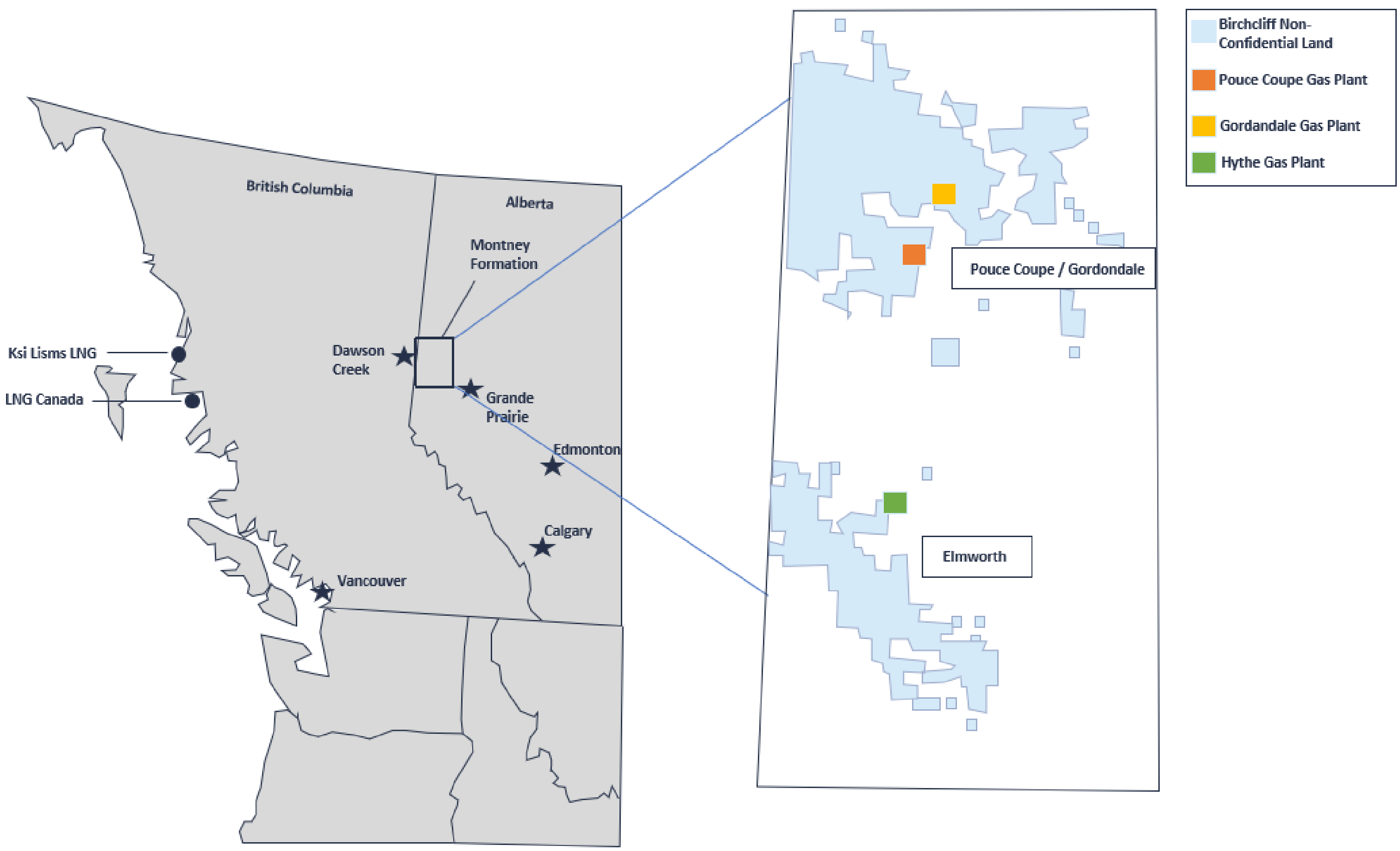
Company Overview

Business Fundamentals

Birchcliff Energy Ltd. is a Canadian intermediate oil and natural gas producer focused on the exploration, development, and production of hydrocarbons within the Western Canadian Sedimentary Basin. The Company's core objective is to generate sustainable free cash flow and long-term shareholder value through disciplined capital allocation, low-cost operations, and the development of high-quality, long-life resource assets.

Birchcliff's asset base is predominantly weighted toward natural gas, with meaningful exposure to condensate and light oil, positioning the Company to benefit from improving North American gas fundamentals while maintaining downside protection through liquids-linked cash flows. The Company's strategy emphasizes operational efficiency, disciplined capital allocation, and a strengthening balance sheet, supported by a long inventory runway and infrastructure ownership that enhances margins, capital efficiency, and free cash flow durability.

Figure 1: Montney Core Asset Footprint & Gas Processing Infrastructure



Note: Pouce Coupe Gas Plant is 100% owned and operated by Birchcliff. The Gordondale Gas Plant is owned by AltaGas, with Birchcliff assuming operatorship effective July 1, 2024. Birchcliff is advancing a proposed 100% owned and operated gas plant in the Elmworth area.

Operations & Asset Base

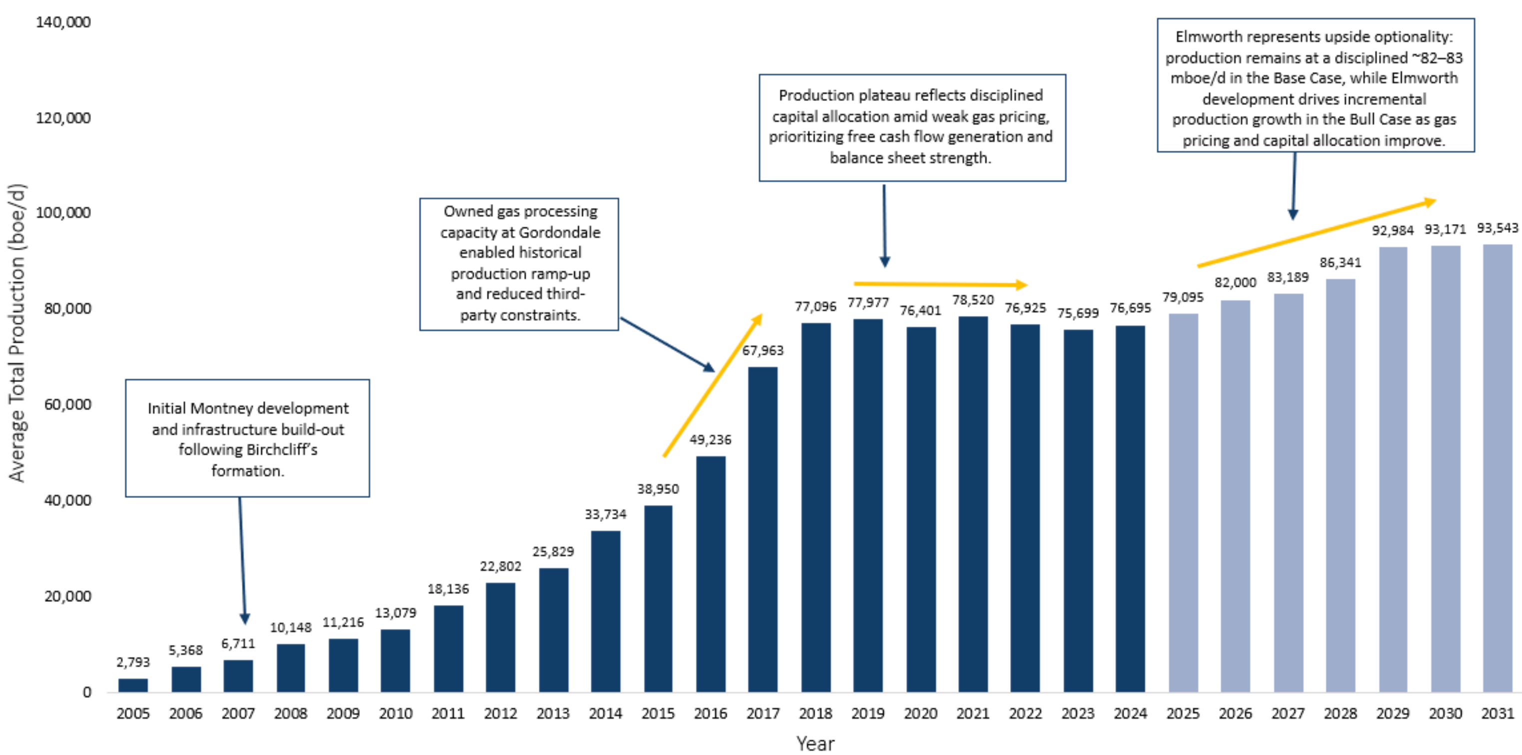
Birchcliff's operations are concentrated in Alberta's Peace River Arch, with its primary producing assets located in the Montney and Doig formations. These assets are characterized by large contiguous land positions, repeatable drilling opportunities, and favorable reservoir quality, enabling scalable development at competitive full-cycle economics.

The Company's Montney assets represent the cornerstone of its production base, delivering high-deliverability natural gas with associated liquids that enhance realized pricing and netbacks. Birchcliff benefits from low supply costs driven by operational scale, pad drilling, and infrastructure optimization, resulting in strong capital efficiency and resilient margins across commodity price cycles.

In addition to its upstream asset quality, Birchcliff owns and operates key natural gas processing infrastructure, including gas plants and associated facilities. This midstream ownership provides strategic control over throughput, reduces operating costs, and mitigates third-party bottlenecks, reinforcing the Company's competitive positioning relative to peers.

Figure 2: Birchcliff Production History & Forecast (Base Case)

2005A – 2031E



Production Mix & Commodity Exposure

Birchcliff's production profile is gas-weighted, with natural gas accounting for the majority of total production, complemented by natural gas liquids and light oil. This balanced commodity mix provides leveraged exposure to natural gas price recovery while preserving cash flow stability through liquids revenues.

The Company's liquids production, primarily condensate and light oil, is strategically important given its role in diluting gas-weighted volatility and supporting stronger corporate netbacks. Condensate in particular commands a structural pricing premium and benefits from stable demand due to its use as a diluent in oil sands production. Birchcliff's liquids mix aligns well with current market dynamics, where liquids-rich gas assets are increasingly valued for flexibility and cash flow durability.

Figure 3: Production Mix (BOE)

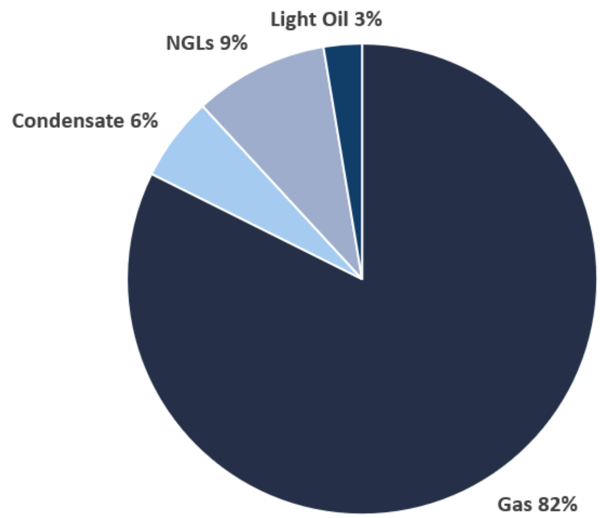
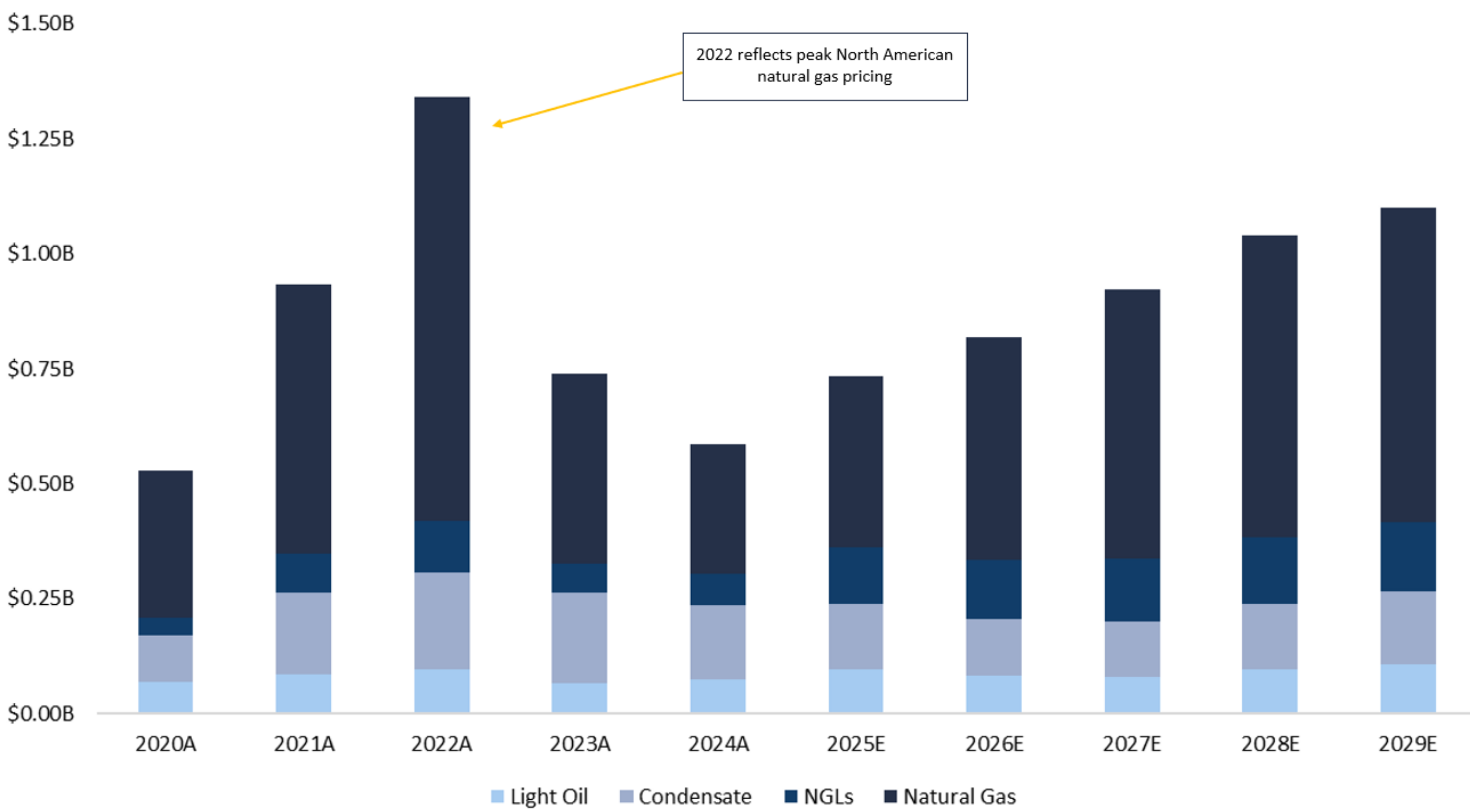


Figure 4: Revenue Breakdown by Commodity

2020A – 2029E



Strategy & Capital Allocation

Birchcliff follows a disciplined capital allocation framework focused on three core priorities: fully funding development capital within cash flow, strengthening the balance sheet, and returning capital to shareholders through a sustainable base dividend. Management has emphasized flexibility within this framework, retaining the ability to adjust capital spending in response to commodity prices while prioritizing debt reduction in the near term. As leverage declines, incremental free cash flow is expected to be increasingly directed toward shareholder returns, reinforcing Birchcliff's commitment to long-term value creation through both operational execution and capital discipline.

Industry Analysis

Macro: North American gas demand is shifting from cyclical to structural

Seasonal demand drives short-term gas pricing. Winter heating increases demand and storage withdrawals. Summer often increases storage injections and weakens spot pricing. Storage levels entering winter shape price risk. High storage reduces winter risk premium. Low storage raises it. Maintenance season on pipelines and plants also affects Western Canada egress and basis. Realized pricing depends on benchmark plus basis, not benchmark alone.

North American natural gas demand is increasingly supported by structural load growth rather than purely weather or commodity cycles. LNG Canada Phase 1 (14 mtpa) is entering service, with Phase 2 expected to double total capacity to 28 mtpa, while Cedar LNG (3 mtpa) advances toward mid-decade start-up. In aggregate, over 30 mtpa of West Coast LNG capacity is progressing, equivalent to roughly 4–5 Bcf/d of incremental gas demand at full utilization. Demand is also being driven by power generation requirements tied to electrification and reliability, alongside accelerating data centre development where several gigawatts of incremental load have been proposed across Western Canada and the Pacific Northwest. These end-markets are long-duration and capacity-driven, increasing the value of reliable, scalable supply and supporting tighter forward balances.

Western Canada. Egress and basis drive realized pricing

Canadian gas equities are often discounted due to legacy concerns around AECO volatility, maintenance-driven blowouts, and takeaway constraints. However, the relevant question is increasingly whether a producer can access diversified markets and capture premium pricing during periods of regional dislocation. As new LNG capacity ramps on the West Coast and incremental egress options grow, the market's historical "AECO haircut" should matter less for companies with diversified exposure. In this context, realized pricing and basis management become as important as an AECO headline.

Birchcliff positioning: scale + infrastructure leverage in a Montney core

Within that macro, Birchcliff offers a differentiated setup relative to Canadian gas peers with more limited infrastructure ownership. The company is executing toward full utilization of its owned processing capacity, creating operating leverage as fixed costs are spread across higher throughput. Unlike producers that rely more heavily on third-party facilities and remain more exposed to AECO pricing, Birchcliff benefits from infrastructure control and product diversification that support stronger realized pricing and cost optimization. The combination of higher realizations and improved unit costs creates a credible pathway to expanding free cash flow through scale and utilization.

Investment Theses

The market underestimates 2026–27 margin expansion from fixed-cost infrastructure utilization

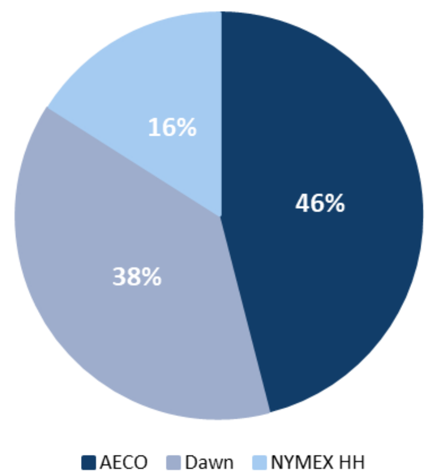
Birchcliff's near-term investment case is fundamentally a margin expansion story rather than pure production growth. Management's 2026 guidance is centered on fully utilizing existing gas processing infrastructure at Pouce Coupe and Gordondale, including leveraging operatorship at the Gordondale Gas Plant to improve throughput efficiency. As utilization increases, fixed operating and transportation costs are spread across higher volumes, supporting unit cost compression and margin expansion even in a flat commodity price environment. The market appears to underappreciate this operating leverage, focusing on headline production growth while overlooking the earnings impact of infrastructure utilization. Key items to monitor include facility throughput relative to capacity and unit operating costs ($/boe) through 2026.

Birchcliff is mis-priced as an "AECO gas name" despite meaningful premium-market exposure

Birchcliff is frequently valued as a pure AECO-exposed Western Canadian gas producer, an assumption that materially understates its realized pricing potential. In reality, the Company benefits from diversified Canadian and U.S. sales exposure, with a significant portion of volumes priced off premium hubs including Dawn and NYMEX Henry Hub. This diversification reduces reliance on AECO, mitigates basis volatility, and provides leverage to improving North American gas fundamentals driven by LNG exports and structural demand growth. As pricing differentials normalize and premium markets strengthen, Birchcliff's realized pricing is positioned to outperform that implied by AECO-only benchmarks. Key items to monitor include realized pricing versus AECO and changes in sales exposure across Dawn and Henry Hub.

Figure 5: Natural Gas Sales Exposure by Pricing Hub

2026E | % of Total Natural Gas Production



Elmworth is a self-funded growth wedge that the market assigns little value to pre-FID

Elmworth represents a long-dated, self-funded growth option that the market currently assigns limited value to due to its pre-FID status. The proposed first phase of the Goodfare Gas Plant is designed for approximately 100 MMcf/d of processing capacity, with commissioning targeted for Q4 2028. Management is currently targeting a final investment decision in late 2026 or early 2027, contingent on continued balance sheet deleveraging, commodity price visibility, regulatory progress, and firm transportation alignment. As Birchcliff advances technical planning and commercial de-risking, Elmworth becomes increasingly credible as a funded growth platform. Importantly, this growth wedge can be advanced without compromising balance sheet strength or shareholder returns, positioning Elmworth as asymmetric upside rather than a core assumption in the base valuation. Key items to monitor include FID timing, capital allocation clarity, and progress toward first-phase plant sanction.

Valuation

Birchcliff Energy Ltd. is valued using a blended valuation framework, combining a Net Asset Value (NAV) analysis with relative valuation through comparable company multiples. This approach is consistent with precedent WestPeak Natural Resources research and is appropriate given Birchcliff's long-life reserve base, infrastructure-backed growth profile, and natural gas–weighted production mix. The valuation applies a weighting of 60% Net Asset Value, 20% EV/EBITDA, and 20% EV/DACF, balancing intrinsic asset value with prevailing public market valuations for comparable Canadian upstream producers.

Net Asset Value (NAV)

Reserves and Production Assumptions

The NAV analysis is based on Birchcliff Energy's gross proved plus probable (2P) reserves, which consist of 21,070 Mbbl of oil, 142,677 Mbbl of NGLs, and approximately 4,835 Bcf of natural gas, resulting in total reserves of approximately 959,637 Mboe. These reserves form the basis of the NAV valuation and reflect Birchcliff's long-term development inventory.

Production forecasts are derived from the Company's publicly disclosed production guidance and reflect a combination of management's forward capital allocation outlook, Birchcliff's corporate decline profile, and expected infrastructure utilization. Average production is modelled at approximately 82 Mboe/d in 2026E and steps higher through the forecast period, consistent with Figure 2, remaining predominantly natural gas-weighted at roughly 80% of total volumes. The forecast assumes disciplined capital deployment and increasing utilization of existing infrastructure, supporting stable production levels and improving unit costs over time. Beyond the explicit forecast period, a terminal decline rate of 5% is applied, reflecting a mature Montney development profile, while a long-term production growth rate of 2% is assumed.

Commodity Price Assumptions

Commodity pricing follows a standard WestPeak three-case framework to capture a reasonable range of potential valuation outcomes. The base case reflects forward strip pricing sourced from CME Group, Bloomberg, and S&P Capital IQ, while the bull and bear cases apply a 20% premium and discount, respectively, to base commodity price assumptions. Natural gas pricing incorporates Birchcliff's diversified market exposure, including AECO, Dawn, and NYMEX Henry Hub, which reduces reliance on a single pricing hub and mitigates regional basis risk relative to peers.

Operating and Cost Assumptions

Operating assumptions reflect Birchcliff's cost-advantaged Montney asset base and are consistent with historical performance and forward guidance. Royalties are modelled at approximately 6–7% of revenue, while operating costs are forecast to decline toward approximately $3.05/boe by 2026E as production scales and infrastructure utilization improves. Transportation costs are assumed to average approximately $5.13/boe, reflecting Birchcliff's contracted egress and market diversification strategy, while G&A expenses are modelled at approximately $1.62/boe. In aggregate, these assumptions imply a 2026E corporate netback of approximately $10.3 per boe, driven by a ~$21.5 per boe blended realized price and a ~$11.2 per boe total burden from royalties, operating costs, transportation, and G&A.

Capital and Financial Assumptions

The NAV is calculated using a 10% discount rate, consistent with industry standards for Canadian upstream producers. Growth is constrained by internally funded capital expenditures, with no reliance on external financing. Net debt is deducted at the end of the forecast period based on the projected balance sheet, and undeveloped land value is included separately to reflect future development optionality not captured in booked reserves.

Comparable Company Analysis

Birchcliff is valued relative to a peer group of five Canadian upstream exploration and production companies selected based on material exposure to Western Canadian natural gas, Montney and Deep Basin asset overlap, comparable operating scale, and similar cost structures and capital allocation frameworks. The selected peer group includes Tourmaline Oil, Paramount Resources, Spartan Delta, Advantage Energy, and Kelt Exploration. These companies provide an appropriate valuation benchmark given their gas-weighted production profiles, development-focused strategies, and relevance to Birchcliff's asset base. Relative valuation is conducted using EV/EBITDA and EV/DACF multiples, which are commonly used metrics in upstream equity valuation and allow for consistent comparison across producers with differing capital structures. Peer group trading multiples are applied to Birchcliff's financial profile to derive implied valuation ranges, which are then incorporated into the blended valuation framework.

Tourmaline Oil (TSX: TOU)

Tourmaline Oil is Canada's largest natural gas producer with a dominant position in the Montney. While Tourmaline operates at a significantly larger scale than Birchcliff, it serves as a best-in-class benchmark for Montney-focused gas producers due to its low-cost structure, extensive infrastructure ownership, and disciplined capital allocation. Tourmaline's inclusion helps anchor the upper end of valuation for high-quality Canadian natural gas assets.

Paramount Resources Ltd. (TSX: POU)

Paramount Resources is a Western Canadian producer with material exposure to natural gas and liquids-rich Montney development. Paramount's asset base, development-led strategy, and sensitivity to gas pricing make it a relevant comparator to Birchcliff, particularly when assessing valuation through the cycle. While Paramount has greater liquids exposure, its Montney inventory and capital intensity provide meaningful comparability.

Spartan Delta Corp. (TSX: SDE)

Spartan Delta operates a portfolio of Montney and Deep Basin assets with a strategy focused on development optimization and free cash flow generation. Spartan's operating scale, production mix, and emphasis on infrastructure utilization closely align with Birchcliff's business model, making it a strong operational and valuation peer within the intermediate producer universe.

Advantage Energy Ltd. (TSX: AAV)

Advantage Energy is a gas-weighted Montney producer recognized for its operational efficiency and disciplined capital management. Advantage's focus on low-cost development, exposure to Western Canadian gas markets, and emphasis on free funds flow generation provide a relevant comparison for Birchcliff's cost structure and long-term value proposition.

Kelt Exploration Ltd. (TSX: KEL)

Kelt Exploration is a Montney and Charlie Lake producer with a balanced mix of natural gas and liquids production. Kelt's intermediate scale, Montney exposure, and similar reserve-driven valuation framework make it a particularly relevant peer, especially given its comparable asset maturity and development profile.

Catalysts

Delivery on 2026–2027 production growth and infrastructure utilization

Birchcliff's updated outlook targets continued production growth and reaching full utilization of its Pouce Coupe and Gordondale facilities earlier than previously planned. Successful execution should translate into improved unit costs, stronger operating netbacks, and improved market confidence in the durability of Birchcliff's free funds flow profile.

Improving North American gas fundamentals and premium market exposure

Birchcliff's sales exposure includes meaningful volumes priced off Dawn and NYMEX HH in addition to AECO, providing leverage to strengthening North American gas benchmarks. As incremental LNG export capacity comes online and gas-fired power demand rises to support electrification, grid reliability, and accelerating data centre development, Birchcliff's gas-weighted production base is positioned to benefit disproportionately versus liquids-weighted Canadian peers.

Elmworth value unlock and Goodfare Gas Plant decision point

Progress toward Elmworth development and a potential final investment decision on the Goodfare Gas Plant represents a clear "value unlock" milestone. Advancing this project de-risks the next leg of growth and increases line-of-sight to incremental production and free funds flow generation later in the five-year plan.

Accelerating shareholder returns as leverage declines

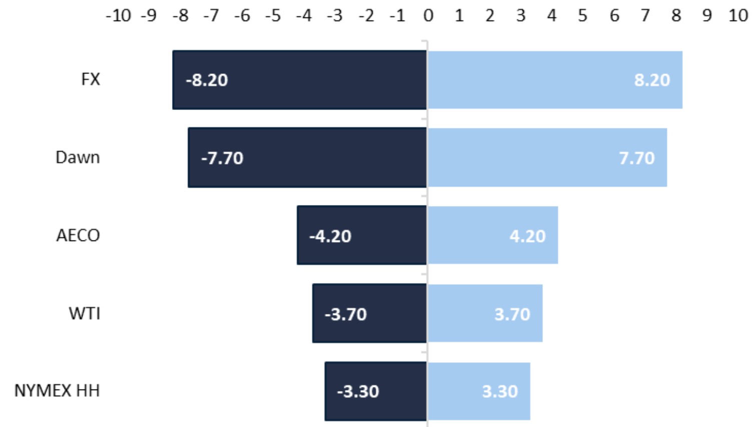
With a stated focus on strengthening the balance sheet while paying a sustainable base dividend, continued debt reduction can expand Birchcliff's capital return capacity, supporting potential increases in buybacks and/or dividends, particularly if gas pricing exceeds plan assumptions.

Risks

Natural gas price and basis differential volatility

Birchcliff's earnings and cash flow remain sensitive to natural gas benchmarks and regional basis differentials, including AECO, Dawn, and NYMEX Henry Hub. Periods of pricing volatility or widening basis spreads could pressure near-term results. However, this risk is partially mitigated by the Company's diversified sales exposure across multiple hubs, operational flexibility to adjust activity levels, and a cost structure that benefits from infrastructure ownership and scale. Together, these factors reduce reliance on any single pricing point and provide resilience across commodity cycles.

Figure 6: 2026 Free Funds Flow Sensitivity (C$mm)



Execution and cost inflation risk

Operational execution risk includes well performance variability, timing and cost overruns, and infrastructure-related downtime. Persistent service cost inflation or weaker drilling results could compress margins and delay the expected unit cost improvements embedded in the investment case.

Egress, curtailment, and regulatory uncertainty

Western Canadian gas producers remain exposed to takeaway constraints, maintenance curtailments, and shifting regulatory requirements. While Birchcliff's market diversification helps, unexpected egress disruptions can pressure realized pricing and near-term volumes.

Recommendation

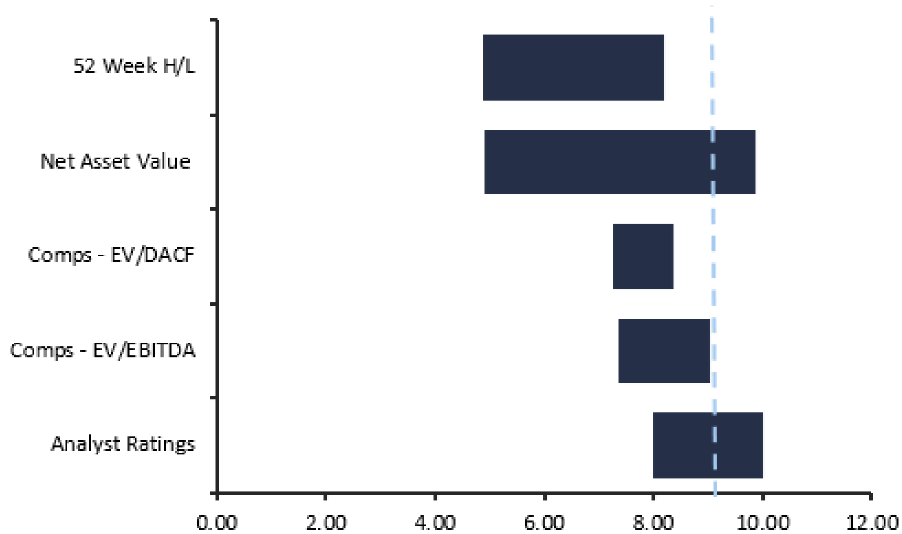
Buy

Birchcliff Energy is rated a BUY with a target price of $9.20 per share, representing approximately 32.5% upside from the current share price. The target price is derived from a blended valuation framework that assigns a 60% weighting to NAV and 20% weightings to each of EV/EBITDA and EV/DACF, balancing intrinsic asset value with public market comparables.

The valuation reflects Birchcliff's high-quality Montney asset base, improving free funds flow profile, and disciplined capital allocation strategy. Near-term upside is driven by margin expansion as existing gas processing infrastructure reaches full utilization in 2026, allowing incremental production to generate outsized cash flow. Importantly, this cash flow growth is expected to occur without requiring elevated commodity price assumptions.

At the current valuation, the market appears to underappreciate Birchcliff's operating leverage, diversified exposure to premium gas markets, and the asymmetric optionality embedded in the Elmworth development. As leverage declines and capital returns increase, we expect valuation multiples to re-rate toward peer levels, supporting meaningful upside to the shares.

Birchcliff Energy (TSX: BIR) Implied Share Price ($9.20)



Appendix 1: Net Asset Value – Production and Revenue Forecast

		Light Oil			NGLs			Natural Gas				Total Production	Revenue		
	Year #	Reserves Mbbls	Production Mbbls	Price $/bbl	Reserves Mbbls	Production Mbbls	Price $/bbl	Reserves MMcf	Production boe/yr	Production MMcf/yr	Price $/Mcf	Production Mmboe	Oil & NGL's $MM	Natural Gas $MM	Total $MM
2026	1	21,070	680	$54.50	142,677	4,733	$34.19	4,835,338	24,517	147,104	$2.75	29,930	$198.88	$404.74	$603.62
2027	2	20,325	745	$58.30	137,834	4,843	$34.87	4,686,681	24,776	148,657	$2.87	30,364	$212.33	$426.52	$638.85
2028	3	19,541	783	$64.83	132,743	5,092	$35.57	4,532,844	25,639	153,837	$2.99	31,515	$231.91	$460.13	$692.04
2029	4	18,722	819	$66.28	127,183	5,560	$36.28	4,367,482	27,560	165,362	$3.03	33,939	$256.01	$500.71	$756.72
2030	5	17,873	849	$67.77	121,578	5,605	$37.01	4,202,166	27,553	165,316	$3.07	34,007	$265.01	$506.80	$771.81
2031	6	16,997	876	$69.29	115,925	5,653	$37.75	4,036,477	27,615	165,689	$3.10	34,143	$274.06	$514.31	$788.37
2032	7	16,098	899	$70.67	110,306	5,619	$38.50	3,872,346	27,355	164,131	$3.17	33,874	$279.91	$519.66	$799.57
2033	8	15,244	854	$72.08	104,968	5,338	$39.27	3,716,421	25,987	155,924	$3.23	32,180	$271.23	$503.55	$774.78
2034	9	14,433	811	$73.53	99,896	5,071	$40.06	3,568,293	24,688	148,128	$3.29	30,571	$262.82	$487.94	$750.76
2035	10	13,662	771	$75.00	95,078	4,818	$40.86	3,427,572	23,454	140,722	$3.36	29,042	$254.67	$472.82	$727.49
2036	11	12,930	732	$76.50	90,501	4,577	$41.68	3,293,886	22,281	133,686	$3.43	27,590	$246.78	$458.16	$704.94
2037	12	12,234	696	$78.03	86,153	4,348	$42.51	3,166,885	21,167	127,001	$3.50	26,211	$239.13	$443.96	$683.09
2038	13	11,573	661	$79.59	82,022	4,131	$43.36	3,046,233	20,109	120,651	$3.57	24,900	$231.72	$430.19	$661.91
2039	14	10,945	628	$81.18	78,098	3,924	$44.23	2,931,615	19,103	114,619	$3.64	23,655	$224.53	$416.86	$641.39
2040	15	10,349	596	$82.80	74,370	3,728	$45.11	2,822,727	18,148	108,888	$3.71	22,472	$217.57	$403.94	$621.51
2041	16	9,782	567	$84.46	70,829	3,542	$46.02	2,719,284	17,241	103,443	$3.78	21,349	$210.83	$391.41	$602.24
2042	17	9,244	538	$86.15	67,464	3,365	$46.94	2,621,012	16,379	98,271	$3.86	20,281	$204.29	$379.28	$583.57
2043	18	8,733	511	$87.87	64,268	3,196	$47.88	2,527,655	15,560	93,358	$3.94	19,267	$197.96	$367.52	$565.48
2044	19	8,247	486	$89.63	61,231	3,036	$48.83	2,438,965	14,782	88,690	$4.02	18,304	$191.82	$356.13	$547.95
2045	20	7,785	462	$91.42	58,347	2,885	$49.81	2,354,710	14,043	84,255	$4.10	17,389	$185.88	$345.09	$530.96
2046	21	7,347	438	$93.25	55,606	2,740	$50.81	2,274,667	13,340	80,043	$4.18	16,519	$180.11	$334.39	$514.50
2047	22	6,930	417	$95.11	53,003	2,603	$51.82	2,198,627	12,673	76,040	$4.26	15,693	$174.53	$324.03	$498.55
2048	23	6,535	396	$97.02	50,530	2,473	$52.86	2,126,389	12,040	72,238	$4.35	14,909	$169.12	$313.98	$483.10
2049	24	6,159	376	$98.96	48,180	2,350	$53.92	2,057,762	11,438	68,626	$4.43	14,163	$163.88	$304.25	$468.12
2050	25	5,802	357	$100.94	45,948	2,232	$54.99	1,992,567	10,866	65,195	$4.52	13,455	$158.80	$294.82	$453.61
2051	26	5,462	339	$102.95	43,828	2,120	$56.09	1,930,632	10,323	61,935	$4.61	12,782	$153.87	$285.68	$439.55
2052	27	5,140	322	$105.01	41,813	2,014	$57.22	1,871,793	9,806	58,839	$4.70	12,143	$149.10	$276.82	$425.92
2053	28	4,834	306	$107.11	39,899	1,914	$58.36	1,815,896	9,316	55,897	$4.80	11,536	$144.48	$268.24	$412.72
2054	29	4,543	291	$109.26	38,081	1,818	$59.53	1,762,795	8,850	53,102	$4.89	10,959	$140.00	$259.92	$399.93
2055	30	4,267	276	$111.44	36,354	1,727	$60.72	1,712,348	8,408	50,447	$4.99	10,411	$135.66	$251.87	$387.53
2056	31	4,004	263	$113.67	34,713	1,641	$61.93	1,664,423	7,987	47,924	$5.09	9,891	$131.46	$244.06	$375.51
2057	32	3,755	249	$115.94	33,155	1,559	$63.17	1,618,895	7,588	45,528	$5.19	9,396	$127.38	$236.49	$363.87
2058	33	3,518	237	$118.26	31,674	1,481	$64.43	1,575,643	7,209	43,252	$5.30	8,926	$123.43	$229.16	$352.59
2059	34	3,293	225	$120.63	30,267	1,407	$65.72	1,534,554	6,848	41,089	$5.40	8,480	$119.61	$222.06	$341.66
2060	35	3,079	214	$123.04	28,931	1,336	$67.04	1,495,520	6,506	39,035	$5.51	8,056	$115.90	$215.17	$331.07

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Appendix 2: Net Asset Value - Assumptions

NAV Assumption	
Discount Rate	10%
Corporate Production Decline	5%
Long-term Commodity Growth Rate	2%

Appendix 3: Net Asset Value - Cost and Cash Flow Forecast

		Royalties		Production Costs		Transportation Costs		Abandonment & Development Costs	Total Pre-Tax Cash Flows	Corporate Tax Rate	Total After-Tax Cash Flows
	Year #	$/boe	$MM	$/boe	$MM	$/boe	$MM	$MM	$MM	%	$MM
2026	1	$1.88	$40.74	$3.15	$94.26	$5.33	$159.46	$290.21	$18.95	24%	$14.49
2027	2	$2.09	$43.12	$3.05	$92.76	$5.22	$158.54	$272.97	$71.47	24%	$54.67
2028	3	$2.27	$46.71	$2.96	$93.39	$5.22	$164.54	$253.66	$133.75	24%	$102.32
2029	4	$2.24	$51.07	$2.87	$97.55	$5.22	$177.20	$255.01	$175.89	24%	$134.55
2030	5	$2.29	$52.09	$2.79	$94.82	$5.22	$177.56	$257.71	$189.63	24%	$145.07
2031	6	$2.30	$53.21	$2.70	$92.34	$5.22	$178.27	$260.44	$204.12	24%	$156.15
2032	7	$1.59	$53.96	$2.35	$79.50	$5.33	$180.40	-	$485.71	24%	$371.57
2033	8	$1.62	$52.29	$2.39	$77.03	$5.43	$174.80	-	$470.65	24%	$360.05
2034	9	$1.66	$50.67	$2.44	$74.64	$5.54	$169.39	-	$456.06	24%	$348.89
2035	10	$1.69	$49.10	$2.49	$72.33	$5.65	$164.13	-	$441.93	24%	$338.07
2036	11	$1.72	$47.58	$2.54	$70.09	$5.76	$159.05	-	$428.23	24%	$327.59
2037	12	$1.76	$46.10	$2.59	$67.92	$5.88	$154.12	-	$414.95	24%	$317.44
2038	13	$1.79	$44.67	$2.64	$65.81	$6.00	$149.34	-	$402.09	24%	$307.60
2039	14	$1.83	$43.29	$2.70	$63.77	$6.12	$144.71	-	$389.62	24%	$298.06
2040	15	$1.87	$41.95	$2.75	$61.79	$6.24	$140.22	-	$377.55	24%	$288.82
2041	16	$1.90	$40.65	$2.80	$59.88	$6.36	$135.88	-	$365.84	24%	$279.87
2042	17	$1.94	$39.39	$2.86	$58.02	$6.49	$131.66	-	$354.50	24%	$271.19
2043	18	$1.98	$38.17	$2.92	$56.22	$6.62	$127.58	-	$343.51	24%	$262.79
2044	19	$2.02	$36.98	$2.98	$54.48	$6.75	$123.63	-	$332.86	24%	$254.64
2045	20	$2.06	$35.84	$3.04	$52.79	$6.89	$119.79	-	$322.54	24%	$246.75
2046	21	$2.10	$34.72	$3.10	$51.15	$7.03	$116.08	-	$312.54	24%	$239.10
2047	22	$2.14	$33.65	$3.16	$49.57	$7.17	$112.48	-	$302.86	24%	$231.68
2048	23	$2.19	$32.61	$3.22	$48.03	$7.31	$109.00	-	$293.47	24%	$224.50
2049	24	$2.23	$31.59	$3.29	$46.54	$7.46	$105.62	-	$284.37	24%	$217.54
2050	25	$2.28	$30.62	$3.35	$45.10	$7.61	$102.34	-	$275.55	24%	$210.80
2051	26	$2.32	$29.67	$3.42	$43.70	$7.76	$99.17	-	$267.01	24%	$204.26
2052	27	$2.37	$28.75	$3.49	$42.35	$7.91	$96.10	-	$258.73	24%	$197.93
2053	28	$2.41	$27.86	$3.56	$41.03	$8.07	$93.12	-	$250.71	24%	$191.80
2054	29	$2.46	$26.99	$3.63	$39.76	$8.23	$90.23	-	$242.94	24%	$185.85
2055	30	$2.51	$26.15	$3.70	$38.53	$8.40	$87.43	-	$235.41	24%	$180.09
2056	31	$2.56	$25.34	$3.77	$37.34	$8.57	$84.72	-	$228.11	24%	$174.51
2057	32	$2.61	$24.56	$3.85	$36.18	$8.74	$82.10	-	$221.04	24%	$169.10
2058	33	$2.67	$23.80	$3.93	$35.06	$8.91	$79.55	-	$214.19	24%	$163.85
2059	34	$2.72	$23.06	$4.01	$33.97	$9.09	$77.08	$143.00	$64.55	24%	$49.38
2060	35	$2.77	$22.34	$4.09	$32.92	$9.27	$74.70	$143.00	$58.11	24%	$44.46

Appendix 4: Net Asset Value - Output

Bear Case

NPV of reserves (Enterprise Value)	$1,521,019,913
Undeveloped Land	$844,922,169
Other assets	
Cash & Investments	$116,588,000
Working Capital	($31,300,000)
Total Assets	$2,513,830,082
Debt	($535,557,000)
NAV	$1,978,273,082
Shares outstanding	255,349,154
NAV/share	$7.75

Current Share Price	6.94
Premium	11.63%

Base Case

NPV of reserves (Enterprise Value)	$1,973,583,182
Undeveloped Land	$844,922,169
Other assets	
Cash & Investments	$116,588,000
Working Capital	($31,300,000)
Total Assets	$2,966,393,351
Debt	($535,557,000)
NAV	$2,430,836,351
Shares outstanding	255,349,154
NAV/share	$9.52

Current Share Price	6.94
Premium	37.17%

Bull Case

NPV of reserves (Enterprise Value)	$2,665,840,021
Undeveloped Land	$844,922,169
Other assets	
Cash & Investments	$116,588,000
Working Capital	($31,300,000)
Total Assets	$3,658,650,190
Debt	($535,557,000)
NAV	$3,123,093,190
Shares outstanding	255,349,154
NAV/share	$12.23

Current Share Price	6.94
Premium	76.23%

Appendix 5: Commodity Price Deck

Bear Case

Year	2024A	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Oil (US$/B)								
Western Texas Intermediate	$76.55	$52.40	$50.00	$53.04	$58.26	$59.43	$60.62	$61.83
Western Canada Select	$61.03	$43.23	$40.36	$42.91	$47.32	$48.27	$49.24	$50.22
Brent	$80.55	$55.28	$53.20	$56.30	$61.59	$62.82	$64.08	$65.36
Gas (US$/Mcf)								
Henry Hub	$2.20	$2.84	$3.00	$3.06	$3.12	$3.18	$3.25	$3.31
AECO	$1.06	$1.07	$1.75	$1.94	$2.13	$2.17	$2.21	$2.26
TTF	$11.00	$9.04	$8.26	$6.90	$5.99	$5.59	$5.52	$5.50
JKM	$11.91	$10.32	$8.98	$7.93	$7.15	$6.52	$6.52	$6.53
NGLs (US$/B)								
Condensate (Edmonton)	$72.85	$50.68	$48.95	$51.97	$57.17	$58.32	$59.48	$60.67
Butane (Edmonton)	$35.41	$21.59	$22.66	$24.09	$26.57	$27.10	$27.64	$28.19
Ethane (Edmonton)	$7.30	$5.83	$6.54	$7.27	$8.02	$8.18	$8.34	$8.51
Propane (Edmonton)	$30.50	$25.88	$23.28	$24.75	$27.30	$27.84	$28.40	$28.97
Blended NGL Price	$36.51	$26.00	$25.36	$27.02	$29.76	$30.36	$30.97	$31.59
Exchange Rates								
CAD-USD	$0.73	$0.72	$0.73	$0.73	$0.73	$0.73	$0.73	$0.73
CAD-GBP	$0.54	$0.54	$0.54	$0.54	$0.54	$0.54	$0.54	$0.54
CAD-EUR	$0.62	$0.62	$0.62	$0.62	$0.62	$0.62	$0.62	$0.62

Base Case

Year	2024A	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Oil (US$/B)								
Western Texas Intermediate	$76.55	$65.50	$62.50	$66.30	$72.83	$74.28	$75.77	$77.29
Western Canada Select	$61.03	$54.04	$50.45	$53.63	$59.15	$60.34	$61.54	$62.78
Brent	$80.55	$69.10	$66.50	$70.38	$76.99	$78.53	$80.10	$81.70
Gas (US$/Mcf)								
Henry Hub	$2.20	$3.55	$3.75	$3.83	$3.90	$3.98	$4.06	$4.14
AECO	$1.06	$1.33	$2.19	$2.42	$2.66	$2.71	$2.77	$2.82
TTF	$11.00	$11.30	$10.33	$8.62	$7.49	$6.99	$6.90	$6.88
JKM	$11.91	$12.90	$11.23	$9.92	$8.94	$8.15	$8.15	$8.16
NGLs (US$/B)								
Condensate (Edmonton)	$72.85	$63.35	$61.19	$64.96	$71.47	$72.89	$74.35	$75.84
Butane (Edmonton)	$35.41	$26.99	$28.32	$30.11	$33.21	$33.87	$34.55	$35.24
Ethane (Edmonton)	$7.30	$7.29	$8.18	$9.08	$10.03	$10.23	$10.43	$10.64
Propane (Edmonton)	$30.50	$32.35	$29.10	$30.94	$34.12	$34.80	$35.50	$36.21
Blended NGL Price	$36.51	$37.25	$37.99	$38.75	$39.52	$40.32	$41.12	$41.94
Exchange Rates								
CAD-USD	$0.73	$0.72	$0.73	$0.73	$0.73	$0.73	$0.73	$0.73
CAD-GBP	$0.54	$0.54	$0.54	$0.54	$0.54	$0.54	$0.54	$0.54
CAD-EUR	$0.62	$0.62	$0.62	$0.62	$0.62	$0.62	$0.62	$0.62

Bull Case

Year	2024A	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Oil (US$/B)								
Western Texas Intermediate	$76.55	$78.60	$75.00	$79.56	$87.39	$89.14	$90.92	$92.74
Western Canada Select	$61.03	$64.84	$60.53	$64.36	$70.99	$72.41	$73.85	$75.33
Brent	$80.55	$82.92	$79.80	$84.46	$92.39	$94.24	$96.12	$98.04
Gas (US$/Mcf)								
Henry Hub	$2.20	$4.26	$4.50	$4.59	$4.68	$4.78	$4.87	$4.97
AECO	$1.06	$1.60	$2.63	$2.90	$3.19	$3.25	$3.32	$3.39
TTF	$11.00	$13.56	$12.40	$10.34	$8.99	$8.39	$8.28	$8.26
JKM	$11.91	$15.48	$13.47	$11.90	$10.72	$9.77	$9.78	$9.79
NGLs (US$/B)								
Condensate (Edmonton)	$72.85	$76.02	$73.43	$77.96	$85.76	$87.47	$89.22	$91.01
Butane (Edmonton)	$35.41	$32.39	$33.98	$36.13	$39.85	$40.65	$41.46	$42.29
Ethane (Edmonton)	$7.30	$8.75	$9.81	$10.90	$12.03	$12.27	$12.52	$12.77
Propane (Edmonton)	$30.50	$38.82	$34.92	$37.12	$40.94	$41.76	$42.60	$43.45
Blended NGL Price	$36.51	$38.99	$38.03	$40.53	$44.65	$45.54	$46.45	$47.38
Exchange Rates								
CAD-USD	$0.73	$0.72	$0.73	$0.73	$0.73	$0.73	$0.73	$0.73
CAD-GBP	$0.54	$0.54	$0.54	$0.54	$0.54	$0.54	$0.54	$0.54
CAD-EUR	$0.62	$0.62	$0.62	$0.62	$0.62	$0.62	$0.62	$0.62

Appendix 6: Production Schedule

Production Schedule	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Decline Rate	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*
Declined Production	-	370	403	322	373	408	429	449	465	480
Added Production	-	538	(4)	576	551	513	527	532	538	543
Light Oil (bbl/d)	1,849	2,017	1,610	1,864	2,042	2,147	2,244	2,327	2,400	2,463
Light Oil (mbbl)	675	736	588	680	745	783	819	849	876	899
(Decline) Growth	*0%*	*9.1%*	*-20.2%*	*15.7%*	*9.6%*	*5.1%*	*4.5%*	*3.7%*	*3.1%*	*2.6%*
% Total	2.4%	2.6%	2.0%	2.3%	2.5%	2.5%	2.4%	2.5%	2.6%	2.7%
Decline Rate	*22.0%*	*22.0%*	*22.0%*	*22.0%*	*22.0%*	*22.0%*	*22.0%*	*22.0%*	*22.0%*	*22.0%*
Declined Production	-	1,144	974	1,150	1,201	1,228	1,328	1,512	1,526	1,540
Added Production	-	367	1,778	1,381	1,322	1,682	2,164	1,577	1,591	1,454
Condensate (bbl/d)	5,202	4,425	5,229	5,460	5,580	6,035	6,871	6,936	7,001	6,915
Condensate (mbbl)	1,899	1,615	1,909	1,993	2,037	2,203	2,508	2,532	2,555	2,524
(Decline) Growth	*0%*	*-14.9%*	*18.2%*	*4.4%*	*2.2%*	*8.1%*	*13.9%*	*1.0%*	*0.9%*	*-1.2%*
% Total	*6.9%*	*5.8%*	*6.6%*	*6.7%*	*6.7%*	*7.0%*	*7.4%*	*7.4%*	*7.5%*	*7.5%*
Decline Rate	*24.0%*	*24.0%*	*24.0%*	*24.0%*	*24.0%*	*24.0%*	*24.0%*	*24.0%*	*24.0%*	*24.0%*
Declined Production	-	1,513	1,699	1,716	1,801	1,845	1,900	2,007	2,021	2,036
Added Production	-	2,287	1,769	2,072	1,983	2,073	2,346	2,066	2,086	2,031
NGLs (bbl/d)	6,306	7,080	7,150	7,506	7,687	7,915	8,361	8,420	8,485	8,480
NGLs (mbbl)	2,302	2,584	2,610	2,740	2,806	2,889	3,052	3,073	3,097	3,095
(Decline) Growth	0%	*12.3%*	*1.0%*	*5.0%*	*2.4%*	*3.0%*	*5.6%*	*0.7%*	*0.8%*	*-0.1%*
% Total	*8.3%*	*9.2%*	*9.0%*	*9.2%*	*9.2%*	*9.2%*	*9.0%*	*9.0%*	*9.1%*	*9.1%*
Decline Rate	*26.0%*	*26.0%*	*26.0%*	*26.0%*	*26.0%*	*26.0%*	*26.0%*	*26.0%*	*26.0%*	*26.0%*
Declined Production	-	97,254	98,550	101,565	104,786	105,893	109,582	117,792	117,759	118,025
Added Production	-	102,242	110,143	113,955	109,042	120,084	141,159	117,665	118,781	113,756
Natural Gas (Mcf/d)	374,052	379,040	390,633	403,024	407,279	421,471	453,048	452,921	453,942	449,674
Natural Gas (MMcf)	136,529	138,350	142,581	147,104	148,657	153,837	165,362	165,316	165,689	164,131
Natural Gas (boe/d)	62,342	63,173	65,106	67,171	67,880	70,245	75,508	75,487	75,657	74,946
(Decline) Growth	*0%*	*1.3%*	*3.1%*	*3.2%*	*1.1%*	*3.5%*	*7.5%*	*0.0%*	*0.2%*	*-0.9%*
% Total	*82.4%*	*82.4%*	*82.3%*	*81.9%*	*81.6%*	*81.4%*	*81.2%*	*81.0%*	*80.9%*	*80.8%*

	2023A	2024A	2025A	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Total Production (boe/d)	75,699	76,695	79,095	82,000	83,189	86,341	92,984	93,171	93,543	92,804
Total Added Production (boe/d)	-	20,233	21,900	23,021	22,029	24,282	28,563	23,786	24,011	22,989
Total Declines (boe/d)	-	19,237	19,501	20,116	20,840	21,130	21,920	23,599	23,639	23,727
Capital Expenditures	$304,637,000	$273,084,000	$256,577,000	$315,214,361	$347,973,115	$403,658,316	$405,006,500	$307,711,532	$310,439,773	$288,192,393
Maintenance Capital ($MM)		$242.50	$245.84	$253.59	$262.71	$266.37	$276.33	$297.50	$298.00	$299.12
Capital Efficiency ($/boe/d)		$13,497	$11,716	$12,606	$12,606	$12,606	$12,606	$12,606	$12,606	$12,606

Appendix 7: Elmworth / Goodfare Development Assumptions

Elmworth (Goodfare) Phase 1 Overview	
Phase 1 Capacity (MMcf/d)	**100**
First Production	2028
Ramp Profile	10% / 50% / 100%
Total Phase 1 Capital ($MM)	**525**
Capital Efficiency ($/boe/d added)	20,000

Note: Phase 1 reflects a 100 MMcf/d facility consistent with management guidance.

Phase 1 Capital Deployment	
Year	Capex ($MM)
2026	25
2027	75
2028	150
2029	150
2030	50
2031	50
2032	25

Incremental Production from Elmworth-Directed Drilling Program	
Year	Added (boe/d)
2027	375
2028	3,750
2029	**7,500**
2030	2,500
2031	2,500
2032	1,250

Appendix 8: Operating Model

Expressed in thousands of Canadian dollars, except per share information

Income Statement	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Total Oil & Gas Revenue	740,359	586,856	825,581	1,029,336	1,150,232	1,307,278	1,398,974	1,429,566	1,442,514
($/BOE)	26.80	20.96	28.60	34.39	37.88	41.48	41.22	42.04	42.25
Marketing Revenue	30,521	54,069	55,727	69,480	77,641	88,241	94,431	96,496	97,370
- Royalties	(70,257)	(39,608)	(55,720)	(69,472)	(77,631)	(88,231)	(94,419)	(96,484)	(97,358)
($ / BOE)	$2.54	$1.41	$1.93	$2.32	$2.56	$2.80	$2.78	$2.84	$2.85
% Revenue	9.49%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%
Commodity Revenue	**700,623**	**601,317**	**825,588**	**1,029,344**	**1,150,241**	**1,307,289**	**1,398,985**	**1,429,577**	**1,442,525**
Realized gain (loss) on financial instruments	(37,285)	9,336	(4,128)	(5,147)	(5,751)	(6,536)	(6,995)	(7,148)	(7,213)
Unrealized gain(loss) on financial instruments	(38,185)	98,605	1,032	1,287	1,438	1,634	1,749	1,787	1,803
Other Income (expense)	(695)	123	(413)	(515)	(575)	(654)	(699)	(715)	(721)
Total Revenue	**624,458**	**709,381**	**822,079**	**1,024,969**	**1,145,352**	**1,301,733**	**1,393,040**	**1,423,502**	**1,436,395**
Cost of Goods Sold									
Transportation	152,828	149,534	156,946	159,459	158,535	164,543	177,201	177,557	178,267
($/BOE)	$5.53	$5.34	$5.44	$5.33	$5.22	$5.22	$5.22	$5.22	$5.22
Commodities Purchased from 3rd Parties	34,772	51,496	53,074	66,173	73,945	84,041	89,936	91,902	92,735
% margin commodities 3rd parties	-(13.93%)	(4.76%)	(4.76%)	(4.76%)	(4.76%)	(4.76%)	(4.76%)	(4.76%)	(4.76%)
Operating	105,809	90,890	93,733	94,261	92,759	93,386	97,553	94,817	92,340
($/BOE)	3.83	3.25	3.25	3.15	3.05	2.96	2.87	2.79	2.70
Gross Profit	**331,049**	**417,461**	**518,326**	**705,077**	**820,113**	**959,763**	**1,028,350**	**1,059,225**	**1,073,053**
Other Expenses									
G&A	55,735	46,694	48,154	49,924	50,647	52,567	56,611	56,724	56,951
($/BOE)	2.01	1.67	1.67	1.67	1.67	1.67	1.67	1.67	1.67
Operating Income	**275,314**	**370,767**	**470,172**	**655,153**	**769,466**	**907,196**	**971,739**	**1,002,501**	**1,016,102**
Loss (gain) on foreign exchange	-	-	(822)	(1,025)	(1,145)	(1,302)	(1,393)	(1,424)	(1,436)
Gain on disposal of petroleum and natural gas properties	-	-	-	-	5,000	-	-	-	-
EBITDA	**275,314**	**370,767**	**470,994**	**656,178**	**765,611**	**908,498**	**973,132**	**1,003,924**	**1,017,538**
Other losses	6,439	2,735	2,538	2,631	2,669	2,770	2,983	2,989	3,001
Depletion, Depreciation, Amortization	226,514	246,647	253,761	263,085	266,899	277,014	298,324	298,924	300,119
($/BOE)	8.20	8.79	8.79	8.79	8.79	8.79	8.79	8.79	8.79
EBIT	**42,361**	**121,385**	**214,695**	**390,462**	**496,043**	**628,714**	**671,825**	**702,011**	**714,418**
Interest and Financing	26,411	47,215	46,257	43,161	41,598	41,015	41,962	39,944	38,099
($/BOE)	0.96	1.69	1.60	1.44	1.37	1.30	1.24	1.17	1.12
EBT	**15,950**	**74,170**	**168,438**	**347,301**	**454,445**	**587,699**	**629,863**	**662,067**	**676,320**
Cash Income Taxes	(6,170)	(18,070)	(39,583)	(81,616)	(106,795)	(138,109)	(148,018)	(155,586)	(158,935)
%	38.7%	24.4%	23.5%	23.5%	23.5%	23.5%	23.5%	23.5%	23.5%
Net Income (loss)	**9,780**	**56,100**	**128,855**	**265,686**	**347,651**	**449,590**	**481,845**	**506,481**	**517,385**

Appendix 9: Comparable Company Analysis

Comparable Company Analysis

All values in $CAD thousands, except for share price

		Capitalization						LTM (as of Q3 2025) Multiples			Production Mix	
								Enterprise Value				
Company	Ticker	Share Price	Shares Outstanding	Market Cap	TEV	EBITDA (LTM)	DACF (LTM)	EBITDA (LTM)	DACF (LTM)	EV Weighting	Liquid Weighting	Gas Weighting
Tourmaline Oil	TSX:TOU	$62.51	377,918	24,118,851	25,895,573	3,311,082	3,353,017	7.82x	7.72x	68%	46%	54%
Paramount Resources Ltd.	TSX:POU	$25.82	144,575	3,720,287	3,052,487	464,600	419,600	6.57x	7.27x	8%	38%	62%
Spartan Delta Corp.	TSX:SDE	$10.46	198,055	2,035,216	2,213,963	237,250	220,414	9.33x	10.04x	6%	22%	78%
Advantage Energy Ltd.	TSX:AAV	$10.06	166,992	1,679,461	2,488,308	368,756	339,483	6.75x	7.33x	7%	18%	82%
Kelt Exploration Ltd.	TSX:KEL	$8.42	198,099	1,663,146	1,848,867	263,381	249,519	7.02x	7.41x	5%	47%	53%
Maximum				24,118,851	25,895,573	3,311,082	3,353,017	9.33x	10.04x		47%	82%
75th Percentile				3,720,287	3,052,487	464,600	419,600	7.82x	7.72x		46%	78%
EV-Weighted Mean				**17,185,504**	**18,457,788**	**2,372,577**	**2,392,454**	**7.61x**	**7.72x**		**41%**	**59%**
25th Percentile				1,679,461	2,213,963	263,381	249,519	6.75x	7.33x		22%	54%
Minimum				1,663,146	1,848,867	237,250	220,414	6.57x	7.27x		18%	53%
Birchcliff Energy	TSX: BIR	**$6.62**	273,555	**1,810,932**	**2,446,625**	**383,802**	**359,861**	**6.37x**	**6.80x**	6%	25%	**75%**

Birchcliff Implied Valuation - Comparable Company Analysis

All values in $CAD thousands, except for share price

	LTM Multiple	Enterprise Value	Market Cap	Share Price	Implied Upside
EV/EBITDA					
75th Percentile	7.82x	3,001,669	2,466,112	**$9.02**	**36.2%**
EV-Weighted Mean	7.61x	2,919,112	2,383,555	**$8.71**	**31.6%**
25th Percentile	6.75x	2,589,836	2,054,279	**$7.51**	**13.4%**
EV/DACF					
75th Percentile	7.72x	2,779,230	2,243,673	**$8.22**	**23.9%**
EV-Weighted Mean	7.72x	2,778,773	2,243,216	**$8.20**	**23.9%**
25th Percentile	7.33x	2,637,673	2,102,116	**$7.68**	**16.1%**

Note: DACF proxied by LTM cash flow from operating activities (Capital IQ). Multiples based on LTM financials as of Q3 2025.

Appendix 10: BIR Breakeven Analysis

Year	2025E

Inputs

Breakeven gas price (USD$/Mcf)	1.74
FX (USD per CAD)	$0.73
Capex ($MM)	295
Base Dividend ($MM)	30.6

Gas (Mcf/d)	403,024
Gas (Mcf /yr)	147,103,725
Annual BOE	28,869,310

Royalty Rate (% of revenue)	6.75%
Operating Expense ($/boe)	3.246791
Transportation ($/boe)	5.436445
G&A ($/boe)	1.668012
Interest ($000s)	47215
Tax Rate	24.36%

Gas Revenue	350,025
Oil Revenue ($000s)	258,334
NGL Revenue ($000s)	126,075
P&NG Revenue ($000s)	734,434

Marketing Revenue ($000s)	49,574
Total Revenue ($000s)	784,009
Royalties ($000s)	(49,568)
Operating expense ($000s)	(93,733)
Transportation ($000s)	(156,946)
G&A ($000s)	(48,154)
EBITDA ($000s)	435,607

Interest ($000s)	(47,215)
EBT proxy ($000s)	388,392
Cash taxes ($000s)	(94,624)
Cash Flow ($000s)	293,768
Less Capex ($000s)	(295,000)
Free Funds Flow ($000s)	- 1,232
Less Base Dividend ($000s)	(30,600)
Remaining After Dividend ($000s)	(31,832)

Outputs

Breakeven gas price (CAD$/Mcf)	**$2.38**
Breakeven gas price (C$GJ)	**$2.26**

Sensitivity Table - FCF After Dividend ($MM)

Breakeven gas Price	1.00	1.50	2.00	2.50	3.00	3.50
FCF After Base Dividend ($MM)	(144.2)	(68.0)	8.3	84.5	160.7	236.9

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