

ARC RESOURCES LTD.**CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS** (unaudited)

As at

(Cdn\$ millions)	September 30, 2017	December 31, 2016
ASSETS		
Current assets		
Cash and cash equivalents	332.8	222.2
Short-term investments	0.4	450.0
Accounts receivable	101.2	164.7
Prepaid expenses	20.0	12.1
Risk management contracts (Note 10)	138.3	59.0
Assets held for sale (Note 5)	250.5	242.3
	843.2	1,150.3
Reclamation fund	35.7	36.5
Risk management contracts (Note 10)	120.7	123.4
Exploration and evaluation assets (Note 4)	409.8	313.2
Property, plant and equipment (Note 5, 6)	4,457.4	4,118.9
Goodwill	248.2	248.2
Total assets	6,115.0	5,990.5
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	159.4	161.8
Current portion of long-term debt (Note 7)	85.5	51.5
Current portion of asset retirement obligations (Note 8)	20.0	15.5
Dividends payable (Note 11)	17.7	17.7
Risk management contracts (Note 10)	1.1	28.9
Liabilities associated with assets held for sale (Note 5)	179.3	171.1
	463.0	446.5
Long-term debt (Note 7)	836.9	974.5
Long-term incentive compensation liability (Note 12)	13.9	24.6
Other deferred liabilities	13.4	12.4
Asset retirement obligations (Note 8)	376.9	363.4
Deferred taxes	764.1	684.3
Total liabilities	2,468.2	2,505.7
SHAREHOLDERS' EQUITY		
Shareholders' capital	4,658.4	4,654.9
Contributed surplus	20.9	17.6
Deficit	(1,032.2)	(1,188.0)
Accumulated other comprehensive income (loss)	(0.3)	0.3
Total shareholders' equity	3,646.8	3,484.8
Total liabilities and shareholders' equity	6,115.0	5,990.5
Commitments and contingencies (Note 13)		

See accompanying notes to the unaudited condensed interim consolidated financial statements.

ARC RESOURCES LTD.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME** (unaudited)

For the three and nine months ended September 30

(Cdn\$ millions, except per share amounts)	Three Months Ended		Nine Months Ended	
	2017	2016	2017	2016
Sales of crude oil, natural gas, condensate, natural gas liquids and other income	279.2	265.6	885.4	731.7
Royalties	(22.1)	(22.9)	(76.4)	(62.3)
Revenue	257.1	242.7	809.0	669.4
Gain on risk management contracts (Note 10)	30.0	52.8	203.0	29.8
Revenue and gain on risk management contracts	287.1	295.5	1,012.0	699.2
Transportation	29.5	22.1	83.1	70.3
Operating	75.4	78.1	213.9	215.7
Exploration and evaluation expenses (Note 4)	—	—	—	1.7
General and administrative	18.6	24.4	51.9	84.1
Interest and financing charges	11.0	12.5	34.4	37.9
Accretion of asset retirement obligations (Note 8)	3.1	3.0	9.5	9.1
Depletion, depreciation, amortization and reversal of impairment (Note 5, 6)	128.5	124.0	275.0	384.2
Loss (gain) on foreign exchange	(27.9)	8.7	(56.3)	(56.6)
Gain on short-term investments	—	(0.7)	—	(1.1)
Gain on business combinations	—	(13.7)	—	(53.9)
Gain on disposal of petroleum and natural gas properties	(4.9)	—	(4.9)	—
Total expenses	233.3	258.4	606.6	691.4
Net income before income taxes	53.8	37.1	405.4	7.8
Provision for (recovery of) income taxes				
Current	(0.6)	2.0	10.4	1.0
Deferred	5.9	6.8	80.0	(27.5)
Total income taxes (recoveries)	5.3	8.8	90.4	(26.5)
Net income	48.5	28.3	315.0	34.3
Net income per share (Note 11)				
Basic	0.14	0.08	0.89	0.10
Diluted	0.14	0.08	0.89	0.10

See accompanying notes to the unaudited condensed interim consolidated financial statements.

ARC RESOURCES LTD.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME** (unaudited)

For the three and nine months ended September 30

(Cdn\$ millions)	Three Months Ended		Nine Months Ended	
	2017	2016	2017	2016
Net income	48.5	28.3	315.0	34.3
Other comprehensive income (loss)				
Items that may be reclassified into earnings, net of tax:				
Net unrealized gain (loss) on reclamation fund assets	(0.2)	—	(0.6)	0.3
Other comprehensive income (loss)	(0.2)	—	(0.6)	0.3
Comprehensive income	48.3	28.3	314.4	34.6

See accompanying notes to the unaudited condensed interim consolidated financial statements.

ARC RESOURCES LTD.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**
(unaudited)

For the nine months ended September 30

(Cdn\$ millions)	Shareholders' Capital (Note 11)	Contributed Surplus	Deficit	Accumulated other comprehensive income (loss)	Total Shareholders' Equity
December 31, 2015	4,536.9	12.6	(1,161.1)	0.1	3,388.5
Net income	—	—	34.3	—	34.3
Other comprehensive income	—	—	—	0.3	0.3
Total comprehensive income	—	—	34.3	0.3	34.6
Shares issued pursuant to the Dividend Reinvestment Plan and Stock Dividend Program	94.1	—	—	—	94.1
Share issuance costs	(0.2)	—	—	—	(0.2)
Recognized under share-based compensation plans (Note 12)	0.7	3.7	—	—	4.4
Dividends declared	—	—	(175.3)	—	(175.3)
September 30, 2016	4,631.5	16.3	(1,302.1)	0.4	3,346.1
December 31, 2016	4,654.9	17.6	(1,188.0)	0.3	3,484.8
Net income	—	—	315.0	—	315.0
Other comprehensive loss	—	—	—	(0.6)	(0.6)
Total comprehensive income (loss)	—	—	315.0	(0.6)	314.4
Shares issued pursuant to the Dividend Reinvestment Plan and Stock Dividend Program	3.0	—	—	—	3.0
Recognized under share-based compensation plans (Note 12)	0.5	3.3	—	—	3.8
Dividends declared	—	—	(159.2)	—	(159.2)
September 30, 2017	4,658.4	20.9	(1,032.2)	(0.3)	3,646.8

See accompanying notes to the unaudited condensed interim consolidated financial statements.

ARC RESOURCES LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

For the three and nine months ended September 30

(Cdn\$ millions)	Three Months Ended		Nine Months Ended	
	2017	2016	2017	2016
CASH FLOW FROM OPERATING ACTIVITIES				
Net income	48.5	28.3	315.0	34.3
Add items not involving cash:				
Unrealized loss (gain) on risk management contracts	15.5	(3.3)	(101.8)	153.4
Accretion of asset retirement obligations (Note 8)	3.1	3.0	9.5	9.1
Depletion, depreciation, amortization and reversal of impairment (Note 5, 6)	128.5	124.0	275.0	384.2
Exploration and evaluation expenses (Note 4)	—	—	—	1.7
Unrealized loss (gain) on foreign exchange	(33.6)	7.7	(66.0)	(57.6)
Gain on business combinations	—	(13.7)	—	(53.9)
Gain on disposal of petroleum and natural gas properties	(4.9)	—	(4.9)	—
Deferred tax expense (recovery)	5.9	6.8	80.0	(27.5)
Other (Note 14)	0.8	0.2	4.0	1.1
Net change in other liabilities (Note 14)	(5.8)	(3.9)	(27.9)	2.8
Change in non-cash working capital (Note 14)	(10.7)	8.6	(6.1)	23.8
Cash flow from operating activities	147.3	157.7	476.8	471.4
CASH FLOW USED IN FINANCING ACTIVITIES				
Repayment of senior notes	(15.1)	—	(37.8)	(42.5)
Issuance of common shares	0.1	0.3	0.5	0.5
Share issuance costs	—	(0.1)	—	(0.2)
Cash dividends paid	(53.0)	(27.9)	(156.1)	(98.2)
Cash flow used in financing activities	(68.0)	(27.7)	(193.4)	(140.4)
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES				
Acquisition of petroleum and natural gas properties (Note 5)	—	(31.6)	(0.3)	(158.3)
Disposal of petroleum and natural gas properties (Note 5)	—	0.3	—	3.3
Property, plant and equipment development expenditures (Note 5)	(177.6)	(120.3)	(584.4)	(267.3)
Exploration and evaluation asset expenditures (Note 4)	(78.0)	(2.0)	(97.1)	(26.5)
Net reclamation fund contributions	(0.9)	(0.9)	—	(1.0)
Net withdrawal of short-term investments	277.0	—	452.8	—
Change in non-cash working capital (Note 14)	2.4	10.1	56.2	(4.3)
Cash flow from (used in) investing activities	22.9	(144.4)	(172.8)	(454.1)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	102.2	(14.4)	110.6	(123.1)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	230.6	58.6	222.2	167.3
CASH AND CASH EQUIVALENTS, END OF PERIOD	332.8	44.2	332.8	44.2
The following are included in cash flow from operating activities:				
Income taxes paid (refunded) in cash	(0.2)	(4.7)	11.9	(4.7)
Interest paid in cash	14.4	15.5	38.2	41.1

See accompanying notes to the unaudited condensed interim consolidated financial statements.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
September 30, 2017 and 2016

1. STRUCTURE OF THE BUSINESS

The principal undertakings of ARC Resources Ltd. and its subsidiaries (collectively, the “Company” or “ARC”) are to carry on the business of acquiring, developing and holding interests in petroleum and natural gas properties and assets.

ARC was incorporated in Alberta, Canada and the Company’s registered office and principal place of business is located at 1200, 308 – 4th Avenue SW, Calgary, Alberta, Canada T2P 0H7.

2. BASIS OF PREPARATION

These unaudited condensed interim consolidated financial statements (the “financial statements”) have been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These financial statements are condensed as they do not include all of the information required by IFRS for annual financial statements and therefore should be read in conjunction with ARC’s audited consolidated financial statements for the year ended December 31, 2016. All financial information is reported in millions of Canadian dollars (“Cdn\$”), unless otherwise noted. References to “US\$” are to United States dollars.

The financial statements have been prepared on a historical cost basis, except as detailed in the accounting policies disclosed in Note 3 “Summary of Accounting Policies” of ARC’s audited consolidated financial statements for the year ended December 31, 2016. All accounting policies and methods of computation followed in the preparation of these financial statements are consistent with those of the previous financial year, except for income taxes. Income taxes on net income (loss) in the interim periods are accrued using the income tax rate that would be applicable to the expected total annual net income (loss). There have been no significant changes to the use of estimates or judgments since December 31, 2016.

All inter-entity transactions have been eliminated upon consolidation between ARC and its subsidiaries in these financial statements. ARC’s operations are viewed as a single operating segment by the chief operating decision maker of the Company for the purpose of resource allocation and assessing performance.

These financial statements were authorized for issue by the Board of Directors on November 9, 2017.

3. FUTURE ACCOUNTING POLICY CHANGES

IFRS 15 Revenue from Contracts with Customers

In April 2016, the IASB issued its final amendments to IFRS 15 *Revenue from Contracts with Customers*, which replaces IAS 18 *Revenue*, IAS 11 *Construction Contracts*, and related interpretations. IFRS 15 provides a single, principles-based five-step model to be applied to all contracts with customers. The standard requires an entity to recognize revenue to reflect the transfer of goods and services for the amount it expects to receive when control is transferred to the purchaser. Disclosure requirements have also been expanded. The standard is required to be adopted either retrospectively or using a modified retrospective approach for annual periods beginning on or after January 1, 2018, with earlier adoption permitted.

ARC will retrospectively adopt IFRS 15 on January 1, 2018. The Company has completed reviewing its various revenue streams and underlying contracts with customers. It has been concluded that the adoption of IFRS 15 will not have a material impact on ARC’s net income and financial position. However, ARC will expand the disclosures in the notes to its financial statements as prescribed by IFRS 15, including disclosing the Company’s disaggregated revenue streams by product type.

IFRS 9 Financial Instruments

In July 2014, the IASB completed the final elements of IFRS 9 *Financial Instruments*. The standard supersedes earlier versions of IFRS 9 and completes the IASB’s project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 introduces a single approach to determine whether a financial asset is measured at amortized cost or fair value and replaces the multiple rules in IAS 39. The approach is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. For financial liabilities, IFRS 9 retains most of the requirements of IAS 39; however, where

the fair value option is applied to financial liabilities, any change in fair value resulting from an entity's own credit risk is recorded in other comprehensive income rather than the statement of income. The Company has determined that adoption of IFRS 9 will result in changes to the classification of the Company's financial assets but will not change the classification of the Company's financial liabilities. At this time, the Company has determined there will not be any material changes in the measurement and carrying values of the Company's financial instruments as a result of the adoption of IFRS 9.

In addition, IFRS 9 introduces a new expected credit loss model for calculating impairment of financial assets, replacing the incurred loss impairment model required by IAS 39. ARC has determined that the new impairment model will not result in material changes to the valuation of its financial assets on adoption of IFRS 9. IFRS 9 also contains a new model to be applied for hedge accounting. The Company does not currently apply hedge accounting to its risk management contracts and does not currently intend to apply hedge accounting to any of its existing risk management contracts on adoption of IFRS 9. The standard will come into effect for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. IFRS 9, as well as consequential amendments to IFRS 7 *Financial Instruments: Disclosures*, will be applied on a retrospective basis by ARC on January 1, 2018.

IFRS 16 Leases

In January 2016, the IASB issued IFRS 16 *Leases*, which replaces IAS 17 *Leases*. For lessees applying IFRS 16, a single recognition and measurement model for leases would apply, with required recognition by lessees of assets and liabilities for most leases, including subleases. The standard will come into effect for annual periods beginning on or after January 1, 2019, with earlier adoption permitted if the entity is also applying IFRS 15 *Revenue from Contracts with Customers*. The standard is required to be adopted either retrospectively or using a modified retrospective approach. IFRS 16 will be applied by ARC on January 1, 2019 and the Company is currently evaluating the impact of the standard on ARC's financial statements. The Company has commenced its project planning and scoping phase and is in the process of implementing corporate processes to ensure contract completeness to identify leases.

4. EXPLORATION AND EVALUATION ("E&E") ASSETS

Carrying Amount	
Balance, December 31, 2016	313.2
Additions	97.1
Change in asset retirement cost	(0.5)
Balance, September 30, 2017	409.8

At September 30, 2017, ARC evaluated its E&E assets for indicators of any potential impairment. As a result of this assessment, no indicators were identified and no impairment was recorded on ARC's E&E assets.

5. PROPERTY, PLANT AND EQUIPMENT ("PP&E")

Cost	Development and Production Assets	Administrative Assets	Total
Balance, December 31, 2016	7,020.3	67.3	7,087.6
Additions	579.4	5.3	584.7
Acquisitions	8.2	—	8.2
Change in asset retirement cost	33.3	—	33.3
Assets reclassified as held for sale and disposed in period	(7.2)	—	(7.2)
Assets reclassified as held for sale	(8.2)	—	(8.2)
Other	0.6	—	0.6
Balance, September 30, 2017	7,626.4	72.6	7,699.0

Accumulated Depletion, Depreciation and Amortization ("DD&A") and Impairment

Balance, December 31, 2016	(2,929.1)	(39.6)	(2,968.7)
DD&A	(346.1)	(4.2)	(350.3)
Reversal of impairment (Note 6)	75.3	—	75.3
Accumulated DD&A and impairment reclassified as held for sale and disposed in period	2.7	—	2.7
Other	(0.6)	—	(0.6)
Balance, September 30, 2017	(3,197.8)	(43.8)	(3,241.6)

Carrying Amounts

Balance, December 31, 2016	4,091.2	27.7	4,118.9
Balance, September 30, 2017	4,428.6	28.8	4,457.4

For the three and nine months ended September 30, 2017, \$7.1 million and \$20.9 million of direct and incremental general and administrative ("G&A") expenses were capitalized to PP&E (\$5.9 million and \$16.0 million for the three and nine months ended September 30, 2016), respectively. At September 30, 2017, future development costs of \$2.8 billion were included in the depletion calculation (\$2.8 billion at September 30, 2016).

Assets held for sale

Balance, December 31, 2016	242.3
Additions	12.7
Disposals	(4.5)
Balance, September 30, 2017	250.5

The assets held for sale had associated liabilities of \$179.3 million at September 30, 2017, consisting of related asset retirement obligations ("ARO").

6. REVERSAL OF IMPAIRMENT

The timely preparation of financial statements in accordance with IFRS requires Management to use judgments, estimates and assumptions. These estimates and judgments are subject to change and actual results could differ from those estimated. The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the reported amounts of assets, liabilities, revenues, expenses, and the disclosure of contingencies are discussed below.

Crude Oil and Natural Gas Reserves and Resources

There are a number of inherent uncertainties associated with estimating reserves and resources. Reserve and resource estimates are based on engineering data, estimated future prices, expected future rates of production and the timing and amount of future expenditures, all of which are subject to many uncertainties, interpretations and judgments. Estimates reflect market and regulatory conditions existing at each reporting date could differ significantly from other points in time throughout the year, or future periods. Reserves and resources have been evaluated at December 31, 2016 by ARC's independent qualified reserves evaluators.

Determination of Cash Generating Units ("CGU")

Determination of what constitutes a CGU is subject to Management judgment. The recoverability of development and production asset carrying values are assessed at the CGU level. The asset composition of a CGU can directly impact the recoverability of the assets included therein.

Recoverability of Asset Carrying Values

Management applies judgment in assessing the existence of indicators of impairment and impairment recovery based on various internal and external factors. The recoverable amount of a CGU or of an individual asset is determined as the greater of its fair value less costs of disposal and its value in use. The key estimates ARC applies in determining an acceptable range of recoverable amounts normally includes information on future commodity prices, expected production volumes, quantity of reserves and resources, future development and operating costs, discount rates, and income taxes.

At September 30, 2017, ARC evaluated its development and production assets for indicators of any potential impairment or related reversal and no such charges or reversals were recorded.

At June 30, 2017, an evaluation of indicators was also performed which resulted in tests of impairment on all of ARC's CGUs as a result of decreases in the outlook of future commodity prices compared to the most recent period an impairment test on all of ARC's CGUs was conducted, as at December 31, 2015. The impairment tests did not result in any impairment charges on ARC's development and production assets. However, it was determined that the estimated recoverable amount of the Northern Alberta CGU exceeded its carrying amount as a result of increased drilling locations and capital expenditures in the CGU since the time of ARC's last asset impairment test, which led to an increase in proved plus probable oil and gas reserves that more than offset the decreases in future commodity prices. As a result, an impairment recovery of \$75.0 million was recorded in DD&A and reversal of impairment in the statements of income.

The following table summarizes the primary product composition of ARC's Northern Alberta CGU, estimated recoverable amount, estimated discount rate assumed, and before and after-tax reversal of impairment recognized during the six months ended June 30, 2017 and nine months ended September 30, 2017:

CGU	Primary Type of Producing Assets	Recoverable Amount	Discount Rate ⁽¹⁾	Reversal of Impairment	Reversal of Impairment, Net of Tax
Northern Alberta	Crude oil and natural gas	574.0	10.0%	75.0	55.1

(1) After-tax discount rate based on an estimated industry weighted average cost of capital appropriate for the CGU.

Prior to the \$75.0 million reversal of impairment recorded during the six months ended June 30, 2017 and nine months ended September 30, 2017, \$156.1 million of previously recorded impairment charges were eligible to recover in the Northern Alberta CGU. Subsequent to this reversal of impairment, \$81.1 million of previously recorded impairment charges remain eligible to recover.

In estimating the recoverable amount of each CGU at June 30, 2017, the following information was incorporated:

- i) The net present value of the after-tax cash flows from proved plus probable oil and gas reserves of each CGU based on reserves estimated by ARC's independent reserve evaluator at December 31, 2016, updated using forward commodity price estimates at July 1, 2017 provided by ARC's independent reserve evaluator and adjusted for the net present value of the after-tax abandonment and reclamation costs on properties without proved plus probable oil and gas reserves. The reserve evaluation is based on an estimated remaining reserve life up to a maximum of 50 years.
- ii) The fair value of undeveloped land based on estimates provided by ARC's independent land evaluator at December 31, 2016.

- iii) Recent transactions completed within the industry on assets with similar geological and geographic characteristics within the relevant CGU.

Key input estimates used in the determination of cash flows from oil and gas reserves include the following:

- a) Reserves and resources – Assumptions that are valid at the time of reserve and resource estimation may change significantly when new information becomes available. Changes in forward price estimates, production costs, required capital expenditures or recovery rates may change the economic status of reserves and resources and may ultimately result in reserves and resources being revised.
- b) Crude oil and natural gas prices – Forward price estimates of the crude oil and natural gas prices are used in the cash flow model. Commodity prices have fluctuated widely in recent years due to global and regional factors including supply and demand fundamentals, inventory levels, exchange rates, weather, economic and geopolitical factors.
- c) Discount rate – The discount rate used to calculate the net present value of cash flows is based on estimates of an approximate industry peer group weighted average cost of capital as appropriate for each CGU being tested. Changes in the general economic environment could result in significant changes to this estimate.

The estimated recoverable amounts were based on fair value less costs of disposal calculations using after-tax discount rates that are based on an estimated industry weighted average cost of capital ranging from 9.5 to 10.5 per cent, depending on the resource composition of the assets in the CGU, an inflation rate of two per cent, and the following forward commodity price estimates:

Year	Edmonton Light Crude Oil	WTI Oil	AECO Gas	Cdn\$/US\$
	(Cdn\$/bbl) ^(1,2)	(US\$/bbl) ^(1,2)	(Cdn\$/MMbtu) ^(1,2)	Exchange Rates ^(1,2)
2017	61.33	49.00	2.83	0.75
2018	63.23	52.00	2.93	0.78
2019	66.88	57.00	3.05	0.80
2020	70.30	62.00	3.22	0.83
2021	72.94	66.00	3.39	0.85
2022	76.47	69.00	3.58	0.85
2023	80.00	72.00	3.76	0.85
2024	83.53	75.00	3.95	0.85
2025	87.06	78.00	4.03	0.85
2026	89.99	81.27	4.11	0.85
Remainder	+2.0% per year	+2.0% per year	+2.0% per year	0.85

(1) Source: GLJ Petroleum Consultants price forecast, effective July 1, 2017.

(2) The forecast benchmark prices listed above are adjusted for quality differentials, heat content and distance to market in performing the Company's impairment tests.

The fair value less costs of disposal value used to determine the recoverable amounts of the Northern Alberta CGU is classified as a Level 3 fair value measurement as certain key assumptions are not based on observable market data but, rather, Management's best estimates. Refer to Note 10 for information on fair value hierarchy classifications.

The results of the impairment and impairment reversal tests performed are sensitive to changes in any of the key judgments, such as a revision in reserves or resources, a change in forecast commodity prices, expected royalties, required future development capital expenditures or expected future production costs, which could decrease or increase the recoverable amounts of assets and result in additional impairment charges or recovery of impairment charges.

The following table demonstrates the effect of the assumed discount rate and the effect of forecast cash flow estimates on the after-tax reversal of impairment recorded for the six months ended June 30, 2017 and nine months ended September 30, 2017 in the Northern Alberta CGU. The sensitivity is based on a one per cent increase and one per cent decrease in the assumed discount rate and a five per cent decrease and five per cent increase in the forecast cash flow estimates.

	Increase in Discount Rate of 1 per cent	Decrease in Discount Rate of 1 per cent	Decrease in Cash Flow Estimates of 5 per cent	Increase in Cash Flow Estimates of 5 per cent
Reversal of impairment increase (decrease) (net of tax)	(26.6)	31.2	(33.0)	33.0

7. LONG-TERM DEBT

	US \$ Denominated		Canadian \$ Amount	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Senior notes				
Master Shelf Agreement				
5.42% US\$ note	9.4	9.4	11.7	12.6
4.98% US\$ note	20.0	30.0	25.0	40.3
3.72% US\$ note	150.0	150.0	187.7	201.4
2009 note issuance				
8.21% US\$ note	28.0	35.0	35.0	47.0
2010 note issuance				
5.36% US\$ note	150.0	150.0	187.7	201.4
2012 note issuance				
3.31% US\$ note	48.0	60.0	60.0	80.6
3.81% US\$ note	300.0	300.0	375.3	402.7
4.49% Cdn\$ note	N/A	N/A	40.0	40.0
Total long-term debt outstanding	705.4	734.4	922.4	1,026.0
Long-term debt due within one year			85.5	51.5
Long-term debt due beyond one year			836.9	974.5

At September 30, 2017, the fair value of all senior notes is \$935.6 million (\$1,032.7 million as at December 31, 2016), compared to a carrying value of \$922.4 million (\$1,026.0 million as at December 31, 2016). At September 30, 2017, ARC was in compliance with all of its debt covenants.

On September 25, 2017, the Company's Master Shelf Agreement expired, reducing ARC's total debt capacity by US\$170.6 million. At September 30, 2017, ARC's total debt capacity is \$1,912.4 million (\$2,231.7 million as at December 31, 2016).

Subsequent to September 30, 2017, on November 1, 2017, ARC extended its syndicated revolving credit facility for one additional year until November 8, 2021 at similar terms.

8. ASSET RETIREMENT OBLIGATIONS

ARC has estimated the net present value of its total ARO to be \$396.9 million as at September 30, 2017 (\$378.9 million at December 31, 2016) based on a total future undiscounted liability of \$1,046.4 million (\$725.9 million at December 31, 2016).

The following table reconciles ARC's provision for its ARO:

	Nine Months Ended September 30, 2017	Year Ended December 31, 2016
Balance, beginning of period	378.9	573.2
Development activities	8.7	5.3
Change in estimates ⁽¹⁾	49.8	27.0
Change in discount rate	(25.7)	(24.2)
Settlement of obligations	(14.6)	(13.0)
Accretion	9.5	12.1
Acquisitions and business combinations	—	16.4
Revaluation of obligations acquired in business combinations	—	42.1
Dispositions	(1.5)	(88.9)
Reclassified as liabilities associated with assets held for sale	(8.2)	(171.1)
Balance, end of period	396.9	378.9
Expected to be incurred within one year	20.0	15.5
Expected to be incurred beyond one year	376.9	363.4

(1) Relates to changes in costs of future obligations and anticipated settlement dates of ARO.

The Bank of Canada's long-term risk-free bond rate of 2.5 per cent (2.3 per cent at December 31, 2016) and an inflation rate of 2.0 per cent (2.0 per cent at December 31, 2016) were used to calculate the present value of ARO at September 30, 2017.

9. CAPITAL MANAGEMENT

ARC manages its capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. ARC is able to change its capital structure by issuing new shares, new debt or changing its dividend policy.

ARC's objective when managing its capital is to maintain a conservative structure that will allow it to:

- fund its development and exploration program;
- provide financial flexibility to execute on strategic opportunities; and
- maintain a dividend policy that, in normal times, in the opinion of Management and the Board of Directors, is sustainable.

ARC manages its capital through:

- common shares; and
- net debt.

When evaluating ARC's capital structure, Management's long-term strategy is to keep its net debt balance to a ratio of between one to 1.5 times annualized funds from operations and less than 20 per cent of total market capitalization. At September 30, 2017, ARC's net debt was 0.9 times its annualized funds from operations. Over time, ARC expects its net debt to annualized funds from operations ratio to return to the target levels of between one to 1.5 times annualized funds from operations as proceeds received from dispositions in 2016 will be reinvested to fund continued capital development in ARC's core operating areas.

Funds from Operations

ARC considers funds from operations to be a key measure of operating performance as it demonstrates ARC's ability to generate the necessary funds for sustaining capital, future growth through capital investment, and to repay debt. Management believes that such a measure provides an insightful assessment of ARC's operations on a continuing basis by eliminating certain non-cash charges and charges that are nonrecurring. Funds from operations is not a standardized measure and therefore may not be comparable with the calculation of similar measures for other entities.

Funds from operations for the three and nine months ended September 30, 2017 and 2016 is calculated as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2017	2016	2017	2016
Cash flow from operating activities	147.3	157.7	476.8	471.4
Net change in other liabilities (Note 14)	5.8	3.9	27.9	(2.8)
Change in non-cash operating working capital (Note 14)	10.7	(8.6)	6.1	(23.8)
Funds from operations	163.8	153.0	510.8	444.8

Net Debt and Total Capitalization

Net debt is used by Management as a key measure to assess the Company's liquidity. Total capitalization is used by Management and ARC's investors in analyzing the Company's balance sheet strength and liquidity.

	September 30, 2017	September 30, 2016
Long-term debt ⁽¹⁾	922.4	1,015.5
Accounts payable and accrued liabilities	159.4	151.0
Dividends payable	17.7	17.7
Cash and cash equivalents, accounts receivable, prepaid expenses and short-term investments	(454.4)	(174.8)
Net debt	645.1	1,009.4
Shares outstanding (millions) ⁽²⁾	353.5	352.2
Share price (\$) ⁽³⁾	17.19	23.73
Market capitalization	6,076.7	8,357.7
Net debt	645.1	1,009.4
Total capitalization	6,721.8	9,367.1
Net debt as a percentage of total capitalization (%)	9.6	10.8
Net debt to annualized funds from operations (ratio)	0.9	1.7

(1) Includes current portion of long-term debt at September 30, 2017 and 2016 of \$85.5 million and \$50.3 million, respectively.

(2) Basic shares outstanding as at September 30, 2017 and 2016, respectively.

(3) TSX closing price as at September 30, 2017 and 2016, respectively.

10. FINANCIAL INSTRUMENTS AND MARKET RISK MANAGEMENT

Financial Instruments

ARC's financial instruments include cash and cash equivalents, short-term investments, accounts receivable, risk management contracts, the reclamation fund, accounts payable and accrued liabilities, dividends payable, and long-term debt.

ARC's financial instruments that are carried at fair value on the unaudited condensed interim consolidated balance sheets (the "balance sheets") include cash and cash equivalents, short-term investments, risk management contracts, and the reclamation fund. The fair value of long-term debt is disclosed in Note 7. To estimate the fair value of these instruments, ARC uses quoted market prices when available, or third-party models and valuation methodologies that use observable market data. Fair value is measured using the assumptions that market participants would use, including transaction-specific details and non-performance risk.

All financial assets and liabilities for which fair value is measured or disclosed in the financial statements are further categorized using a three-level hierarchy that reflects the significance of the lowest level of inputs used in determining fair value:

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

All of ARC's financial instruments carried at fair value are transacted in active markets. ARC's cash and cash equivalents, short-term investments, and the reclamation fund are classified as Level 1 measurements and its risk management contracts and fair value disclosure for its long-term debt are classified as Level 2 measurements. ARC does not have any financial instruments classified as Level 3.

ARC determines whether transfers have occurred between levels in the hierarchy by reassessing its hierarchy classifications at each reporting date based on the lowest level input that is significant to the fair value measurement as a whole. There were no transfers between levels in the hierarchy in the nine months ended September 30, 2017 or 2016.

The carrying values of ARC's cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and dividends payable approximate their fair values due to the short-term nature of these instruments.

Financial Assets and Financial Liabilities Subject to Offsetting

ARC's risk management contracts are subject to master netting agreements that create a legally enforceable right to offset by counterparty the related financial assets and financial liabilities on the Company's balance sheets in all circumstances. ARC manages these contracts on the basis of its net exposure to market risks and therefore measures their fair value consistently with how market participants would price the net risk exposure at the reporting date under current market conditions.

The following is a summary of ARC's financial assets and financial liabilities that are subject to offsetting as at September 30, 2017 and December 31, 2016:

	Gross Amounts of Recognized Financial Assets (Liabilities)	Gross Amounts of Recognized Financial Assets (Liabilities) Offset in Balance Sheet	Net Amounts of Financial Assets (Liabilities) Recognized in Balance Sheet Prior to Credit Risk Adjustment	Credit Risk Adjustment	Net Amounts of Financial Assets (Liabilities) Recognized in Balance Sheet
As at September 30, 2017					
Risk management contracts					
Current asset	158.0	(18.9)	139.1	(0.8)	138.3
Long-term asset	129.3	(7.9)	121.4	(0.7)	120.7
Current liability	(20.0)	18.9	(1.1)	—	(1.1)
Long-term liability	(7.9)	7.9	—	—	—
Net position	259.4	—	259.4	(1.5)	257.9
As at December 31, 2016					
Risk management contracts					
Current asset	100.1	(40.7)	59.4	(0.4)	59.0
Long-term asset	140.5	(16.2)	124.3	(0.9)	123.4
Current liability	(70.3)	40.7	(29.6)	0.7	(28.9)
Long-term liability	(16.2)	16.2	—	—	—
Net position	154.1	—	154.1	(0.6)	153.5

Risk Management Contracts

The following table summarizes the average crude oil and natural gas volumes associated with ARC's risk management contracts as at September 30, 2017. Risk management contract premiums are not included in the table below and have been disclosed as commitments in Note 13.

Risk Management Contracts Positions Summary ⁽¹⁾											
As at September 30, 2017	Q4 2017		2018		2019		2020		2021		
Crude Oil – WTI ⁽²⁾	US\$/bbl	bbl/day	US\$/bbl	bbl/day	US\$/bbl	bbl/day	US\$/bbl	bbl/day	US\$/bbl	bbl/day	
Ceiling	56.22	14,000	65.39	4,000	65.63	2,000	—	—	—	—	
Floor	45.71	14,000	50.00	4,000	50.00	2,000	—	—	—	—	
Sold Floor	35.23	11,000	40.00	4,000	40.00	2,000	—	—	—	—	
Sold Swaption ⁽³⁾	—	—	54.00	2,000	—	—	—	—	—	—	
Crude Oil – Cdn\$ WTI ⁽⁴⁾	Cdn\$/bbl	bbl/day	Cdn\$/bbl	bbl/day	Cdn\$/bbl	bbl/day	Cdn\$/bbl	bbl/day	Cdn\$/bbl	bbl/day	
Ceiling	—	—	76.25	2,000	—	—	—	—	—	—	
Floor	—	—	65.00	2,000	—	—	—	—	—	—	
Swap	—	—	72.52	6,000	—	—	—	—	—	—	
Total Crude Oil Volumes (bbl/day)		14,000		12,000		2,000		—		—	
Crude Oil – MSW (Differential to WTI) ⁽⁵⁾	US\$/bbl	bbl/day	US\$/bbl	bbl/day	US\$/bbl	bbl/day	US\$/bbl	bbl/day	US\$/bbl	bbl/day	
Swap	(3.22)	10,000	(3.45)	5,000	—	—	—	—	—	—	
Natural Gas – NYMEX Henry Hub ⁽⁶⁾	US\$/MMBtu	MMBtu/day	US\$/MMBtu	MMBtu/day	US\$/MMBtu	MMBtu/day	US\$/MMBtu	MMBtu/day	US\$/MMBtu	MMBtu/day	
Ceiling	3.37	20,000	3.64	80,000	3.96	110,000	3.34	40,000	3.34	40,000	
Floor	3.00	20,000	3.00	80,000	3.20	110,000	2.75	40,000	2.75	40,000	
Sold Floor	—	—	2.50	80,000	2.25	70,000	2.25	40,000	2.25	40,000	
Swap	4.00	145,000	4.00	90,000	—	—	—	—	—	—	
Natural Gas – AECO ⁽⁷⁾	Cdn\$/GJ	GJ/day	Cdn\$/GJ	GJ/day	Cdn\$/GJ	GJ/day	Cdn\$/GJ	GJ/day	Cdn\$/GJ	GJ/day	
Ceiling	—	—	—	—	3.30	10,000	3.60	30,000	—	—	
Floor	—	—	—	—	3.00	10,000	3.08	30,000	—	—	
Swap	2.81	93,261	2.99	44,932	3.16	20,000	3.35	30,000	—	—	
Total Natural Gas Volumes (MMBtu/day)		253,394		212,587		138,435		96,869		40,000	
Natural Gas – AECO Basis (Percentage of NYMEX)	AECO/ NYMEX	MMBtu/day	AECO/ NYMEX	MMBtu/day	AECO/ NYMEX	MMBtu/day	AECO/ NYMEX	MMBtu/day	AECO/ NYMEX	MMBtu/day	
Sold Swap	89.7	145,000	84.9	90,000	83.7	40,000	—	—	—	—	
Natural Gas – AECO Basis (Differential to NYMEX)	US\$/MMBtu	MMBtu/day	US\$/MMBtu	MMBtu/day	US\$/MMBtu	MMBtu/day	US\$/MMBtu	MMBtu/day	US\$/MMBtu	MMBtu/day	
Sold Swap	(0.81)	70,000	(0.78)	80,000	(0.78)	100,000	(0.76)	90,000	(0.94)	30,000	
Bought Swap	(1.19)	(50,000)	—	—	—	—	—	—	—	—	
Total AECO Basis Volumes (MMBtu/day)		165,000		170,000		140,000		90,000		30,000	
Natural Gas - Other Basis (Differential to NYMEX) ⁽⁸⁾		MMBtu/day		MMBtu/day		MMBtu/day		MMBtu/day		MMBtu/day	
Sold Swap		—		—		40,000		40,000		40,000	

(1) The prices and volumes in this table represent averages for several contracts representing different periods. The average price for the portfolio of options listed above does not have the same payoff profile as the individual option contracts. Viewing the average price of a group of options is purely for indicative purposes. All positions are financially settled against the benchmark prices.

(2) Crude oil prices referenced to WTI.

(3) The sold swaption allows the counterparty, at a specified future date, to enter into a swap with ARC at the above-detailed terms. The volumes are not included in the total crude oil volumes until such time that the option is exercised.

(4) Crude oil prices referenced to WTI, multiplied by the WM/Reuters Intra-day Spot Rate as of Noon EST.

(5) MSW differential refers to the discount between WTI and the mixed sweet crude grade at Edmonton, calculated on a monthly weighted average basis in US\$.

(6) Natural gas prices referenced to NYMEX Henry Hub Last Day Settlement.

(7) Natural gas prices referenced to AECO 7A Monthly Index.

(8) ARC has entered into basis swaps at locations other than AECO.

11. SHAREHOLDERS' CAPITAL

(thousands of shares)	Nine Months Ended September 30, 2017	Year Ended December 31, 2016
Common shares, beginning of period	353,287	347,084
Restricted shares issued pursuant to the LTRSA ⁽¹⁾ Plan	127	99
Forfeited restricted shares pursuant to the LTRSA Plan	(22)	(3)
Unvested restricted shares held in trust pursuant to the LTRSA Plan	(105)	(96)
Dividend Reinvestment Plan	129	4,756
Stock Dividend Program	16	1,398
Issued on exercise of share options	27	49
Common shares, end of period	353,459	353,287

(1) Long-term Restricted Share Award ("LTRSA"), includes restricted shares granted and associated stock dividends.

Net income per common share has been determined based on the following:

(thousands of shares)	Three Months Ended September 30		Nine Months Ended September 30	
	2017	2016	2017	2016
Weighted average common shares	353,450	351,692	353,419	350,283
Dilutive impact of share-based compensation ⁽¹⁾	413	619	419	328
Weighted average common shares, diluted	353,863	352,311	353,838	350,611

(1) For the three and nine months ended September 30, 2017, 3.0 million share options were excluded from the diluted weighted average shares calculation as they were anti-dilutive (1.0 million and 3.2 million for the three and nine months ended September 30, 2016).

Dividends declared for the three and nine months ended September 30, 2017 were \$0.15 and \$0.45 per common share, (\$0.15 and \$0.50 for the three and nine months ended September 30, 2016).

On October 16, 2017, the Board of Directors declared a dividend of \$0.05 per common share designated as an eligible dividend, payable in cash to shareholders of record on October 31, 2017. The dividend payment date is November 15, 2017.

On February 8, 2017, ARC's Board of Directors approved the cancellation of ARC's Dividend Reinvestment Plan and Stock Dividend Program beginning with the dividend payment on April 17, 2017 to shareholders of record on March 31, 2017. Shareholders that had been enrolled in either program will receive dividends in cash after the cancellation date.

12. SHARE-BASED COMPENSATION PLANS

Long-term Incentive Plans

The following table summarizes the Restricted Share Unit ("RSU"), Performance Share Unit ("PSU") and Deferred Share Unit ("DSU") movement for the nine months ended September 30, 2017:

(number of units, thousands)	RSUs	PSUs ⁽¹⁾	DSUs
Balance, December 31, 2016	690	1,708	412
Granted	425	657	81
Distributed	(302)	(391)	(92)
Forfeited	(61)	(135)	—
Balance, September 30, 2017	752	1,839	401

(1) Based on underlying units before any effect of the performance multiplier.

Compensation charges (recoveries) relating to the RSU and PSU Plan and DSU Plan are reconciled as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2017	2016	2017	2016
G&A expenses ⁽¹⁾	4.4	8.8	0.9	30.4
Operating expenses	0.6	1.4	0.9	4.1
PP&E (recoveries)	(0.2)	1.3	(0.6)	3.4
Total compensation charges	4.8	11.5	1.2	37.9
Cash payments	10.6	14.1	22.0	25.8

(1) Within G&A expenses, an expense of \$0.7 million and a recovery of \$0.9 million are related to the DSU Plan for the three and nine months ended September 30, 2017 (expenses of \$1.2 million and \$4.0 million for the three and nine months ended September 30, 2016), respectively.

At September 30, 2017, \$13.0 million of compensation amounts payable were included in accounts payable and accrued liabilities on the balance sheet (\$25.0 million at December 31, 2016) and \$13.9 million was included in the long-term incentive compensation liability (\$24.6 million at December 31, 2016). A recoverable amount of \$0.3 million was included in accounts receivable at September 30, 2017 (\$0.5 million at December 31, 2016).

Share Option Plan

The changes in total share options outstanding and related weighted average exercise prices for the nine months ended September 30, 2017 were as follows:

	Share Options (number of units, thousands)	Weighted Average Exercise Price (\$)
Balance, December 31, 2016	3,972	21.22
Granted	1,312	16.59
Exercised	(27)	15.36
Forfeited	(213)	21.91
Balance, September 30, 2017	5,044	19.64
Exercisable, September 30, 2017	1,274	17.77

The following table summarizes information regarding share options outstanding at September 30, 2017:

Range of exercise price per common share (\$)	Number of share options outstanding (thousands)	Weighted average exercise price per share for options outstanding (\$)	Weighted average remaining term (years)	Number of share options exercisable (thousands)	Weighted average exercise price per share for options exercisable (\$)
14.85 - 20.00	2,026	15.88	4.96	717	14.85
20.01 - 25.00	2,572	20.80	4.18	557	21.53
25.01 - 29.99	446	29.99	3.72	—	—
Total	5,044	19.64	4.45	1,274	17.77

ARC estimates the fair value of share options granted on the date of grant using a binomial-lattice option pricing model. The following assumptions were used to arrive at the estimated fair value of the share options at their grant date:

	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Grant date share price (\$)	16.59	21.13
Exercise price (\$) ⁽¹⁾	16.59	21.13
Expected annual dividends (\$)	0.60	0.60
Expected volatility (%) ⁽²⁾	31.00	33.00
Risk-free interest rate (%)	1.26	0.88
Expected life of share option ⁽³⁾	5.5 to 6 years	5.5 to 6 years
Fair value per share option (\$)	4.31	3.70

(1) Exercise price is reduced monthly by the amount of dividend declared.

(2) Expected volatility is determined by the average price volatility of the common shares/trust units over the past seven years.

(3) Expected life of the share option is calculated as the mid-point between vesting date and expiry.

ARC recorded compensation expense of \$1.2 million and \$2.7 million relating to the share option plan for the three and nine months ended September 30, 2017 (\$1.1 million and \$3.2 million for the three and nine months ended September 30, 2016), respectively. During the three and nine months ended September 30, 2017, \$0.1 million and \$0.3 million of share option compensation charges were capitalized to PP&E (\$0.2 million and \$0.4 million for the three and nine months ended September 30, 2016), respectively.

Long-term Restricted Share Award Plan ("LTRSA Plan")

The changes in total LTRSA outstanding and related fair value per restricted share for the nine months ended September 30, 2017 were as follows:

	LTRSA (number of units, thousands)	Fair Value per Restricted Share (\$)
Balance, December 31, 2016	193	21.33
Granted	127	16.65
Forfeited	(22)	21.42
Balance, September 30, 2017	298	19.27

ARC recorded G&A expenses of \$0.1 million and \$1.1 million relating to the LTRSA Plan during the three and nine months ended September 30, 2017 (\$0.2 million and \$1.0 million for the three and nine months ended September 30, 2016), respectively.

13. COMMITMENTS AND CONTINGENCIES

The following is a summary of ARC's contractual obligations and commitments as at September 30, 2017:

	Payments Due by Period				Total
	1 Year	2-3 Years	4-5 Years	Beyond 5 Years	
Debt repayments ⁽¹⁾	85.5	218.2	302.5	316.2	922.4
Interest payments ⁽²⁾	39.1	66.6	43.7	23.6	173.0
Reclamation fund contributions ⁽³⁾	3.1	5.8	5.4	40.9	55.2
Purchase commitments	59.1	9.9	0.1	—	69.1
Transportation commitments	108.5	209.1	234.9	630.3	1,182.8
Operating leases	15.7	28.7	26.9	20.2	91.5
Risk management contract premiums ⁽⁴⁾	1.9	0.6	—	—	2.5
Total contractual obligations and commitments	312.9	538.9	613.5	1,031.2	2,496.5

(1) Long-term and current portion of long-term debt.

(2) Fixed interest payments on senior notes.

(3) Contribution commitments to a restricted reclamation fund associated with the Redwater property.

(4) Fixed premiums to be paid in future periods on certain commodity price risk management contracts.

During the nine months ended September 30, 2017, ARC recorded a \$2.4 million provision related to its office subleases, which have been determined to be onerous contracts. The provision is based on a total future undiscounted liability of \$3.9 million and represents the present value of the difference between the minimum future lease payments for ARC's non-cancellable office lease and estimated sublease recoveries. These cash flows have been discounted using a risk-free rate of 2.1 per cent. The provision is expected to be completely amortized by 2024. At September 30, 2017, a \$2.3 million provision remains to be amortized.

14. SUPPLEMENTAL DISCLOSURES

Presentation in the Statements of Income

ARC's statements of income are prepared primarily by nature of item, with the exception of employee compensation expenses which are included in both operating and G&A expense line items.

The following table details the amount of total employee compensation expenses included in operating and G&A expense line items in the statements of income:

	Three Months Ended September 30		Nine Months Ended September 30	
	2017	2016	2017	2016
Operating	9.3	9.3	26.6	27.5
G&A	16.5	19.6	44.1	67.5
Total employee compensation expenses	25.8	28.9	70.7	95.0

Cash Flow Statement Presentation

The following tables provide a detailed breakdown of certain line items contained within cash flow from operating activities:

	Three Months Ended September 30		Nine Months Ended September 30	
	2017	2016	2017	2016
Change in Non-Cash Working Capital				
Accounts receivable	10.1	10.9	63.3	4.4
Accounts payable and accrued liabilities	(20.5)	6.7	(2.0)	14.9
Prepaid expenses	2.6	1.1	(7.9)	0.2
Short-term investments	(0.5)	—	(3.3)	—
Total	(8.3)	18.7	50.1	19.5
Relating to:				
Operating activities	(10.7)	8.6	(6.1)	23.8
Investing activities	2.4	10.1	56.2	(4.3)
Total change in non-cash working capital	(8.3)	18.7	50.1	19.5

	Three Months Ended September 30		Nine Months Ended September 30	
	2017	2016	2017	2016
Other Non-Cash Items				
Other deferred liabilities	(0.5)	(0.4)	1.0	(1.3)
Gain on short-term investments	—	(0.7)	—	(1.1)
Share-based compensation expense	1.3	1.3	3.0	3.5
Total other non-cash items	0.8	0.2	4.0	1.1

	Three Months Ended September 30		Nine Months Ended September 30	
	2017	2016	2017	2016
Net Change in Other Liabilities				
Long-term incentive compensation liability	(1.0)	0.7	(10.7)	8.0
Risk management contracts	(0.8)	—	(2.6)	3.3
ARO settlements	(4.0)	(4.6)	(14.6)	(8.5)
Total net change in other liabilities	(5.8)	(3.9)	(27.9)	2.8