



NEWS RELEASE

March 13, 2020

ARC RESOURCES LTD. ANNOUNCES REDUCED CAPITAL PROGRAM OF UP TO \$300 MILLION FOR 2020 AND REDUCES ITS MONTHLY DIVIDEND TO \$0.02 PER SHARE

Calgary, March 13, 2020 (ARX - TSX) ARC Resources Ltd. ("ARC" or the "Company") announces that its board of directors (the "Board") has approved actions to right-size the Company's 2020 capital budget and dividend.

The 2020 capital budget has been reduced from \$500 million to no more than \$300 million, and ARC has reduced its monthly dividend from \$0.05 per share to \$0.02 per share. After the payment of the March dividend, ARC intends to change to a quarterly dividend of \$0.06 per share compared to its previous monthly dividend of \$0.05 per share. These changes are consistent with ARC's long-term strategy of maintaining a strong balance sheet, delivering a meaningful and sustainable dividend to shareholders, and investing in profitable growth when it makes sense to do so.

"ARC's focus on creating long-term value for our shareholders while preserving our strong financial position is a hallmark of our Company," remarked Terry Anderson, ARC's Chief Executive Officer. "The rapid decline in global commodity prices has created a significant headwind for energy producers, and we feel it is prudent to adjust our spending levels in order to protect our balance sheet and to ensure the sustainability of our business based on our current understanding of existing business conditions. We believe that with these decisive actions, ARC will remain well-positioned to deliver on our long-term strategy of risk-managed value creation and will emerge from this period of economic uncertainty in a position of financial strength."

ARC expects average daily production for 2020 to be in the range of 150,000 to 155,000 barrels of oil equivalent per day, with the Dawson Phase IV gas processing and liquids-handling facility substantially complete and on schedule to be brought on-stream in the second quarter of 2020. The majority of the capital spending that is being deferred in 2020 relates to drilling and completions activities in the greater Dawson and Ante Creek areas. While the reduced capital program does reduce 2020 production guidance modestly, the deferred drilling and completions activities are expected to have a larger impact on 2021 production levels.

ARC's business is sustainable due to its disciplined capital allocation, its low cost structure and highly efficient operations, and its robust market diversification activities. At current commodity prices, ARC is focused on maintaining low debt levels to ensure the sustainability and profitability of the business over the long term, while managing a reasonable payout.

Forward-looking Information and Statements

This news release contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", "strategy", and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this news release contains forward-looking information and statements pertaining to the following: ARC's intentions regarding its future quarterly dividend; ARC's long-term strategy of maintaining a strong balance sheet, delivering a meaningful and sustainable dividend to shareholders, and investing in profitable growth when it makes sense to do so; ARC's expected average daily production for 2020; expectations regarding the expected operations at the Dawson Phase IV gas processing and liquids-handling facility; the expected impact of the deferred drilling and completions activities on 2021 production levels; expectations for the sustainability of ARC's business and the reasons for such expectations.

The forward-looking information and statements contained in this news release reflect several material factors, expectations, and assumptions of ARC, including, without limitation: the production performance of ARC's oil and natural gas assets; the cost and competition for services throughout the oil and gas industry in 2020 and beyond; the results of exploration and development activities during 2020; that ARC's operations and production will not be disrupted by circumstances attributable to the COVID-19 pandemic and the responses of governments and the public to the pandemic; the continuation of ARC's stated intentions regarding its dividend; the retention of ARC's key properties; that ARC's knowledge and past experience with developing major infrastructure projects will be applicable to similar projects in the future; that ARC will continue to conduct its operations in a manner consistent with past operations; results from drilling and development activities are consistent with past results; the continued and timely development of infrastructure in areas of new production; the general continuance of current industry conditions; the continuance of existing, and in certain circumstances, the implementation of proposed, tax, royalty, and regulatory regimes; the accuracy of the estimates of ARC's reserve volumes; certain commodity price and other cost assumptions; and the continued availability of adequate debt and equity financing and funds from operations to fund its planned expenditures. ARC believes the material factors, expectations, and assumptions reflected in the forward-looking information and statements are reasonable, but no assurance can be given that these factors, expectations, and assumptions will prove to be correct.

The forward-looking information and statements included in this news release are not guarantees of future performance and should not be unduly relied upon. Such information and statements involve known and unknown risks, uncertainties, and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation: changes in commodity prices; changes in the demand for or supply of ARC's products, including effects of the COVID-19 pandemic and the responses of governments and the public to the pandemic; changes to government regulations including royalty rates, taxes, and environmental and climate change regulation; market access constraints or transportation interruptions, unanticipated operating results, or production declines; changes in development plans of ARC or by third-party operators of ARC's properties, increased debt levels or debt service requirements; inaccurate estimation of ARC's oil and gas reserve volumes; limited, unfavourable, or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; the potential for variation in the quality of the Montney formation; unanticipated results from ARC's exploration and development activities; and certain other risks detailed from time-to-time in ARC's public disclosure documents (including, without limitation, those risks identified in this news release and in ARC's most recent annual information form). The amount of future cash dividends, if any, will be subject to the discretion of the Board of Directors of ARC Resources Ltd. and may vary depending on a variety of factors and conditions existing from time-to-time, including fluctuations in commodity prices, economic conditions, production levels, capital expenditures, debt service requirements, operating costs, royalty burdens, foreign exchange rates and the satisfaction of solvency tests imposed by the *Business Corporations Act* (Alberta) for the declaration and payment of dividends. For information relating to risks relating to dividends, see ARC's Annual Information Form "*Risk Factors - Dividends*".

The internal projections, expectations or beliefs underlying the 2020 capital budget and outlook for 2020 and beyond are subject to change in light of ongoing results, prevailing economic circumstances, commodity prices, and economic and industry conditions and regulations. ARC's financial outlook for 2020 and beyond provides shareholders with relevant information on Management's expectations for results of operations, excluding any potential acquisitions or dispositions or effects of the COVID-19 pandemic and the responses of governments and the public to the pandemic, for such time periods. Accordingly, readers are cautioned that events or circumstances could cause results to differ

materially from those predicted and ARC's 2020 guidance may not be appropriate for other purposes. The forward-looking information and statements contained in this news release speak only as of the date of this news release, and ARC assumes no obligation to publicly update or revise such information or statements to reflect new events or circumstances, except as may be required pursuant to applicable laws.

ARC is one of Canada's largest conventional oil and gas companies with an enterprise value of approximately \$2.1 billion. ARC's common shares trade on the TSX under the symbol ARX.

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