Strategic Montney Combination
ARC Resources Ltd. and Seven Generations Energy Ltd.
Benefits of the Combination

Achieves Size and Scale

- Largest pure-play Montney company
- Sixth-largest energy company in Canada
- Commodity and geographic diversification
- Optionality through all price cycles
- Reduced cost of capital

Enhances Capital Allocation Optionality

- Increased free funds flow\(^{(1)}\)
- Increases ability to fund development of Attachie, further develop Nest assets, and increase return of capital to shareholders
- Dividend will remain a key component
- Returns-focused value proposition

Preserves Strong Financial Position

- Transaction financing fully committed
- Expect combined entity to have an investment-grade credit rating
- Strong deleveraging profile and ample liquidity
- Net debt expected to be reduced to 1.3x funds from operations by year-end 2021

Captures Cost Savings and Synergies

- Annual cost savings of $110 million
- Total cost savings of $435 million over five years (NPV10)\(^{(2)}\)

Elevates Position as ESG Leader

- Commitment to responsible development
- Lowest GHG emissions intensity producer
- Improved platform for commercializing responsibly developed resource

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\(^{(1)}\) Free Funds Flow is a non-GAAP measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. Refer to the Advisory Statements to this presentation.

\(^{(2)}\) NPV10 of $110 million of annual cost savings and synergies over five years and before tax, excluding transaction costs.
Leadership and Governance

**Terry Anderson**  
President & CEO  
ARC Director since 2020  
ARC Employee since 2000

**Kris Bibby**  
Senior Vice President & CFO  
ARC Employee since 2014

**David Holt**  
Senior Vice President & COO  
Seven Generations Employee since 2018

**Hal Kvisle**  
Independent Chair of the Board  
ARC Director since 2009  
Chair of the Board since 2016

**Marty Proctor**  
Vice-Chair of the Board  
Seven Generations Director since 2017  
Seven Generations Employee since 2014

Board of Directors will consist of 11 directors

+ Six directors selected from ARC – one management director and five independent directors
+ Five directors selected from Seven Generations – four independent directors and one non-independent director

Additional senior leaders will be selected from the senior leadership teams of both organizations

Proven Ability to Deliver on Returns-focused Value Proposition
**Transaction Overview**

**Transaction**
- All-share transaction structured as a plan of arrangement
- Combined business valued at ~$8.1 billion, inclusive of net debt
- Transaction expected to close in Q2 2021

**Consideration**
- Exchange ratio:
  - Each Seven Generations share to be exchanged for 1.108 ARC shares
  - Seven Generations shareholders to receive ARC’s dividend post closing (currently $0.24 per share per year)

**Ownership**
- Pro forma equity:
  - ~49% ARC
  - ~51% Seven Generations
- Pro forma share count: ~725 million shares outstanding

**Approvals**
- Voting directors of ARC and Seven Generations have unanimously approved
- Transaction subject to the approval of ARC and Seven Generations shareholders, regulatory approvals, and other customary closing conditions
- Canada Pension Plan Investment Board has entered into a Support Agreement

Combined Company Will Operate as ARC Resources Ltd.
The Largest Pure-play Montney Company

Strategic Combination Will Bolster Low-cost, Efficient Operations

<table>
<thead>
<tr>
<th>Montney Production by Operator&lt;sup&gt;(2)(3)&lt;/sup&gt;</th>
<th>ARC +7G</th>
<th>7G</th>
<th>Peer 1</th>
<th>Peer 2</th>
<th>Peer 3</th>
<th>Peer 4</th>
<th>Peer 5</th>
<th>Peer 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mboe/day</td>
<td>~335</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

- **Enterprise Value ($ billions)<sup>(1)</sup>**
  - ARC: $3.4
  - 7G: $4.7
  - Combined: $8.1

- **2021E Production (Mboe/day)**
  - ARC: 158 - 165
  - 7G: 180 - 185
  - Combined: >340

- **Crude Oil and Liquids Mix**
  - ARC: 24%
  - 7G: 58%
  - Combined: 42%

- **Alberta Production Mix**
  - ARC: 16%
  - 7G: 100%
  - Combined: 61%

- **Net Montney Acreage**
  - ARC: 632,000
  - 7G: 528,000
  - Combined: 1,160,000

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<sup>(1)</sup> ARC shown at market and Seven Generations shown at 1.108x exchange ratio as at February 9, 2021.

<sup>(2)</sup> Source: Company reports, estimated operated Montney volumes used in the absence of public disclosure.

<sup>(3)</sup> ARC and ARC+7G production excludes ARC’s Pembina production.
Achieves Material Size and Scale

2021E Canadian production\(^{(1)(2)}\)

<table>
<thead>
<tr>
<th>Mboe/day</th>
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<tbody>
<tr>
<td>500</td>
</tr>
<tr>
<td>375</td>
</tr>
<tr>
<td>250</td>
</tr>
<tr>
<td>125</td>
</tr>
<tr>
<td>0</td>
</tr>
</tbody>
</table>

ARC will become Canada’s:
+ Largest condensate producer
+ 3rd largest natural gas producer
+ 6th largest upstream producer

Canadian E&P enterprise values\(^{(1)(3)}\)

<table>
<thead>
<tr>
<th>$ billions</th>
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</thead>
<tbody>
<tr>
<td>16</td>
</tr>
<tr>
<td>12</td>
</tr>
<tr>
<td>8</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>0</td>
</tr>
</tbody>
</table>

ARC will become Canada’s:
+ Largest condensate producer
+ 3rd largest natural gas producer
+ 6th largest upstream producer

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(1) Source: FactSet (February 9, 2021).
(2) 2021E production estimates as per FactSet consensus estimates (February 9, 2021). ARC and Seven Generations production estimates as per respective forecasts.
(3) ARC shown at market and Seven Generations shown using a 1.108x exchange ratio as at February 9, 2021.
Captures $110 Million in Annual Cost Savings

Combination to drive significant cost savings and synergies

Annual cost savings expected by 2022

- Corporate Costs: $45 million
- Operating Efficiencies: $15 million
- Market Optimization: $25 million
- Drilling & Completions Efficiencies: $25 million
- Annual Cost Savings: $110 million

~$435 million Cost Savings over Five Years (NPV10)(1)

(1) NPV10 of $110 million of annual cost savings and synergies over five years and before tax, excluding transaction costs.

Longer-term Opportunities Include Capital Allocation Synergies and Improved Market Access
Transaction Enhances Free Funds Flow Generation

Forecasted free funds flow \((1)(2)(3)\)  

<table>
<thead>
<tr>
<th>Year</th>
<th>ARC Free Funds Flow</th>
<th>ARC+7G Free Funds Flow</th>
<th>Free Funds Flow Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021F</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2022F</td>
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</tr>
</tbody>
</table>

2021F free funds flow sensitivities \((1)(3)(4)\)

<table>
<thead>
<tr>
<th>Sensitivity</th>
<th>ARC Free Funds Flow</th>
<th>ARC+7G Free Funds Flow</th>
<th>Free Funds Flow Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$45/bbl WTI &amp; Cdn$2.25/GJ AECO</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>US$50/bbl WTI &amp; Cdn$2.50/GJ AECO</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US$55/bbl WTI &amp; Cdn$2.75/GJ AECO</td>
<td></td>
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</tr>
</tbody>
</table>

Low Cost Structure and Capital Discipline to Enhance Free Funds Flow Generation

- Free Funds Flow is defined as funds from operations generated during the period less capital expenditures before undeveloped land purchases and property acquisitions and dispositions. Free Funds Flow is a non-GAAP measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. Refer to the Advisory Statements to this presentation.
- Pricing assumptions include US$50.00 per barrel WTI; US$1.50 per barrel and US$3.00 per barrel WTI-C5 differential in 2021 and 2022, respectively; US$5.00 per barrel and US$6.00 per barrel WTI-MSW differential in 2021 and 2022, respectively; Cdn$2.50 per GJ of natural gas; and Cdn$/US$0.78 exchange rate.
- Free Funds Flow Yield assumes ARC share price of $7.51 per share as at February 9, 2021.
- Pricing assumptions include US$1.50 per barrel WTI-C5 differential; US$5.00 per barrel WTI-MSW differential; and Cdn$/US$0.78 exchange rate.
Capital Allocation Principles Remain Unchanged

ARC’s Capital Allocation Will Continue to Focus on Delivering Strong Returns to Shareholders

**Principles**

- **Committed Capital**
  - Manage net debt to funds from operations ratio within 1.0 and 1.5 times
  - Pay sustainable dividend
  - Profitably sustain production through efficient execution and controlled decline rate

- **Discretionary Capital**
  - Focused on:
    - Protecting strong financial position and maintaining flexibility
    - Prioritizing profitability and value over volumes
    - Returning capital to shareholders

**Priorities**

- **Inflows**
  - Funds from Operations

- **Outflows**
  - Dividend
    - $174 million or $0.24 per share per year
  - Maintenance Capital
    - ~$1 billion per year
  - M&A
  - Incremental Shareholder Returns
  - Organic Development Opportunities
  - Debt Reduction

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ARC’s Capital Allocation Will Continue to Focus on Delivering Strong Returns to Shareholders
Preserves Financial Strength and Ample Liquidity

Overview

+ Up to $3.5 billion in committed financing to ensure ample liquidity

+ Expect combined entity to have an investment-grade credit rating

+ Deleveraging plan in place to reach net debt to annualized funds from operations target range of 1.0 to 1.5 times

Net debt & net debt to funds from operations

Combined Company Will Have Low-cost Debt with Strong Deleveraging Profile

(1) Pricing assumptions include US$50.00 per barrel WTI; US$1.50 per barrel and US$3.00 per barrel WTI-C5 differential in 2021 and 2022, respectively; US$5.00 per barrel and US$6.00 per barrel WTI-MSW differential in 2021 and 2022, respectively; Cdn$2.50 per GJ of natural gas; and Cdn$/US$0.78 exchange rate.
Significant Cash Flow Protection

**Crude oil and condensate production hedged**

<table>
<thead>
<tr>
<th>Mbbl/day, %</th>
<th>Q2 2021</th>
<th>Q3 2021</th>
<th>Q4 2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>36</td>
<td>48</td>
<td>36</td>
<td>36</td>
<td>0</td>
</tr>
</tbody>
</table>

**Natural gas production hedged**

<table>
<thead>
<tr>
<th>MMBtu/day, %</th>
<th>Q2 2021</th>
<th>Q3 2021</th>
<th>Q4 2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>11%</td>
<td>15%</td>
<td>45%</td>
<td>30%</td>
<td>15%</td>
</tr>
</tbody>
</table>

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(1) Positions as at February 4, 2021.

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Combined Business Is Well-hedged with a Long-term Focus on Reducing Volatility in Funds from Operations
Grows Network of Owned-and-operated Infrastructure

Combined network of owned-and-operated infrastructure

+ Grows natural gas processing and sales capacity to 1.5 Bcf/day
+ Creates ability to optimize the combined portfolio which has access to downstream markets across North America

Benefits of owned-and-operated infrastructure

+ Lowers cost structure and increases funds from operations
+ Provides ability to manage production based upon prevailing commodity prices
+ Retains economics of facility optimization projects

(1) Does not include financial basis trades.

Owned-and-operated Infrastructure Affords Greater Optionality and Control over Cost Structure
2021 Capital Program of $1.0 Billion to $1.1 Billion

**Attachie**
- $5MM
- ~3,500 boe/day
- Complete detailed engineering work for development

**Northeast BC**
- $315MM • 53 wells
- ~132,500 boe/day
- Sustain production and complete two small-scale infrastructure projects at Sunrise and Parkland/Tower

**Ante Creek**
- $60MM • 16 wells
- ~17,000 boe/day
- Deliver profitable light oil production by leveraging 2020 facility expansion

**Nest**
- $650MM • 65-70 wells
- 180,000-185,000 boe/day
- Grow free funds flow\(^{(1)}\) profile through year-over-year improvements to cash costs and operating efficiencies

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Note: Well counts denote wells drilled in calendar year; number of wells with completions activities in calendar year may vary.

\(^{(1)}\) Free Funds Flow is a non-GAAP measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. Refer to the Advisory Statements to this presentation.
<table>
<thead>
<tr>
<th>Environmental</th>
<th>Social</th>
<th>Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>+ Maintain standing as lowest GHG emissions intensity producer amongst Canadian E&amp;P peer group</td>
<td>+ Be an industry leader in health and safety practices and performance</td>
<td>+ Manage risks around all aspects of the business</td>
</tr>
<tr>
<td>+ Awarded CDP score of “A-” on Climate Change</td>
<td>+ Form strong relationships with all stakeholders, including Indigenous communities</td>
<td>+ Ensure appropriate oversight of ESG strategies and practices</td>
</tr>
<tr>
<td>+ Provide low-carbon energy for the future through technology and innovation</td>
<td>+ Maintain a diverse and inclusive workforce</td>
<td>+ Align executive compensation with performance, including incorporating ESG metrics into determination of compensation levels</td>
</tr>
<tr>
<td>+ Reduce freshwater usage and responsibly manage water use in operations</td>
<td>+ Members of 30% Club and Bloomberg Gender-Equality Index</td>
<td>+ Create shared value for society</td>
</tr>
<tr>
<td>+ Proactively restore land</td>
<td>+ Create shared value for society</td>
<td>+</td>
</tr>
</tbody>
</table>
Achieves Material Size and Scale with Diversified Product Mix

Increases Capital Allocation Optionality

Enhances Free Funds Flow\(^{(1)}\) Generation

Commitment to Delivering Strong Returns to Shareholders

Industry-leading ESG Performance

\(^{(1)}\) Non-GAAP measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. Refer to the Advisory Statements to this presentation.
Advisory Statements

Basis of Preparation
All financial figures and information have been prepared in Canadian dollars (which includes references to "dollars" and "$"), except where another currency has been indicated, and in accordance with International Financial Reporting Standards ("IFRS" or "GAAP") as issued by the International Accounting Standards Board. Production volumes are presented on a before royalties basis.

Non-GAAP Measures
Certain financial measures in this news release do not have a standardized meaning as prescribed by IFRS, such as free funds flow (including on a per share basis), and therefore are considered non-GAAP measures. See the "Capital Management" note of ARC's audited consolidated financial statements as at and for the year ended December 31, 2020 for further information on other measures contained in this news release including funds from operations and net debt. These measures may not be comparable to similar measures presented by other issuers. These measures have been described and presented in order to provide shareholders, potential investors and analysts with additional measures for analyzing the transaction. This additional information should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS.

Free Funds Flow
Management uses free funds flow as a measure of the efficiency and liquidity of its business, measuring its funds available for capital investment to manage debt levels, pay dividends, and return capital to shareholders. The Company computes free funds flow as funds from operations generated during the period less capital expenditures before undeveloped land purchases and property acquisitions and dispositions. By removing the impact of current period capital expenditures from funds from operations, Management believes this measure provides an indication to investors and shareholders of the funds the Company has available for future capital allocation decisions.

Barrels of Oil Equivalent
Natural gas volumes have been converted to barrels of oil equivalent ("boe") on the basis of six thousand cubic feet ("Mcf") to one barrel ("bbl"). Boe may be misleading, particularly if used in isolation. A conversion ratio of one bbl to six Mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil compared with natural gas is significantly different from the energy equivalency conversion ratio of 6:1, utilizing a conversion on a 6:1 basis is not an accurate reflection of value.

Note Regarding Forward-looking Information
This presentation contains certain forward-looking statements and forward-looking information (collectively referred to as "forward-looking information") within the meaning of applicable securities legislation, about ARC's and Seven Generations' current expectations, estimates, and projections about the future, based on certain assumptions made in light of experiences and perceptions of historical trends. Although ARC and Seven Generations believe that the expectations represented by such forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct.

This forward-looking information is identified by words such as "achieve", "anticipate", "believe", "can be", "capacity", "committed", "commitment", "continue", "could", "drive", "enhance", "ensure", "estimate", "expect", "focus", "forward", "future", "guidance", "maintain", "may", "outlook", "plan", "position", "potential", "strategy", "should", "target", "will", or similar expressions and includes suggestions of future outcomes, including, but not limited to, statements about: the focus and business strategies of each of ARC and Seven Generations; the estimated value of the transaction; the timing and completion of the plan of arrangement and the acquisition of all issued and outstanding Seven Generations common shares; the timing and anticipated receipt of required regulatory, court and shareholder approvals for the transaction and other customary closing conditions; ARC's ability to issue securities pursuant to the transaction; the anticipated benefits of the transaction, including corporate, operational, and other synergies and the timing thereof; the ability to integrate the businesses of ARC and Seven Generations; the anticipated production (including the location thereof), land, and inventory of development opportunities of the combined company; anticipated cost savings as a result of transaction synergies, including the anticipated timing of achieving such cost savings; the combined company's financial position including its rating, costs, debt profile, annual sustaining capital requirements, and expected liquidity; the expected management team of the combined company, their positions, and qualifications; the composition of the combined company's board of directors following closing of the transaction; the anticipated effect of the transaction on the competitiveness of the combined company and its profitability, liquidity and cost structure; the expected increase to funds from operations, free funds flow, and net asset value; the benefits to be achieved from free funds flow, including the anticipated use and allocation of such funds; the anticipated payment of a quarterly dividend, subject to Board approval; the anticipated reduction of net debt and net debt to annualized funds from operations ratio; the expected size and scale of the combined company; the anticipated improved access to markets; the combined company’s risk management program; the anticipated safety and reliability of the operations of the combined company; the anticipated benefits from ARC's new credit facility, including the amount thereof; the anticipated relevancy of the combined company in the global energy market and expected long-term opportunities; the continuing commitment to ESG excellence, good governance, diversity and inclusion; expected capital investments and pro forma financial outlook; the expected headquarters of the combined company; the expected shareholder ownership following the business combination; the expected timing and timing of the joint information circular; the anticipated timing of the closing of the transaction; the anticipated method and timing of the shareholders' meetings of ARC and Seven Generations; and other similar statements. Readers are cautioned not to place undue reliance on forward-looking information as the combined company's actual results may differ materially from those expressed or implied.
Developing forward-looking information involves reliance on a number of assumptions and consideration of certain risks and uncertainties, some of which are specific to ARC, Seven Generations, and the combined company and others that apply to the industry generally. The factors or assumptions on which the forward-looking information is based include, but are not limited to: the satisfaction of the conditions to closing of the transaction in a timely manner and completing the arrangement on the expected terms; anticipated returns to shareholders; the combined company's ability to successfully integrate the businesses of ARC and Seven Generations; access to sufficient capital to pursue any development plans associated with full ownership of Seven Generations; the combined company's ability to issue securities; the impacts the transaction may have on the current credit ratings of ARC and Seven Generations and the credit rating of the combined company following closing; forecast commodity prices and other pricing assumptions; forecast production volumes based on business and market conditions; the accuracy of outlooks and projections contained herein; projected capital investment levels, the flexibility of capital spending plans and associated sources of funding; achievement of further cost reductions and sustainability thereof; applicable royalty regimes, including expected royalty rates; future improvements in availability of product transportation capacity; increases to the combined company's share price and market capitalization over the long term; opportunity for the combined company to pay dividends, and the approval and declaration of such dividends by the Board of the combined company; opportunities to repurchase shares for cancellation at prices acceptable to the combined company; cash flows, cash balances on hand, and access to credit facilities being sufficient to fund capital investments; foreign exchange rates; the anticipated effects of the recent cancellation of the Keystone XL Project and its effect on commodity prices; near-term pricing and continued volatility of the market; the ability of the combined company's refining capacity, dynamic storage, existing pipeline commitments, and financial hedge transactions to partially mitigate a portion of the combined company's risks against wider price differentials; estimates of quantities of oil, bitumen, natural gas, and liquids from properties and other sources not currently classified as proved; accounting estimates and judgments; future use and development of technology and associated expected future results; the combined company's ability to obtain necessary regulatory approvals; the successful and timely implementation of capital projects or stages thereof; the ability to generate sufficient cash flow to meet current and future obligations; estimated abandonment and reclamation costs, including associated levies and regulations applicable thereto; the combined company's ability to obtain and retain qualified staff and equipment in a timely and cost-efficient manner; the combined company's ability to carry out transactions on the desired terms and within the expected timelines; forecast inflation and other assumptions inherent in the current guidance of ARC and Seven Generations; the retention of key properties; the continuance of existing tax, royalty, and regulatory regimes; the accuracy of the estimates of each of ARC's and Seven Generations' reserve volumes; the combined company's ability to access and implement all technology necessary to efficiently and effectively operate its assets; the ongoing impact of COVID-19 on commodity prices and the global economy; and other risks and uncertainties described from time to time in the filings made by ARC and Seven Generations with securities regulatory authorities.

The forward-looking information in this presentation also includes financial outlooks and other related forward-looking information (including production and financial-related metrics) relating to ARC, Seven Generations, the combined company and the transaction, including: the expectations of ARC and Seven Generations regarding the impact of the transaction on free funds flow, funds from operations, net debt, production, the projected capital expenditures of the combined company, sustaining capital, and operating costs. Any financial outlook and forward-looking information contained in this presentation regarding prospective financial performance or financial position is based on reasonable assumptions about future events, including economic conditions and proposed courses of action based on the assessment by Management of each of ARC and Seven Generations of the relevant information that is currently available. Projected operational information contains forward-looking information and is based on a number of material assumptions and factors, as are set out above. These projections may also be considered to contain future-oriented financial information or a financial outlook. The actual results will likely vary from the amounts set forth herein and such variations may be material. Readers are cautioned that any such financial outlook and forward-looking information contained herein should not be used for purposes other than those for which it is disclosed herein. Such information was made as of the date of this presentation and each of ARC and Seven Generations disclaims any intention or obligation to update or revise any such information, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law.

The forecasts and projections for the combined company are based on the following assumptions:

<table>
<thead>
<tr>
<th>Year</th>
<th>WTI (US$/bbl)</th>
<th>WTI-C5 Differential (US$/bbl)</th>
<th>WTI-MSW Differential (US$/bbl)</th>
<th>AECO (Cdn$/GJ)</th>
<th>AECO Basis (US$/MMBtu)</th>
<th>Exchange Rate (Cdn$/US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>50.00</td>
<td>(1.50)</td>
<td>(5.00)</td>
<td>2.50</td>
<td>(0.625)</td>
<td>0.78</td>
</tr>
<tr>
<td>2022</td>
<td>50.00</td>
<td>(3.00)</td>
<td>(6.00)</td>
<td>2.50</td>
<td>(0.625)</td>
<td>0.78</td>
</tr>
</tbody>
</table>

In addition to the above, Free Funds Flow Yield assumes an ARC share price of $7.51 per share as at February 9, 2021.
The risk factors and uncertainties that could cause actual results to differ materially from the anticipated results or expectations expressed in this presentation, include: the completion and timing of the transaction; the ability of ARC and Seven Generations to receive, in a timely manner, the necessary regulatory, court, securityholder, stock exchange, and other third-party approvals; the ability of ARC and Seven Generations to satisfy, in a timely manner, the other conditions to the closing of the transaction; the ability of the company to complete the arrangements contemplated by the arrangement agreement between ARC and Seven Generations, and other agreements, including the support agreements or at all; the ability of the combined company to realize the anticipated benefits of; and synergies from the transaction, the timing and the timing thereof; failure to achieve and sustain future cost reductions; the impacts of a changing risk profile and possible subject to a credit rating review, which may result in a downgrade or negative outlook being assigned to the combined company; the ability of the combined company to pay dividends and the approval and declaration of such dividends by the Board of the combined company; the consequences of not completing the transaction, including the volatility of the share prices of ARC and Seven Generations, negative reactions from the investment community, and the required payment of certain costs related to the transaction; actions taken by government entities or others seeking to prevent or alter the terms of the transaction; potential undisclosed liabilities unidentified during the due diligence process; the accuracy of the pro forma financial information of the combined company after the transaction; the interpretation of the transaction by tax authorities; the success of business integration; the focus of Management's time and attention on the transaction and other disruptions arising from the transaction; the ability to access or implement some or all of the technology necessary to effectively and efficiently operate the assets and achieve expected future results; volatility of and other risks associated with commodity prices; the duration of the market downturn; a resurgence in cases of novel coronavirus COVID-19 (''COVID-19''), which could result in restrictions to contain the virus being re-imposed or imposed on a more strict basis, including restrictions on movement and businesses; the extent to which COVID-19 impacts the global economy and harms commodity prices; the extent to which COVID-19 and fluctuations in commodity prices associated with COVID-19 impacts the business, results of operations, and financial condition, all of which will depend on future developments that are highly uncertain and difficult to predict, including, but not limited to the duration and spread of the pandemic, its severity, the actions taken to contain COVID-19 or treat its impact and how quickly economic activity normalizes; the success of new COVID-19 workplace policies and the ability of people to return to workplaces; continued liquidity being sufficient to sustain operations through a prolonged market downturn; the effects of the recent cancellation of the Keystone XL project; the effectiveness of risk management programs, including the impact of derivative financial instruments, the success of hedging strategies, and the sufficiency of liquidity positions; product supply and demand; accuracy of share price and market capitalization assumptions; market competition, including from alternative energy sources; risks inherent in marketing operations, including credit risks, exposure to counterparties and partners, including ability and willingness of such parties to satisfy contractual obligations in a timely manner; the ability to maintain desirable net debt ratios; the ability to access various sources of debt and equity capital, generally, and on acceptable terms; the ability to finance growth and sustaining capital expenditures; changes in credit ratings applicable to the parties or any of their securities; changes to dividend plans; the ability to utilize tax losses in the future; accuracy of reserves, future production and future net revenue estimates; the potential for variation in the quality of the Montney formation; unanticipated results from exploration and development activities; accuracy of accounting estimates and judgments; the ability to replace and expand oil and gas reserves; potential requirements under applicable accounting standards for impairment or reversal of estimated recoverable amounts of some or all of assets or goodwill from time to time; the ability to maintain relationships with partners and to successfully manage and operate integrated businesses; reliability of assets including in order to meet production targets, potential disruption or unexpected technical difficulties in developing new products and manufacturing processes; the occurrence of unexpected events such as severe weather conditions, explosions, blow-outs, equipment failures, transportation incidents, and other accidents or similar events; refining and marketing margins; cost escalations, including inflationary pressures on operating expenses, including labour, materials, natural gas, and other energy sources used in oil sands processes and increased insurance deductibles or premiums; potential failure of products to achieve or maintain acceptance in the market; risks associated with fossil fuel industry reputation and litigation related thereto; unexpected cost increases or technical difficulties in constructing or modifying manufacturing or refining facilities; unexpected difficulties in producing, transporting, or refining of bitumen and/or crude oil into petroleum and chemicals products; risks associated with technology and equipment, including potential cyberattacks; risks associated with climate change and assumptions relating thereto; the ability to secure adequate and cost effective product transportation including through pipeline, crude-by-rail, marine, or alternate transportation; including to address any gaps caused by constraints in the pipeline system or storage capacity; availability of, and the ability to attract and retain, critical talent; possible failure to obtain and retain qualified staff and equipment in a timely and cost efficient manner; changes in labour relationships; changes in the regulatory framework in any of the locations in which ARC or Seven Generations operate, including changes to the regulatory approval process and land-use designations, royalty, tax, environmental, greenhouse gas, carbon, climate change, and other laws or regulations, or changes to the interpretation of such laws and regulations, as adopted or proposed, the impact thereof and the costs associated with compliance; the expected impact and timing of various accounting pronouncements, rule changes, and standards; changes in general economic, market, and business conditions; the impact of production agreements among OPEC and non-OPEC members; political and economic conditions; the occurrence of unexpected events such as pandemics, war, terrorist threats, and the instability resulting therefrom; and risks associated with existing and potential future lawsuits, shareholder proposals and regulatory actions.

Readers are cautioned that the foregoing list of factors is not exhaustive. Events or circumstances arising from the transaction, the timing of the transaction or the transaction may result in actual results of ARC and Seven Generations differing materially from those projected or expressed in, or implied by, the forward-looking information. Readers should carefully consider the risk factors discussed in each of ARC's and Seven Generations' most recent management's discussion and analysis and annual information form. The information contained on ARC's and Seven Generations' websites is not incorporated by reference into this presentation.

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