ARC RESOURCES LTD.

ARC Resources Ltd.

Investor Presentation

July 2023

ARX

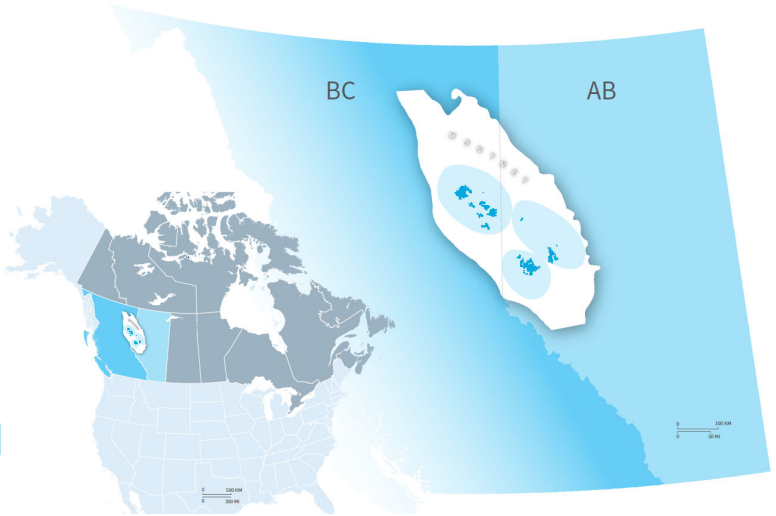
Corporate Profile

Premium investment opportunity for Montney exposure, one of the most profitable assets in North America

Shares outstanding[1]	609 million
Market capitalization[1]	$10.8 billion
Long-term debt[2]	$1.0 billion
Net debt[2 3]	$1.3 billion
Enterprise value[1]	$12.1 billion
Quarterly dividend	$0.17/share
Dividend yield[1 4]	3.8%
Production	~350 Mboe/day

Canada's largest condensate producer

Canada's 3rd largest natural gas producer

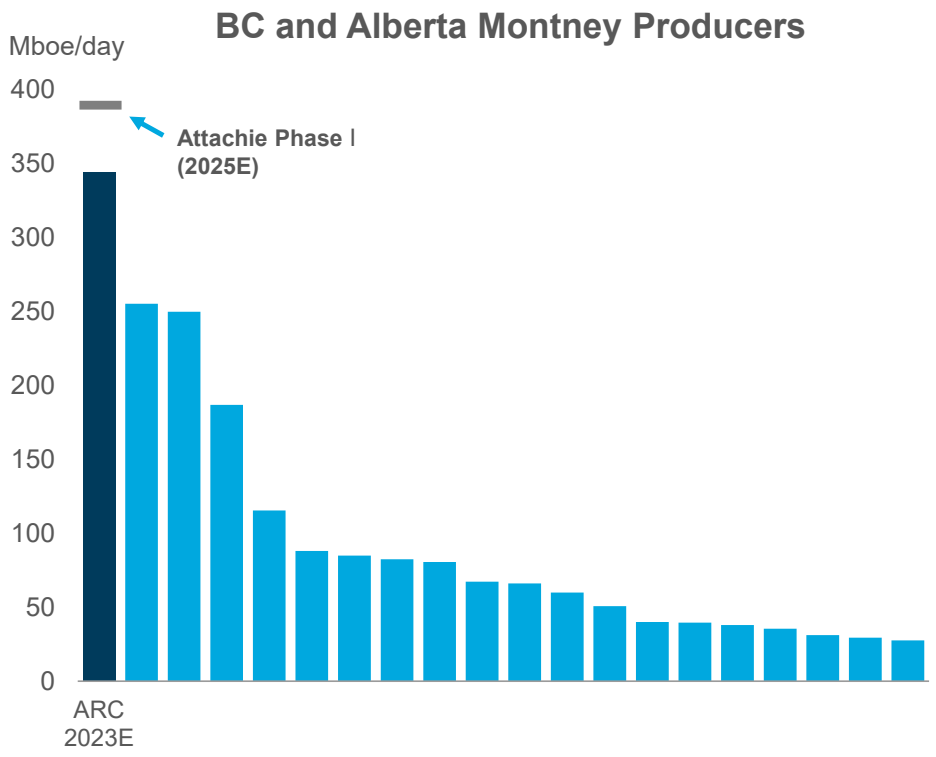


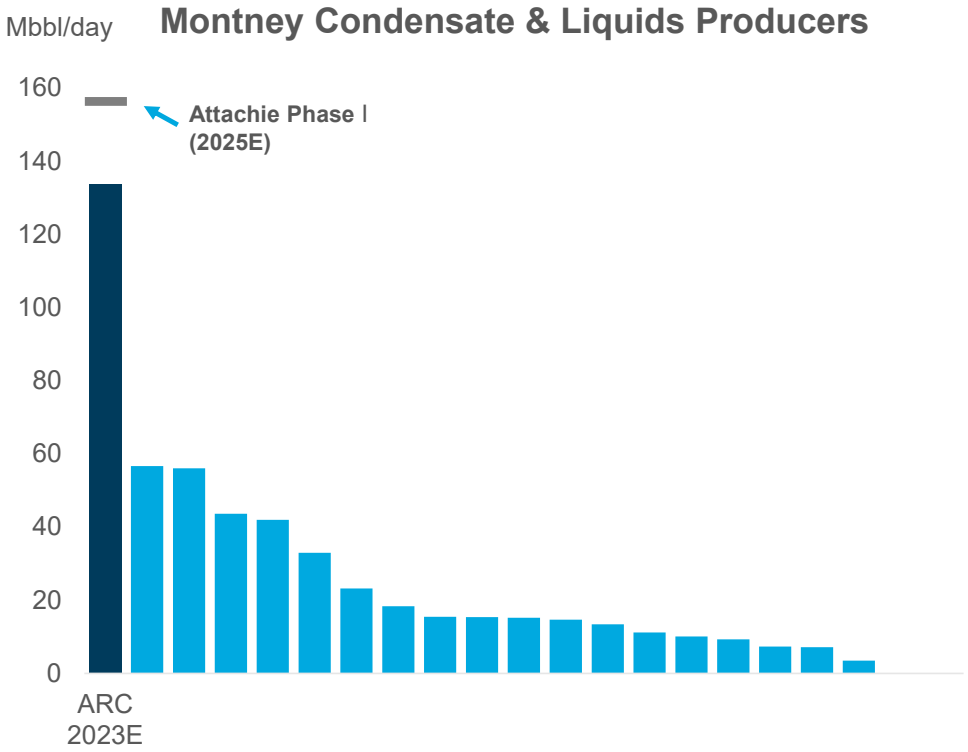
Our energy creates a better world for everyone

1) As at June 30, 2023.
2) As at March 31, 2023.
3) Capital Management Measure— see "*Non-GAAP and Other Financial Measures*" in the *Advisory Statements* of this presentation.
4) Supplementary Financial Measure— see "*Non-GAAP and Other Financial Measures*" in the *Advisory Statements* of this presentation.

Scale in a World-class Resource Play

Largest Montney producer, Canada's largest condensate producer and 3rd largest gas producer



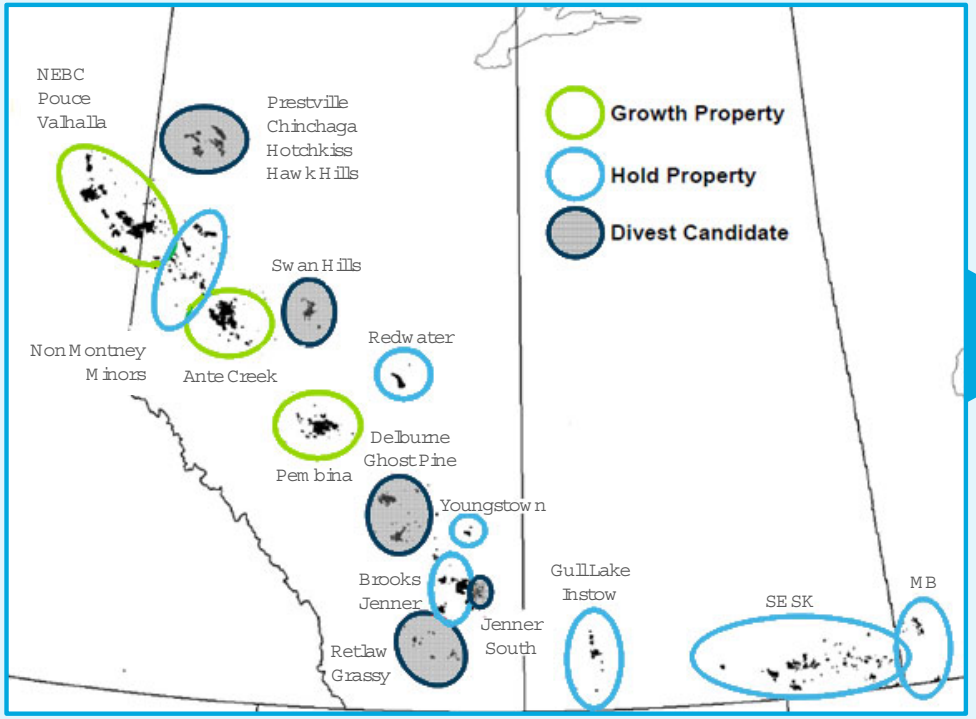


Sources: Company reports, geoSCOUT, and Peters & Co. Limited estimates.

Transformation to the Largest Montney Producer

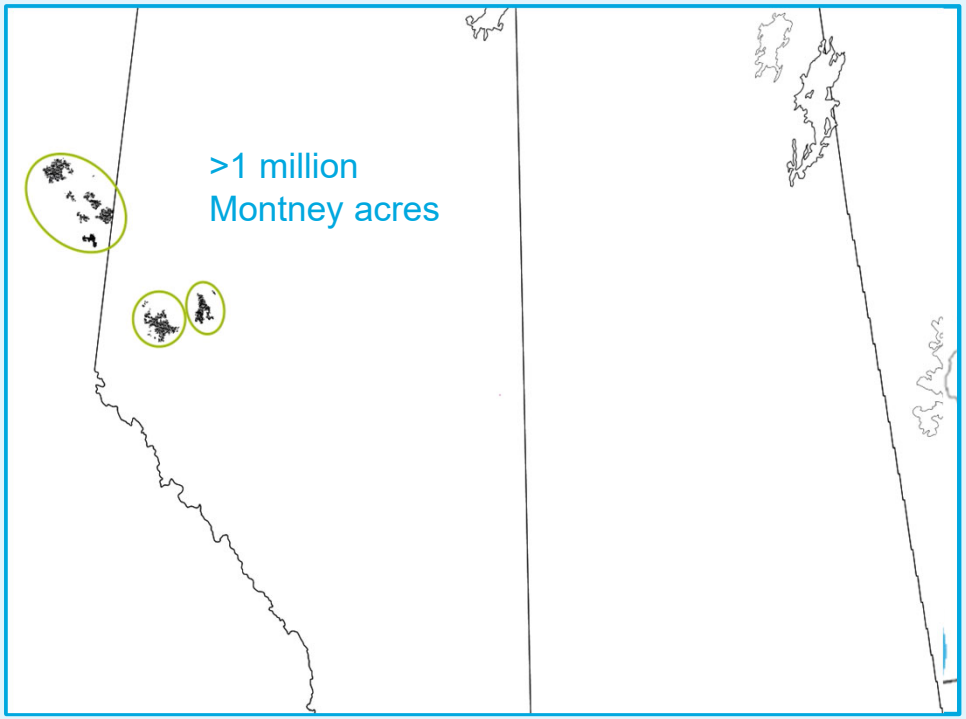
Large concentrated asset base drives efficiency, well positioned for the future

2014



AVERAGE PRODUCTION:
110 Mboe/d

2023



AVERAGE PRODUCTION:
350 Mboe/d

What Differentiates ARC?

Guiding principles to cement ARC as a 'Blue Chip' energy company

World-class Assets

- Low-cost Producer
- Multi-decade Inventory
- Infrastructure Ownership
- Balanced Commodity Mix

Capital Discipline

- Track Record of Capital Discipline
- Free Funds Flow Growth
- Balanced Return on and of Capital

Operational Excellence

- Best-in-class Safety Performance
- Low-emission Producer
- High-performing People & Culture
- Long-term Access to Key Consuming End Markets

Financial Resilience

- Investment-grade Credit Rating
- Strong Balance Sheet
- Break-even[1] <US$45/B WTI; C$2.00/mcf Natural Gas

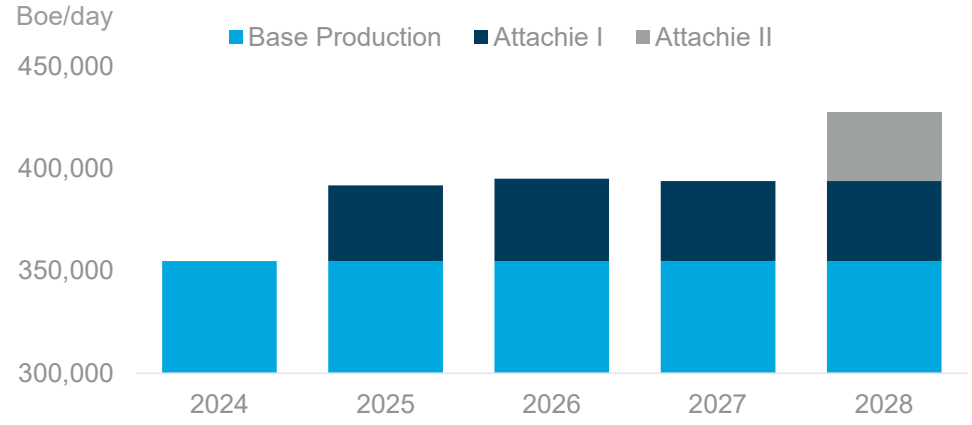
1) Supplementary Financial Measure— see *"Non-GAAP and Other Financial Measures"* in the *Advisory Statements* of this presentation

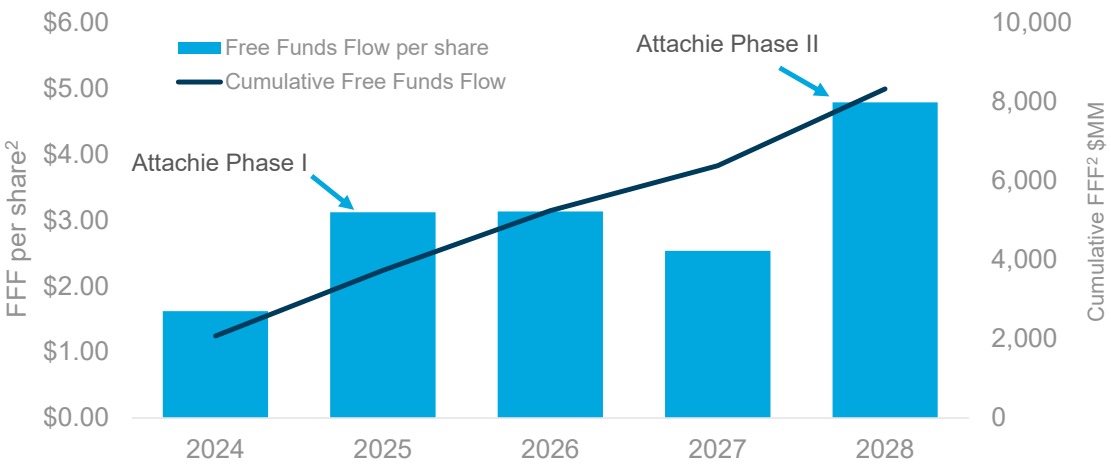
Dawson III & IV, BC

Strategic Overview and Long-term Plan

Five-Year Outlook Delivers Significant Value

Disciplined plan to grow free funds flow per share[1]





~200%
Free Funds Flow Per Share Growth (>20% CAGR[4])

~80%
of Market Cap Generated in Free Funds Flow[3] Now Through 2028

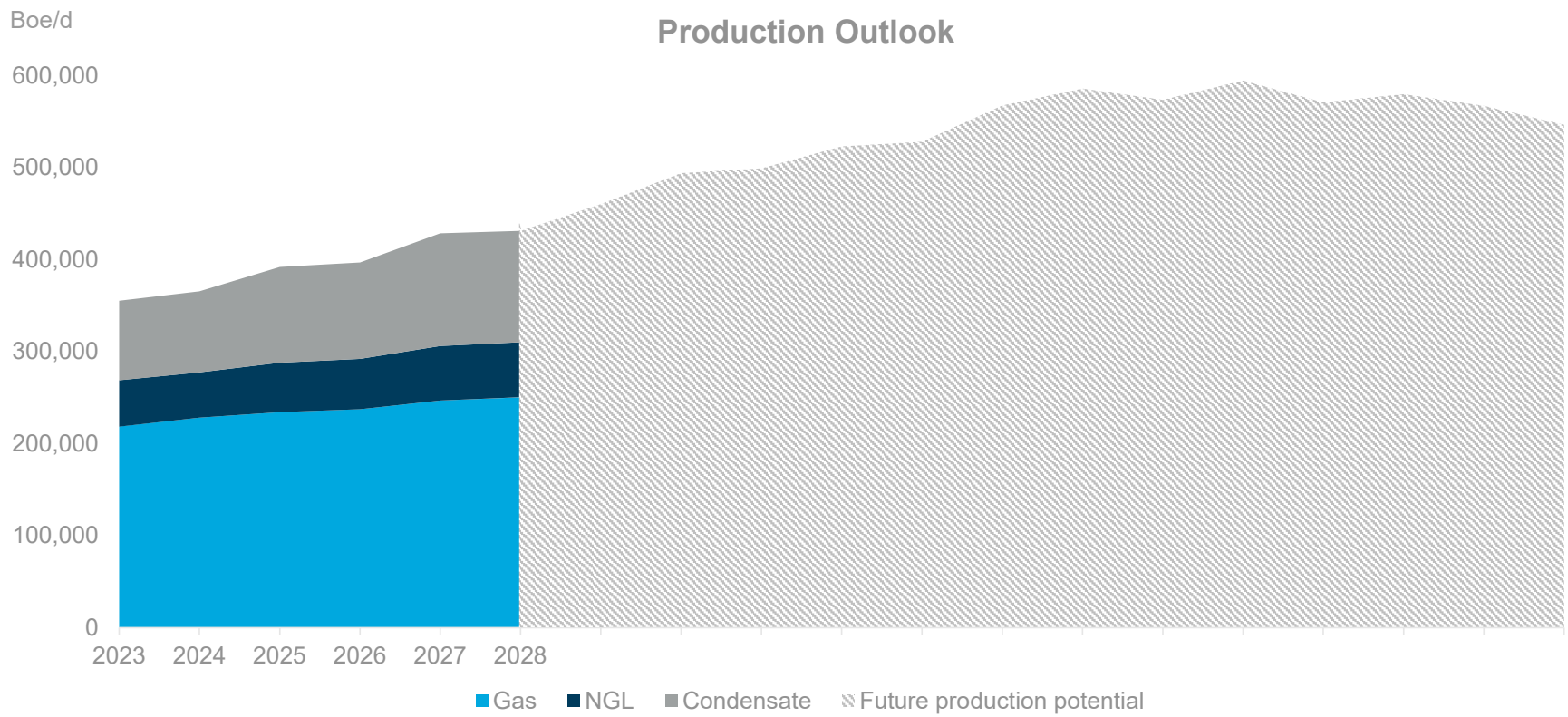
~14% CAGR
Production Per Share and Funds from Operations Per Share[4]

~20%
Return on Average Capital Employed

1) Non-GAAP Financial Ratio— see *"Non-GAAP and Other Financial Measures"* in the *Advisory Statements* of this presentation.
2) Based on forward pricing US$70 WTI; $3.50/GJ AECO
3) Non-GAAP Financial Measure — see *"Non-GAAP and Other Financial Measures"* in the *Advisory Statements* of this presentation.
4) Supplementary Financial Measure— see *"Non-GAAP and Other Financial Measures"* in the *Advisory Statements* of this presentation.

Long-term Resource Optionality

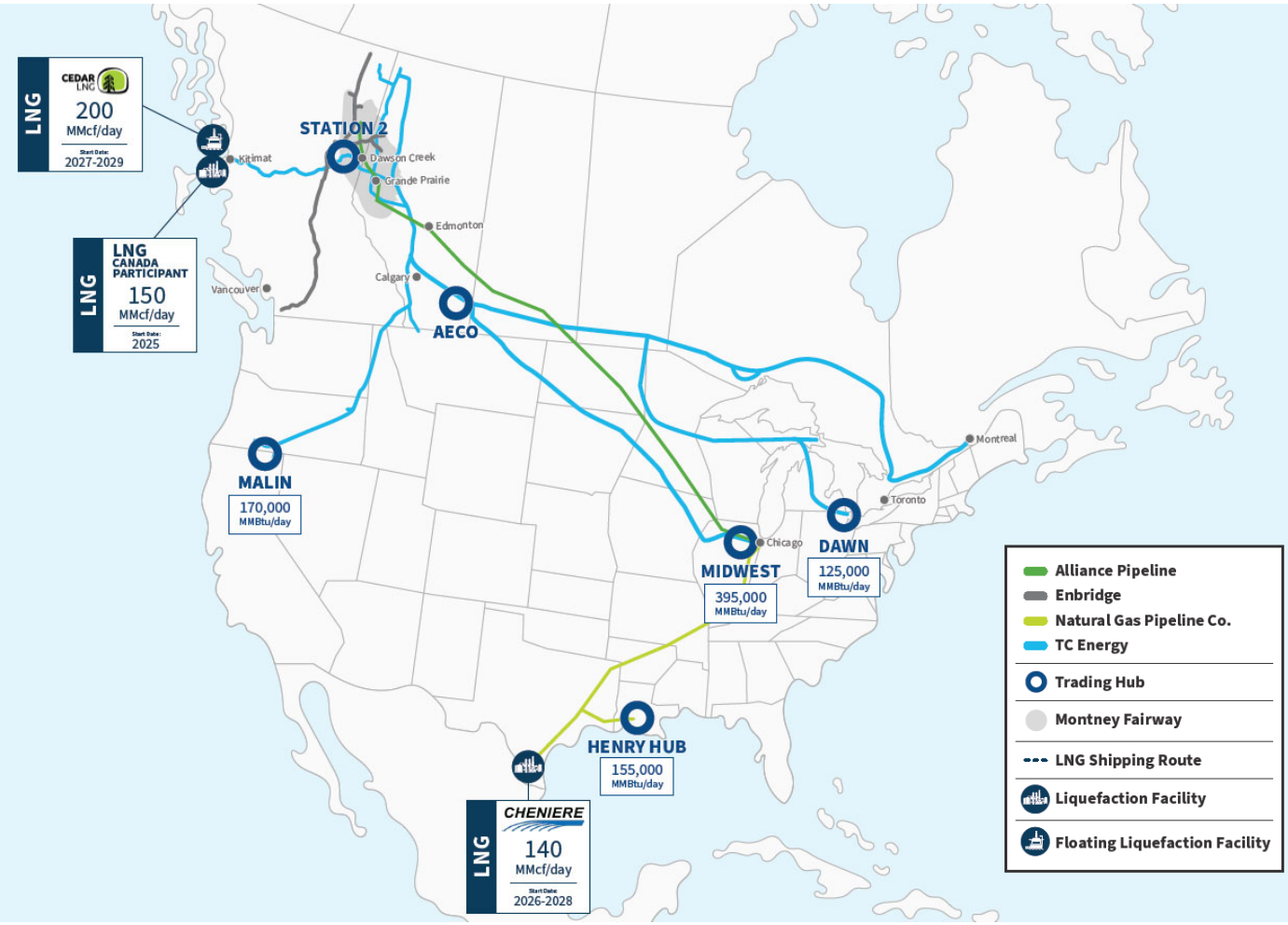
Unmatched inventory runway in a world-class asset



ARC's Montney assets capable of sustaining ~500,000 boe per day

Global Leader in Responsible Energy Development

Providing reliable, affordable and sustainable energy to global demand markets



Targeting up to
25%
Exposure to International Pricing

Investment Case for ARC

Disciplined Growth

- Five-year plan to more than double free funds flow per share
- Achieved by unlocking Montney development and reducing the share count

Commitment to Shareholder Returns

- Commitment to return essentially all free funds flow to shareholders

World-class Assets

- Inventory runway in a quality asset that extends decades
- Infrastructure with long-term market access near impossible to replicate

Margin Expansion

- Lowering capital intensity
- Executing additional margin expansion opportunities like LNG and downstream marketing

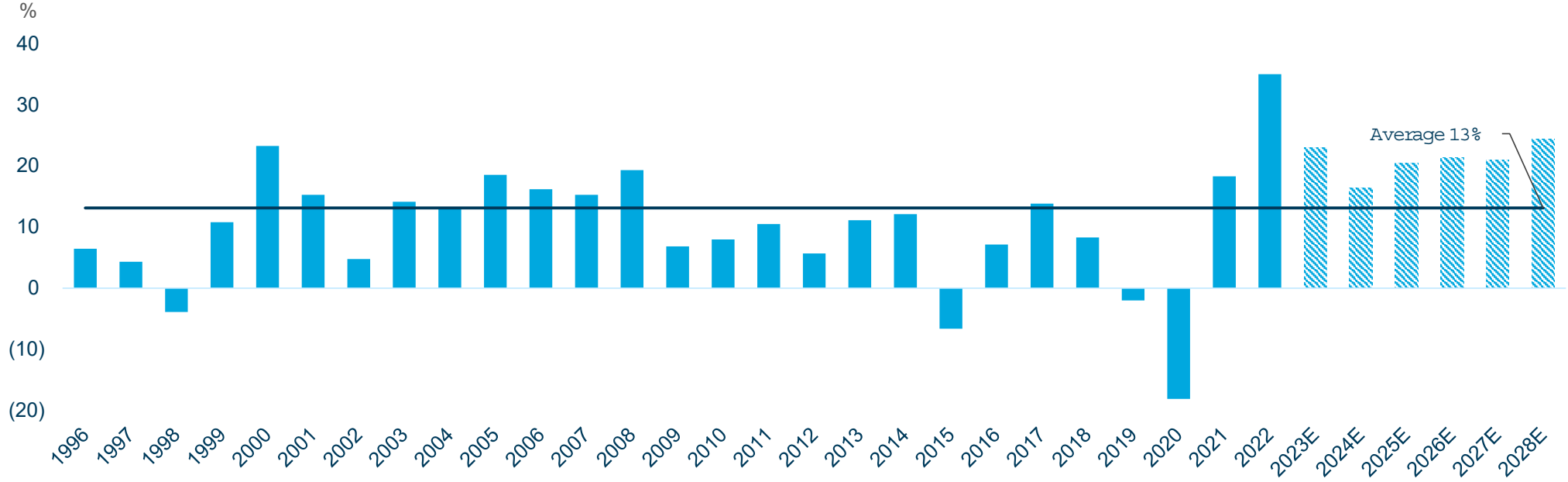
Kakwa, AB

Capital Allocation

Track Record of Capital Discipline

A disciplined investment framework fundamental to profitable growth

Return on Average Capital Employed[1]

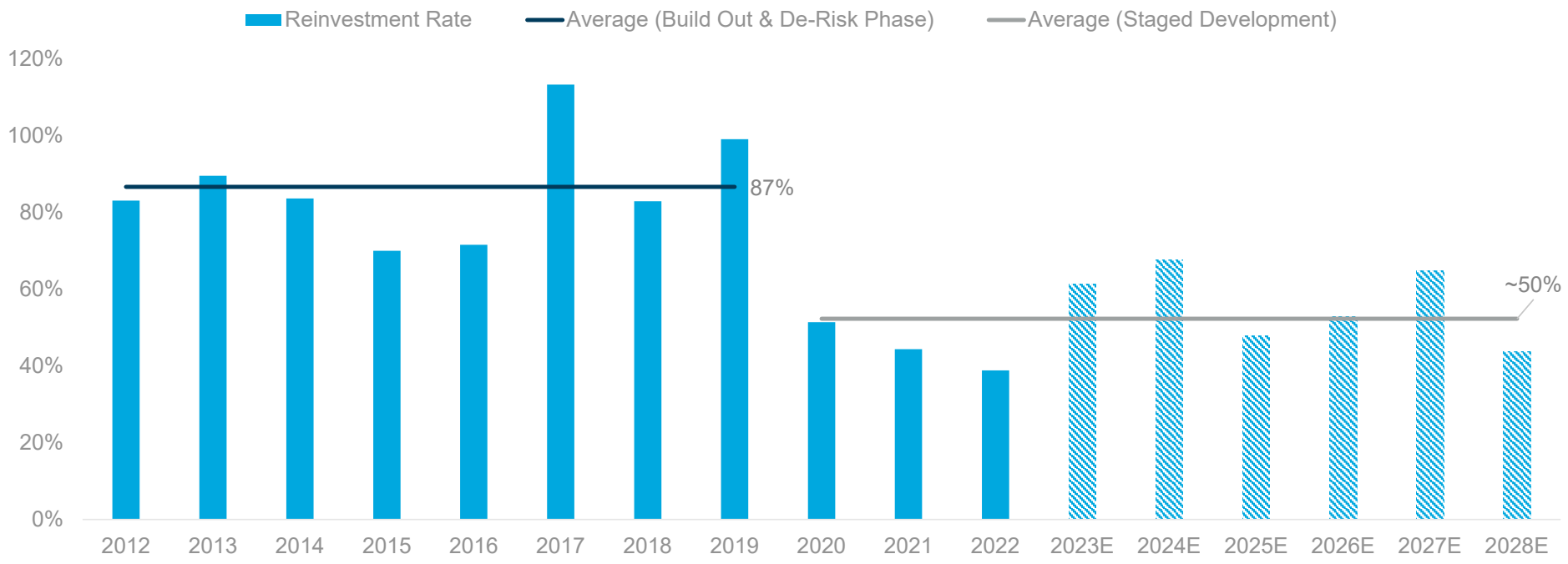


1) Non-GAAP Financial Measure — see *"Non-GAAP and Other Financial Measures"* in the *Advisory Statements* of this presentation.
2) 2023E – 2028E based on US$70 WTI; $3.50/GJ AECO

Capital Allocation

Lower reinvestment requirement allows for profitable growth and superior return on capital

Reinvestment Rate[1 2]

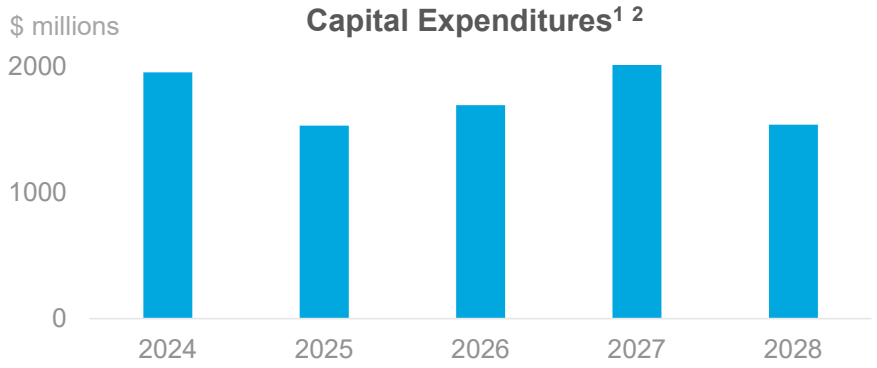


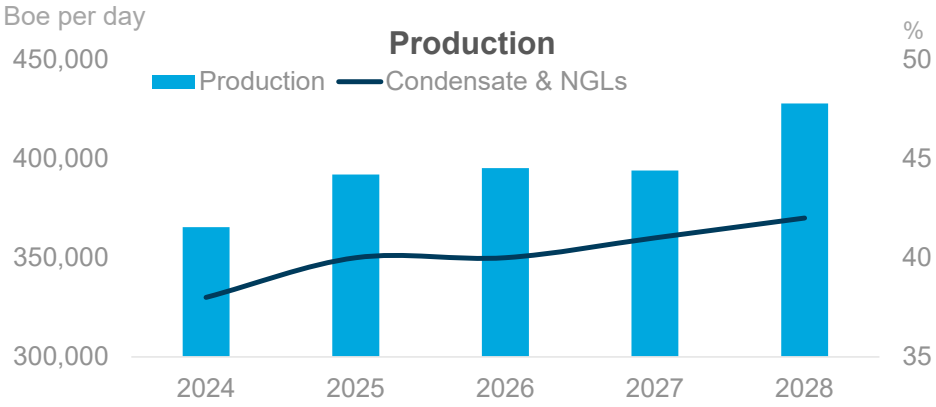
Multi-decade inventory and infrastructure network allows for lower reinvestment

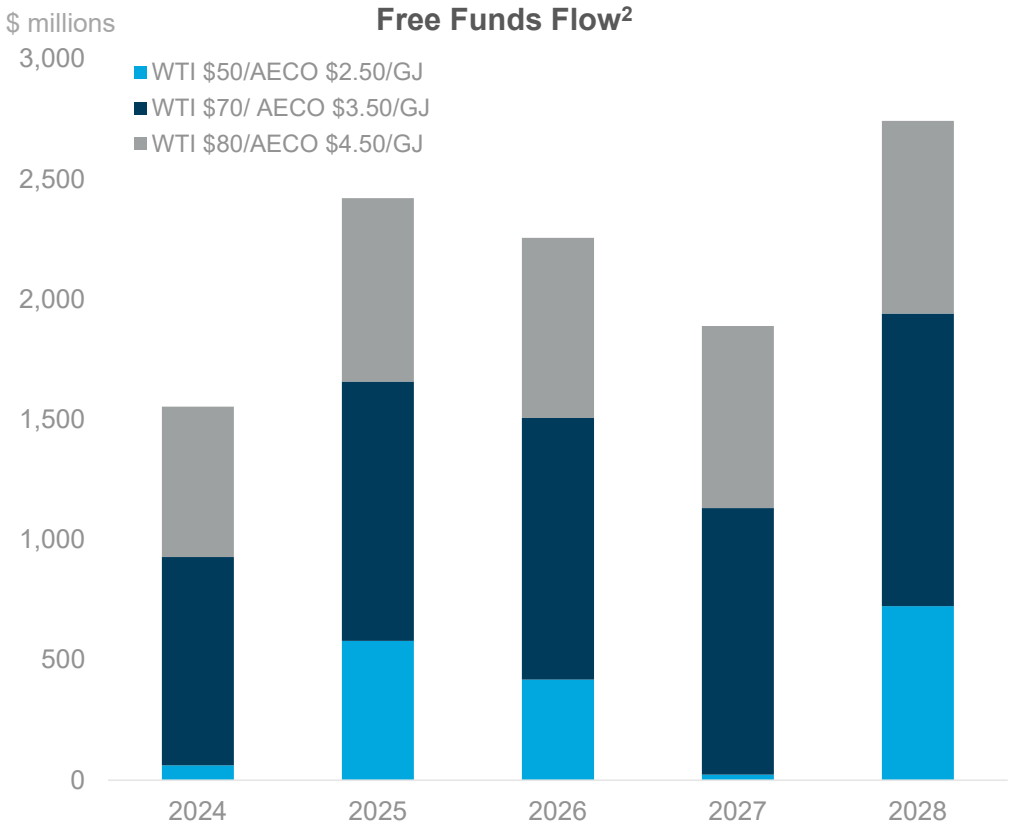
1) Non-GAAP Financial Ratio— *see "Non-GAAP and Other Financial Measures"* in the *Advisory Statements* of this presentation.
2) Based on forward pricing US$70 WTI; $3.50/GJ AECO

Five-Year Outlook

Disciplined investment drives free funds flow per share growth





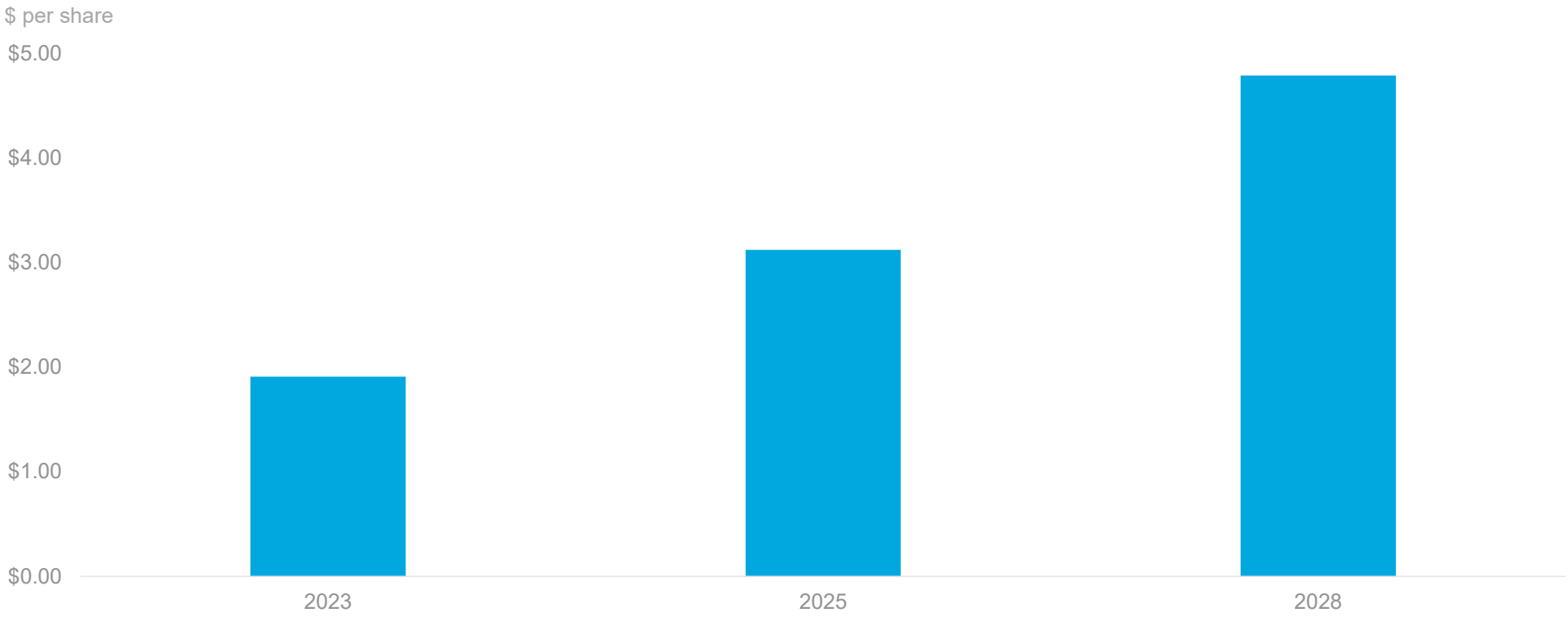


Pace of growth governed by corporate returns and a balance sheet first mentality

1) Refer to the section entitled "*About ARC Resources Ltd.*" contained within the *2022 Annual MD&A* for historical capital expenditures.
2) Non-GAAP Financial Measure — see "*Non-GAAP and Other Financial Measures*" in the *Advisory Statements* of this presentation.

Free Funds Flow Per Share[1 2] Growth

Sustainable per share growth



Montney investment and share repurchases drive 20% free funds flow per share CAGR[3]

1) Non-GAAP Financial Ratio— see *"Non-GAAP and Other Financial Measures"* in the *Advisory Statements* of this presentation
2) Based on US$70 WTI; $3.50/GJ AECO
3) Supplementary Financial Measure— see *"Non-GAAP and Other Financial Measures"* in the *Advisory Statements* of this presentation.

Free Funds Flow Allocation

Committed to returning essentially all free funds flow to shareholders

Capital Allocation Priorities

Balance Sheet Strength

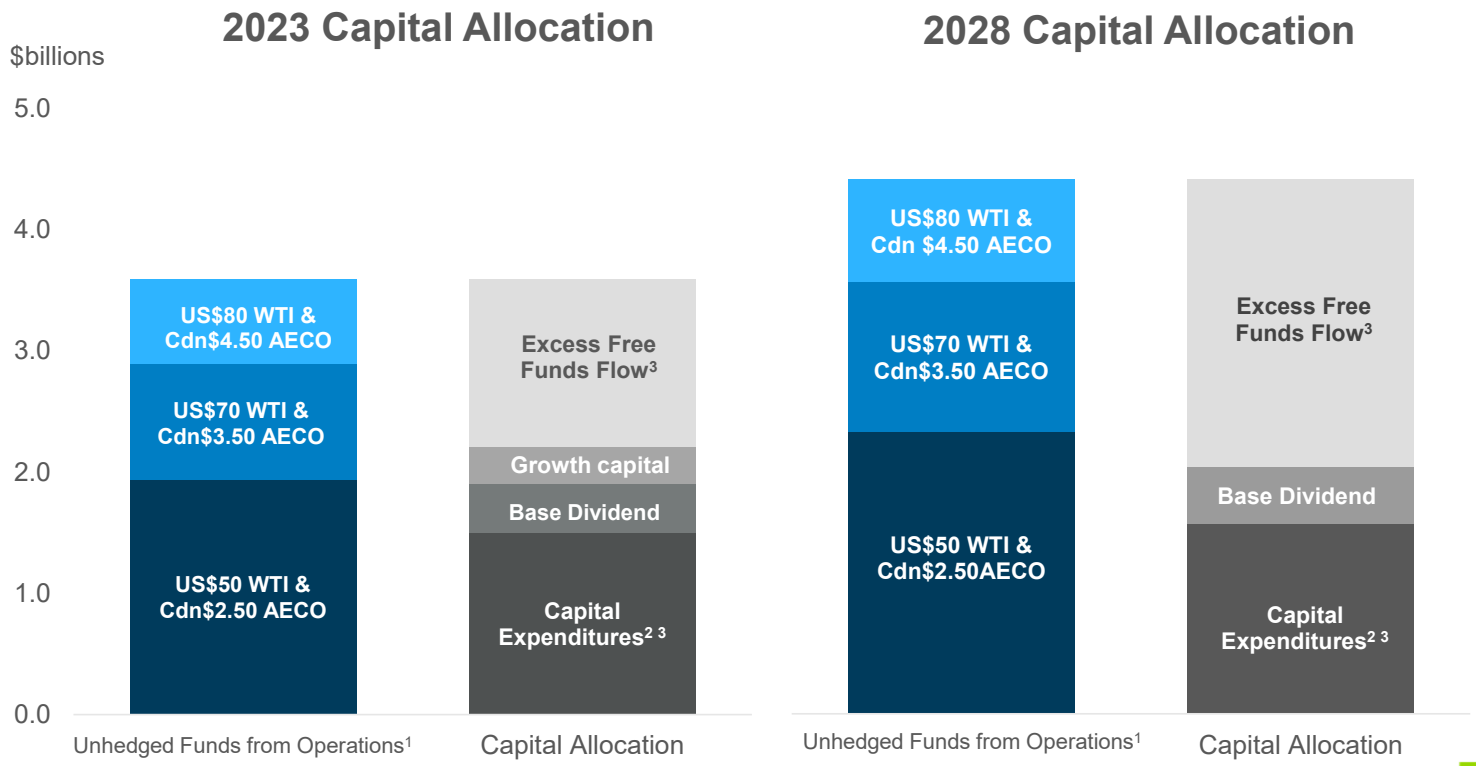
- Investment-grade rating and low debt

Base Dividend Growth

- Grow dividend with the business, not commodity prices

Share Repurchases

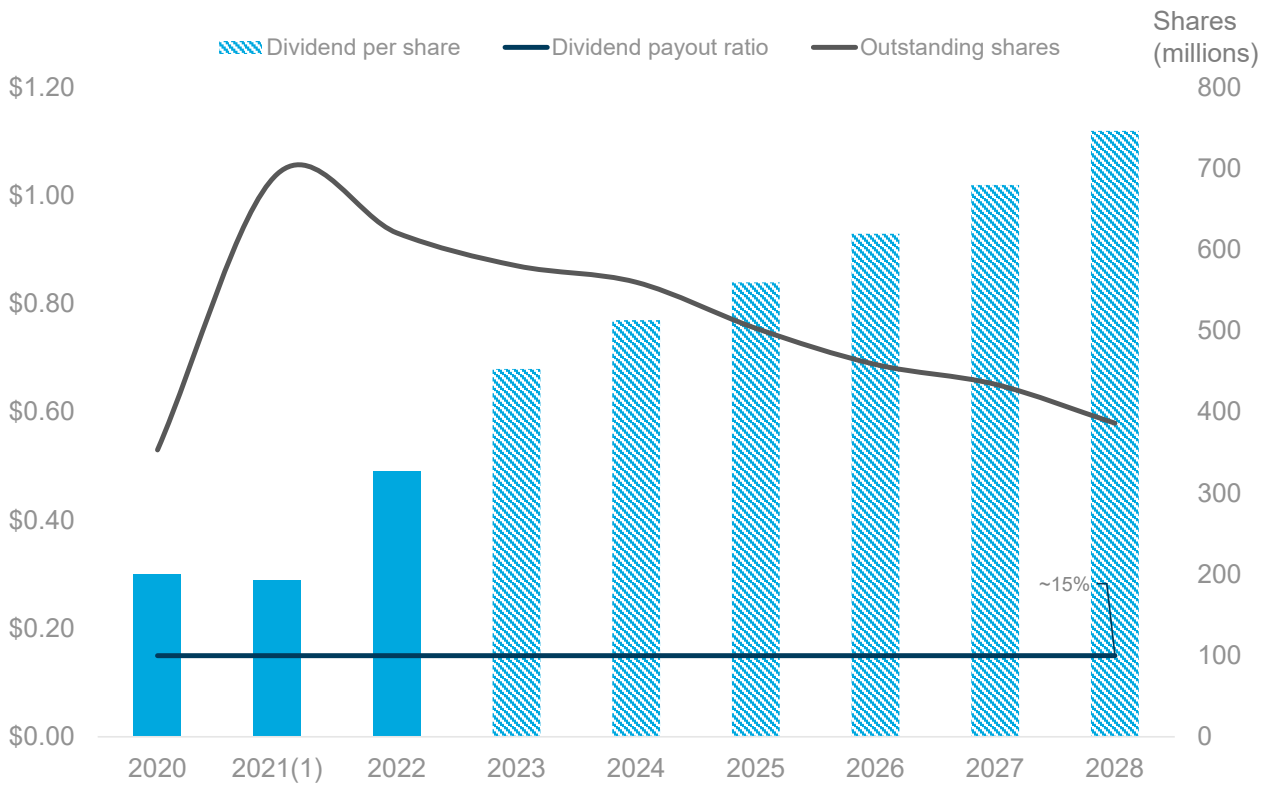
- Share count reduced >16% since September 2021
- Execute when intrinsic value exceeds share price



1) Capital Management Measure— see "*Non-GAAP and Other Financial Measures*" in the *Advisory Statements* of this presentation.
2) Average capital expenditures expected for 2023 and 2028.
3) Non-GAAP Financial Measure — see "*Non-GAAP and Other Financial Measures*" in the *Advisory Statements* of this presentation.

Return of Capital Strategy

Balancing sustainable dividend growth with share repurchases



>10%
Dividend Per Share Growth CAGR[3]

~15%
Dividend Payout Ratio[3]
(% of FFO)

Sustainable
at Bottom-of-Cycle Commodity Prices

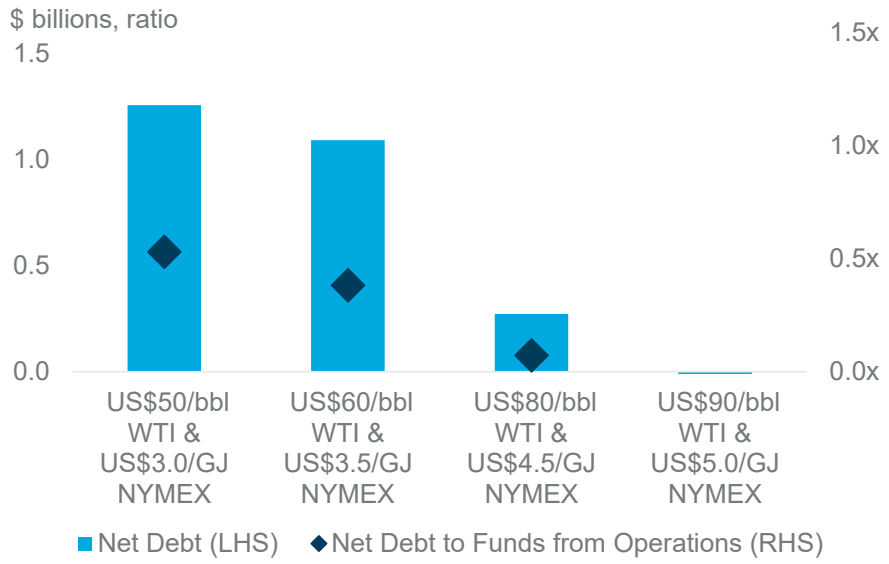
Reduce Share Count
To pre-Business Combination level

1) On April 6, 2021, ARC issued 369.4 million common shares to acquire Seven Generations . Following the business combination, ARC's outstanding common shares balance was 723.0 million
2) Based on US$70 WTI; $3.50/GJ AECO
3) Non-GAAP Financial Ratio— see *"Non-GAAP and Other Financial Measures"* in the *Advisory Statements* of this presentation

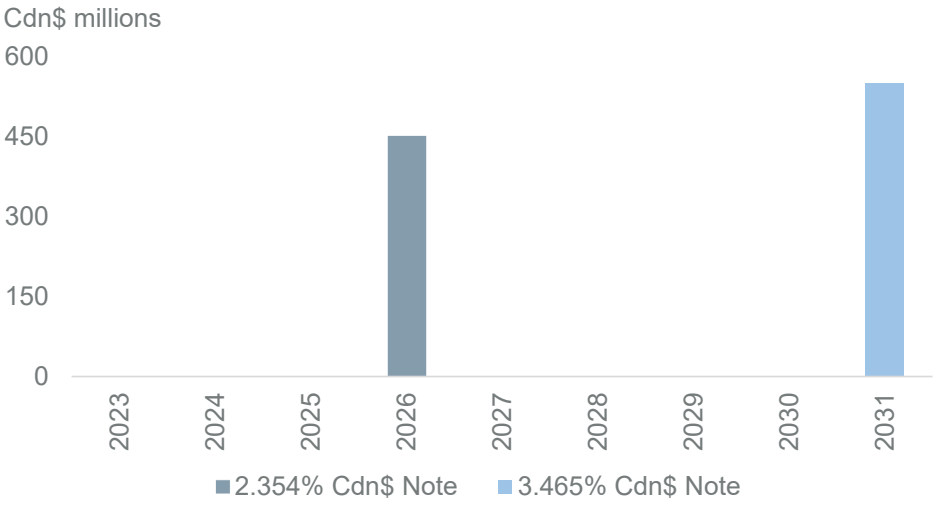
Financial Strength

Strong financial position has been a foundation of ARC for 26 years

2023 forecasted net debt sensitivities[1]



Long-term notes repayment schedule



Net debt to funds from operations

- Currently below the low end of the long-term target range of 1.0x to 1.5x at mid-cycle pricing
- Ensures ample flexibility and opportunity at low points in the cycle

Simple capital structure with investment-grade credit rating

- $1.8 billion unsecured extendible revolving credit facility
- $1.7 billion of available liquidity

1) Refer to the Advisory Statements to this presentation.

Debt Strategy

ARC is a balance sheet first organization

Simple Investment Grade Capital Structure

$1.0 billion low-cost, long-term notes provide stability

- DBRS BBB (stable)
- Weighted average interest rate 2.9%
- Remaining duration 5.8 years

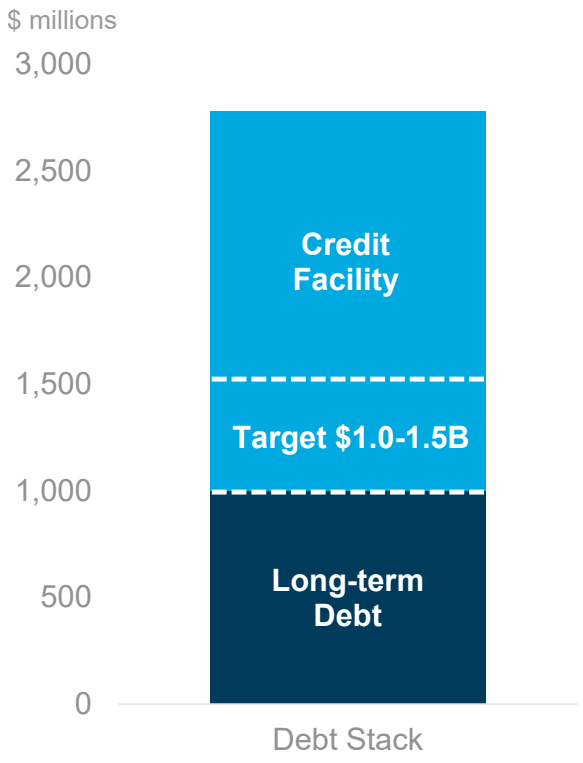
Ample Credit Capacity for Flexibility

$1.8 billion of available liquidity to manage working capital and be opportunistic

- Syndicated credit facility with 11 banks
- 4-year tenor due October 2026

Target Net Debt[1 2] of $1.0 - 1.5 Billion

Balance sheet is resilient through low commodity price cycles and over the next phase of disciplined organic growth



1) Net debt excluding leases and not considering periods of time when debt levels may fluctuate due to mergers and/or acquisitions.
2) Capital Management Measure— see "Non-GAAP and Other Financial Measures" in the *Advisory Statements* of this presentation.

2023 Guidance – Capital Expenditures & Production

Attachie

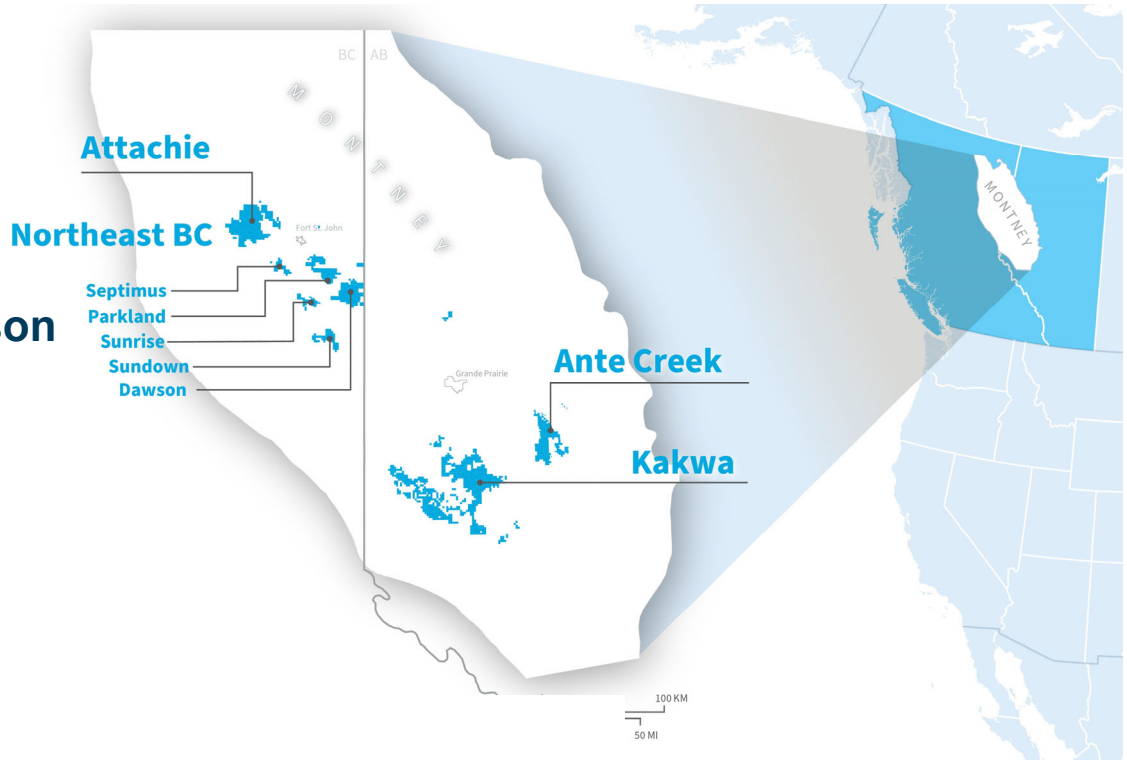
~$300 MM
~2,500 boe/day

Greater Dawson

$400MM
56 wells
~87,500 boe/day

Sunrise

$175MM
25 wells
~47,000 boe/day



Ante Creek

~$80MM
11 wells
~20,000 boe/day

Kakwa

$900MM
73 wells
~190,000 - 200,000 boe/day

Total capital expenditures of $1.8 to 1.9 billion; ~ 50% allocated to Alberta and 50% to BC.

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

2023 Guidance

	2023 Guidance	2023 Revised Guidance
Production		
Crude oil (bbl/day)	8,500 - 9,000	8,500 - 9,000
Condensate (bbl/day)	79,000 - 81,000	76,000 - 78,000
Crude oil and condensate (bbl/day)	87,500 - 90,000	84,500 - 87,000
Natural gas (MMcf/day)	1,260 - 1,270	1,295 - 1,305
NGLs (bbl/day)	47,000 - 49,000	49,000 - 51,000
Total production (boe/day)	345,000 - 350,000	350,000 - 355,000
Expenses ($/boe)[1]		
Operating	4.60 - 5.00	4.45 – 4.85
Transportation	5.50 - 6.00	5.50 - 6.00
G&A expense before share-based compensation expense	0.85 - 0.95	0.85 - 0.95
G&A - share-based compensation expense	0.25 - 0.35	0.25 - 0.35
Interest and financing[2]	0.65 - 0.75	0.65 - 0.75
Current income tax expense as a per cent of funds from operations[1]	10 - 15	10 - 15
Capital expenditures ($ billions)[3]	1.8	1.8 – 1.9

Revised guidance incorporating Attachie reflects stronger production and unchanged capital expenditures

1) See "Non-GAAP and Other Financial Measures" in the Q1 2023 MD&A for an explanation of the composition of these supplementary financial measures, which information is incorporated by reference into this presentation.
2) Excludes accretion of ARC's asset retirement obligation.
3) See "About ARC Resources Ltd." in the Q1 2023 MD&A for historical capital expenditures.

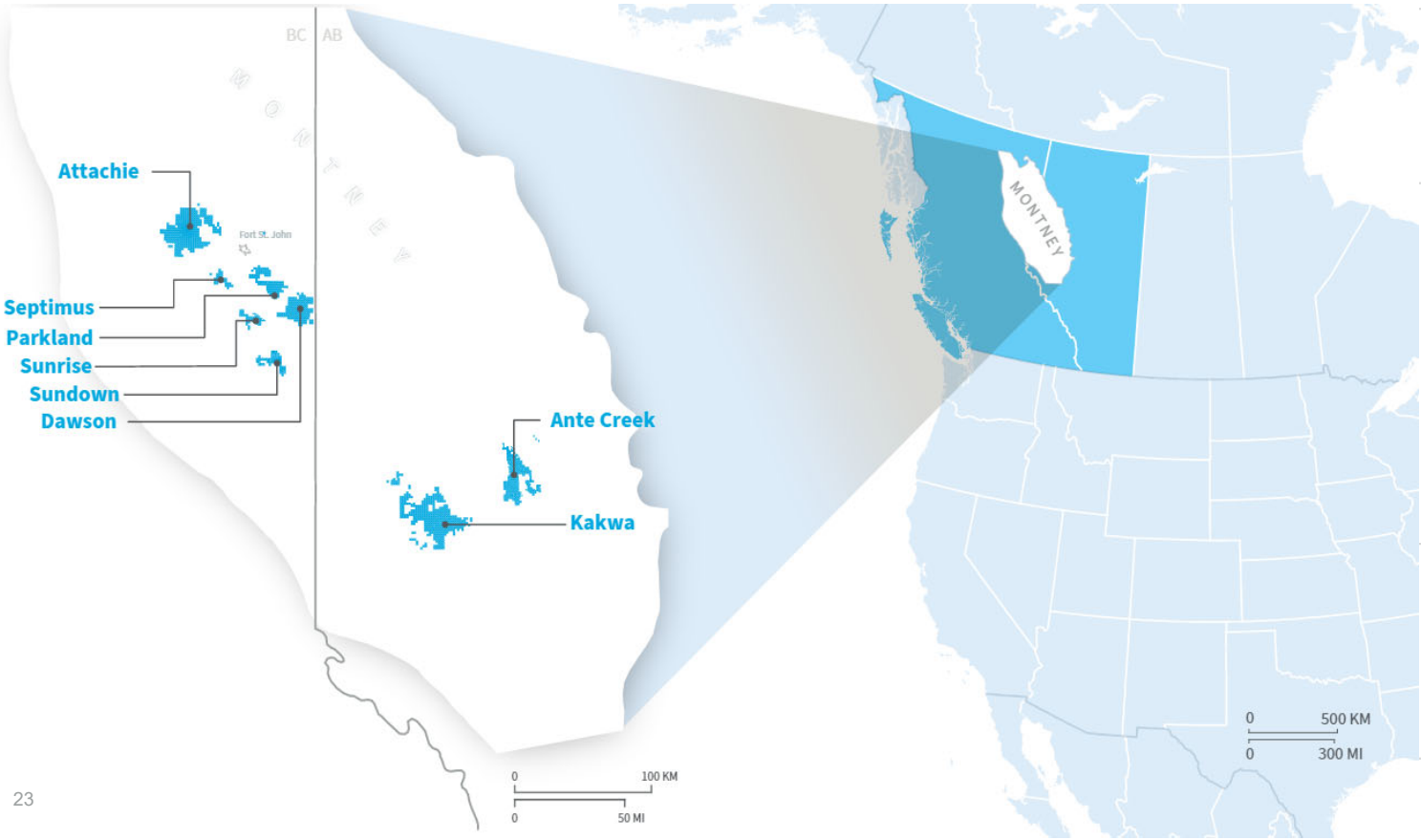
ARC

Parkland, BC

Asset Portfolio Overview

Montney Overview

ARC's competitive advantage in a world-class asset



>1,600
Montney sections

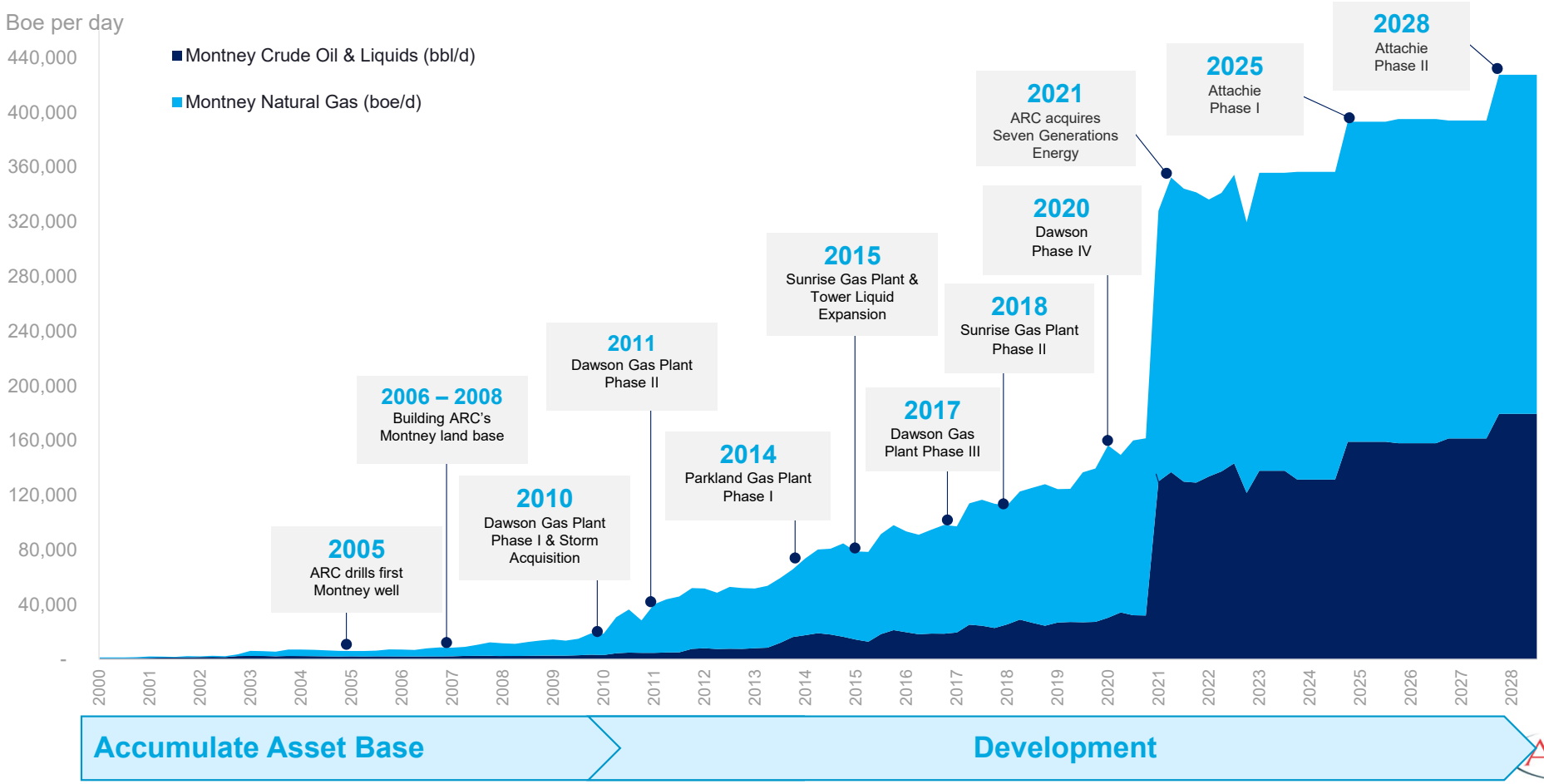
5,000+
Tier 1 drilling locations

87%
of these locations are unbooked

1.5 Bcf/d
Owned-and-operated infrastructure

Montney – Track Record of Execution

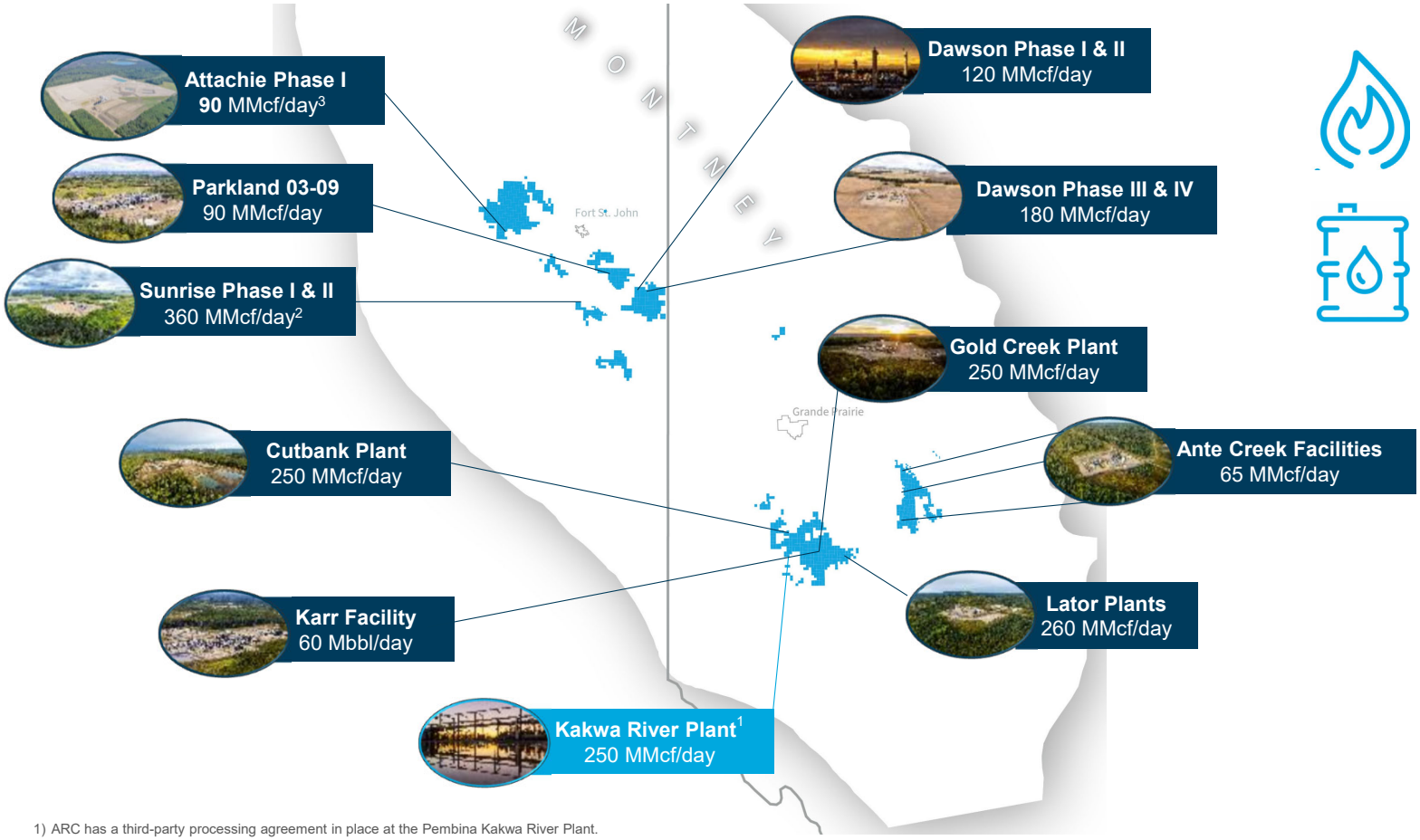
Early movers to consolidate asset base at a low cost and deliver sustained profitable growth



Accumulate Asset Base → **Development**

Large Network of Owned-and-operated Infrastructure

Owned infrastructure results in approximately $300 million of cost avoidance annually



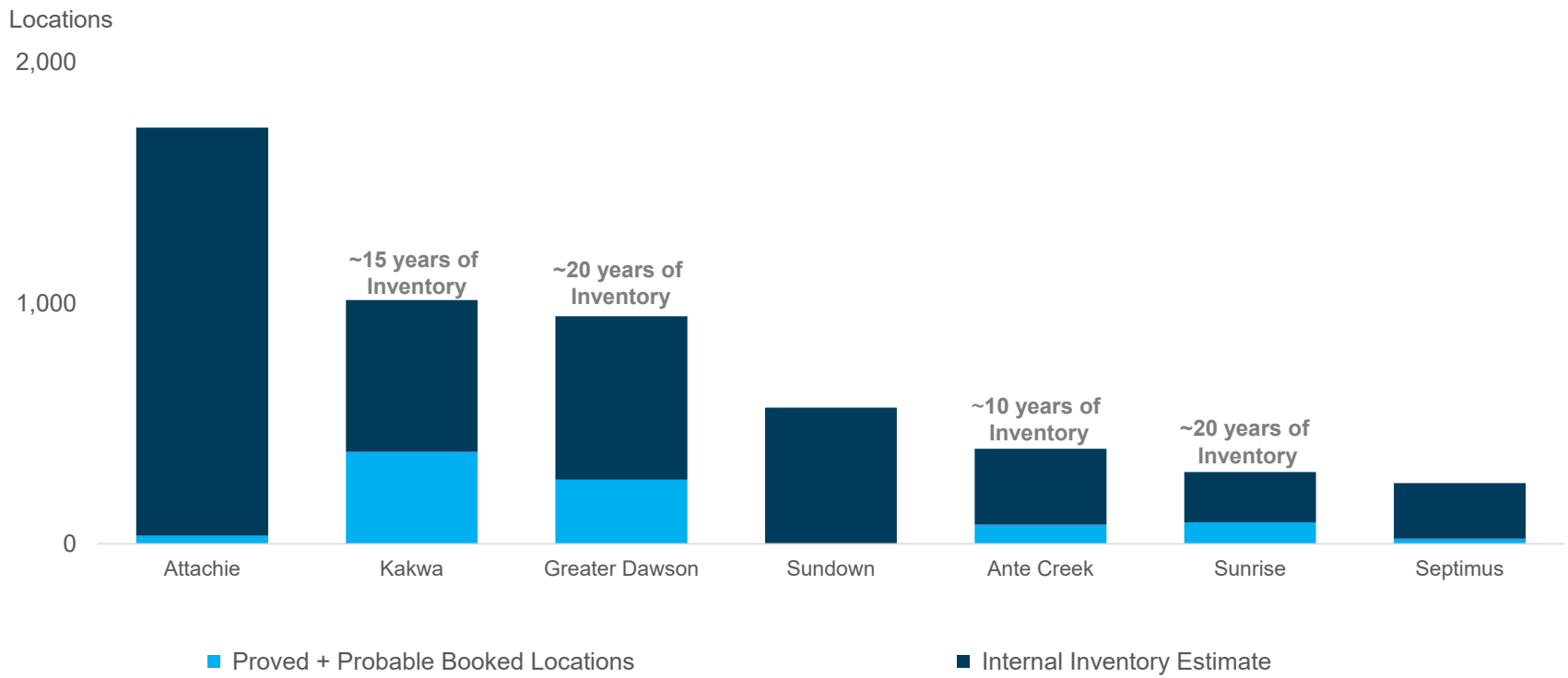
>1.5 Bcf/d
processing capacity

135 Mbbl/d
liquids handling capacity

1) ARC has a third-party processing agreement in place at the Pembina Kakwa River Plant.
2) Sunrise 13-36 expansion project completed in Q2 2023.
3) Attachie Phase I expected onstream late 2024.

Deep Inventory of Development Opportunities

ARC has substantial Montney drilling inventory at each of our producing and growth assets



ARC has >5,000 drilling locations in the Montney; 87% of which are unbooked

1) Comprises proved + probable booked undeveloped locations and internal inventory estimates as at December 31, 2022, which are subject to change based on technology and economic environment

Kakwa Overview

Liquids-rich asset offering a long runway of development with <50% developed

SCALE

180,000 boe/d
Able to sustain at 180,000 boe/d for the next 15 years

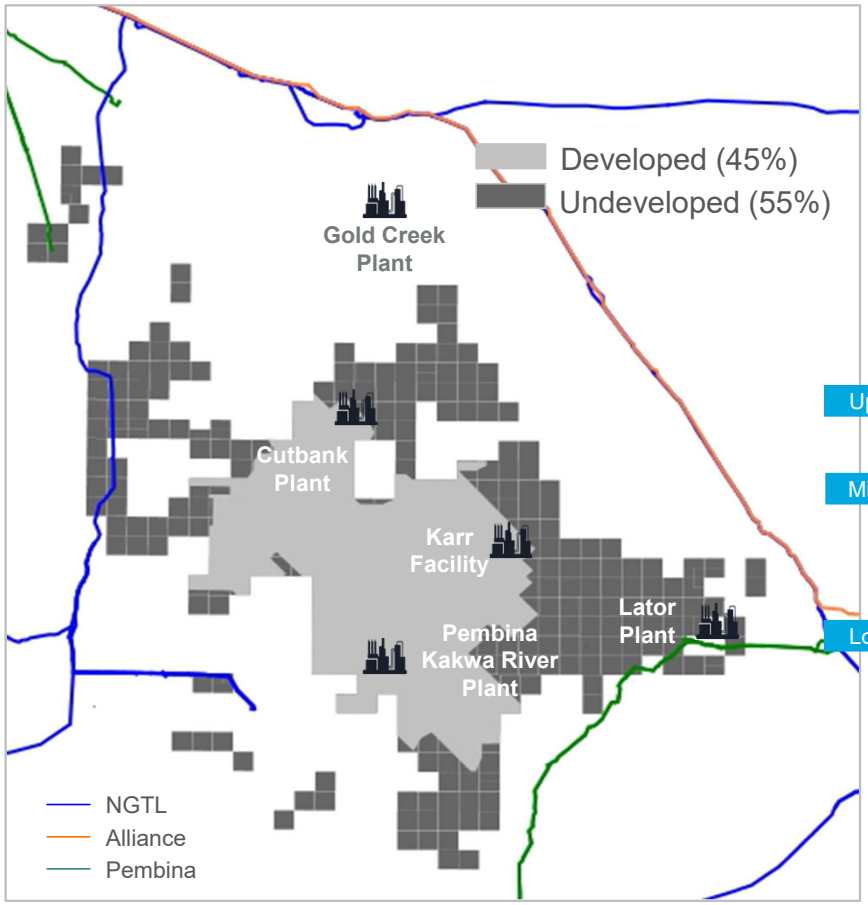
Significant inventory extension recently identified

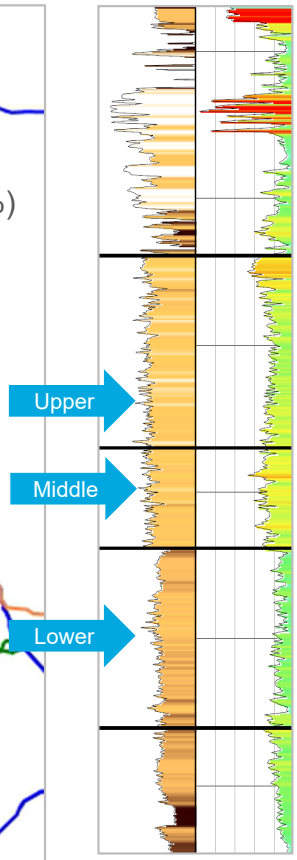
Kakwa development to date covers ~45% of ARC's land base

PREDICTABILITY

~750 producing wells
at Kakwa delivers predictability of results

Strong well performance
due to well designs and subsurface understanding of the reservoir





Kakwa Type Well

Kakwa Outperformance

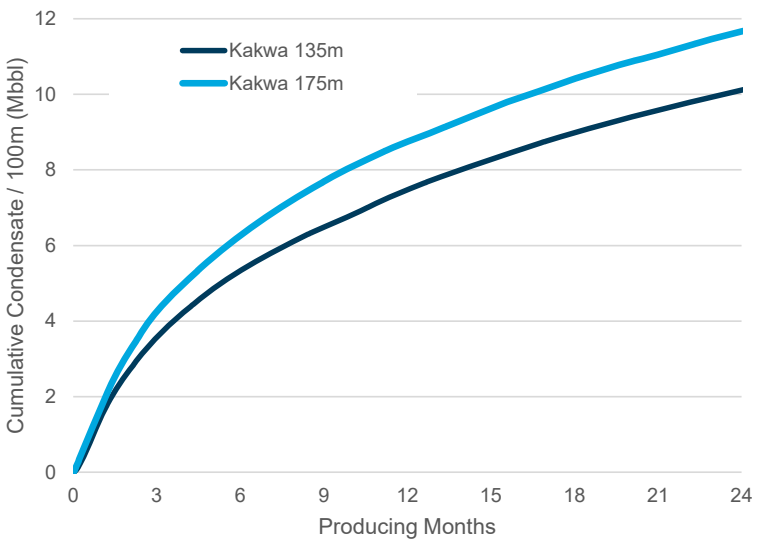
Improved efficiencies via systematic design progressions

Widened Inter-Well Spacing

135 meters to 175 meters

▲ **18%** increase in per well productivity

▼ **lowered** sustaining capital



Single Layer Development

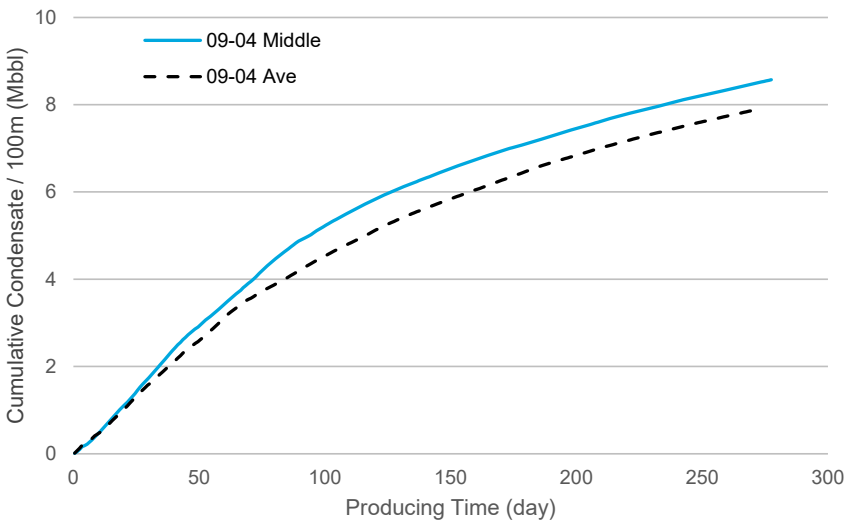
Trialed where layers differ in reservoir quality, and drilling and completion costs

▲ **7%** increase in per well productivity

▼ **Up to 10%** decrease in D&C costs

improved capital efficiency

no impact to reserve recovery



Dawson Overview

Flagship asset delivering superior free funds flow[2] with a long inventory runway

SCALE

>1 Tcf Natural Gas Produced

67% Undeveloped

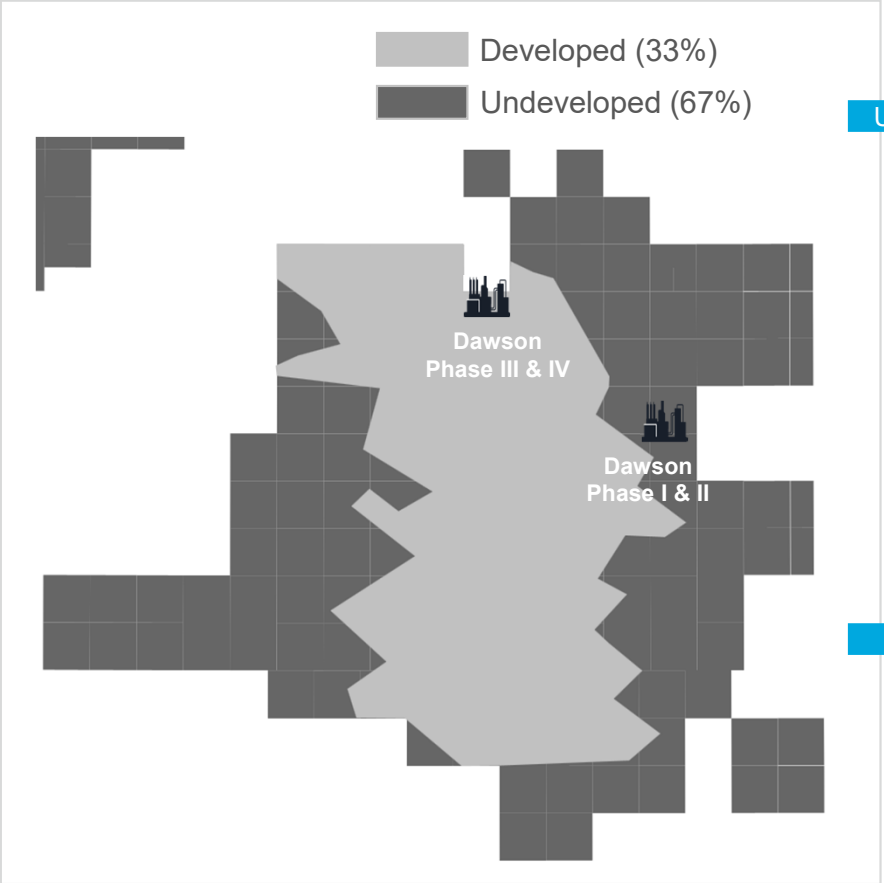
20 Years of Inventory
at current drilling pace

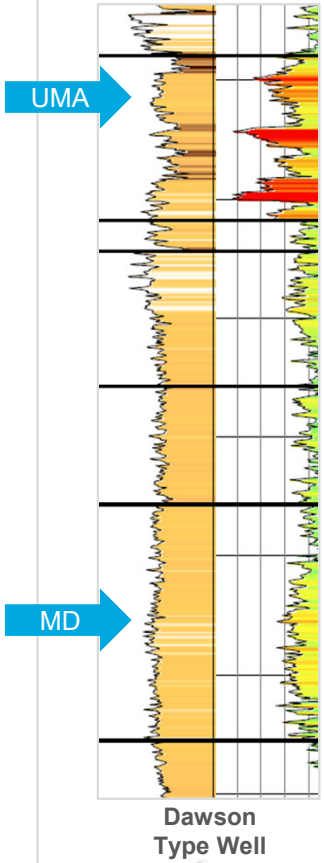
ECONOMICS

2023-28 Asset Level Outlook

$1.8 billion of asset level free funds flow[2]

38% reinvestment rate[1 2]





1) Based on US$70 WTI; $3.50/GJ AECO
2) Non-GAAP Financial Measure — see "*Non-GAAP and Other Financial Measures*" in the *Advisory Statements* of this presentation

Sunrise Overview

Scale, low-cost, near-zero emissions – the key ingredients to supply West Coast LNG

EFFICIENT

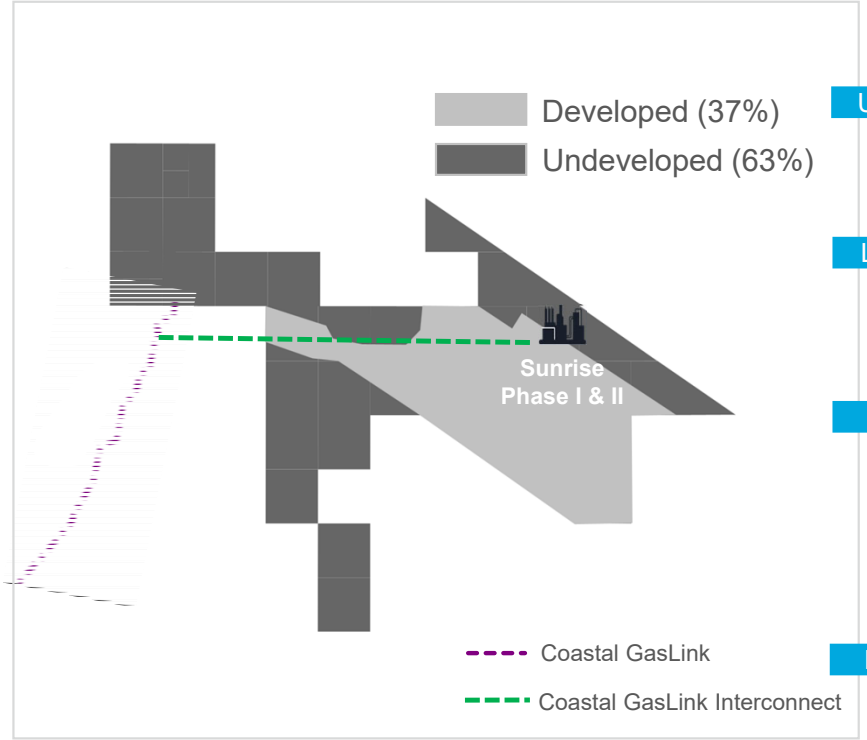
Highly efficient
dry natural gas play due to stacked development layers

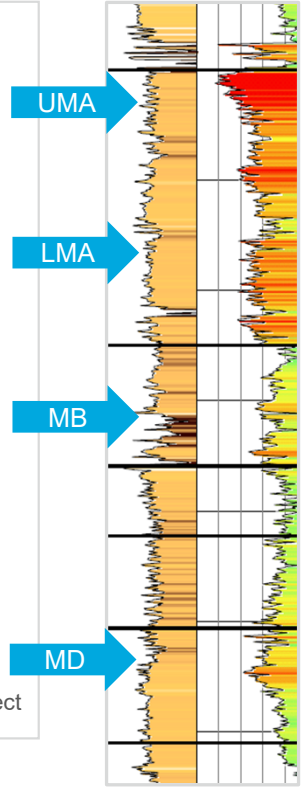
Interconnected
to Coastal GasLink to move gas volumes to West Coast LNG

LOW-EMISSIONS

Electrified
facilities provide low-emissions production

Near-Zero Emissions Facility
Less than 1 kg/boe of scope 1 and 2 emissions



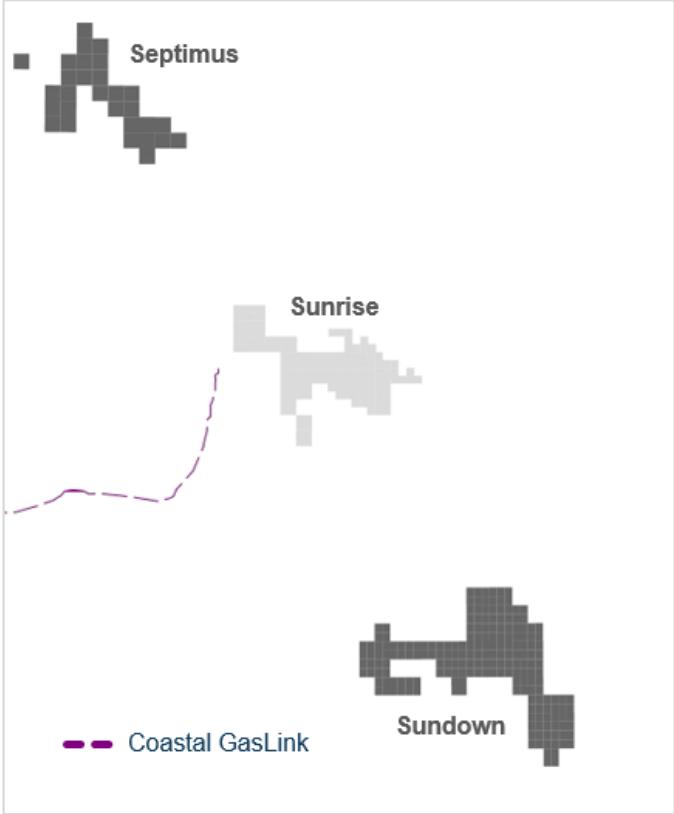


Sunrise
Type Well

Septimus and Sundown Overview

Capable of delivering approximately 1 Bcf per day of combined production for ~15 years

Quick Facts	
Sundown land position[1]	36,600 acres
Septimus land position[1]	19,100 acres
Inventory (internal estimate, combined)	15 years at 1 Bcf/d
Development Objective	2025+



1) Represents Montney acreage as of December 31, 2022.

Attachie, BC

Attachie Phase I

Attachie Overview

ARC's largest and most economic undeveloped asset

SCALE

Scale to Replicate Kakwa

>300 net sections in condensate-rich Montney

EFFICIENT

Consolidated Land Base Drives Efficiencies

Multi-layered development

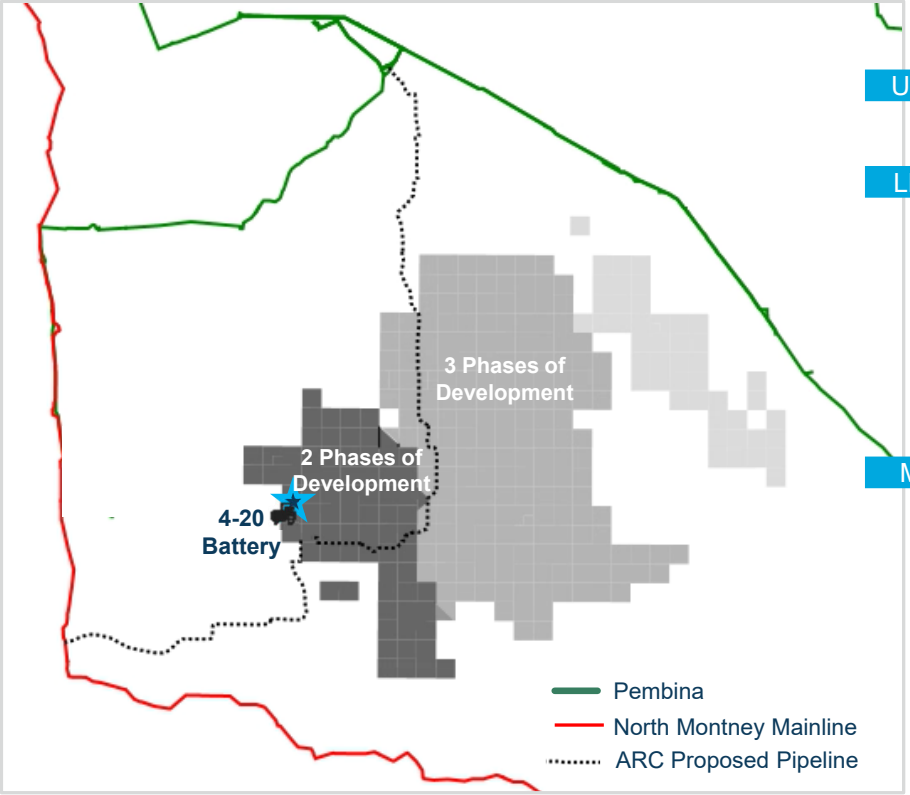
Leverage Montney data and experience to maximize efficiencies

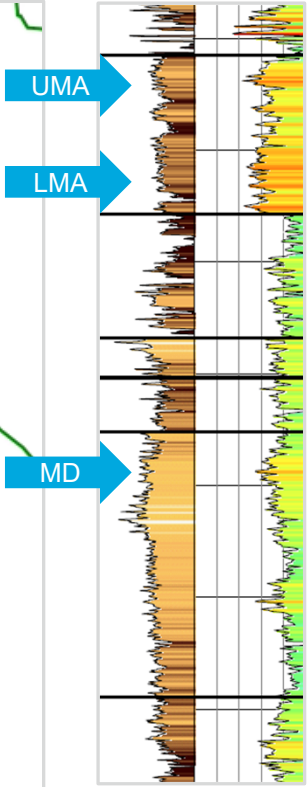
READINESS

Planning and Track Record

Full development plan in place including takeaway secured for multiple phases

First Nations support

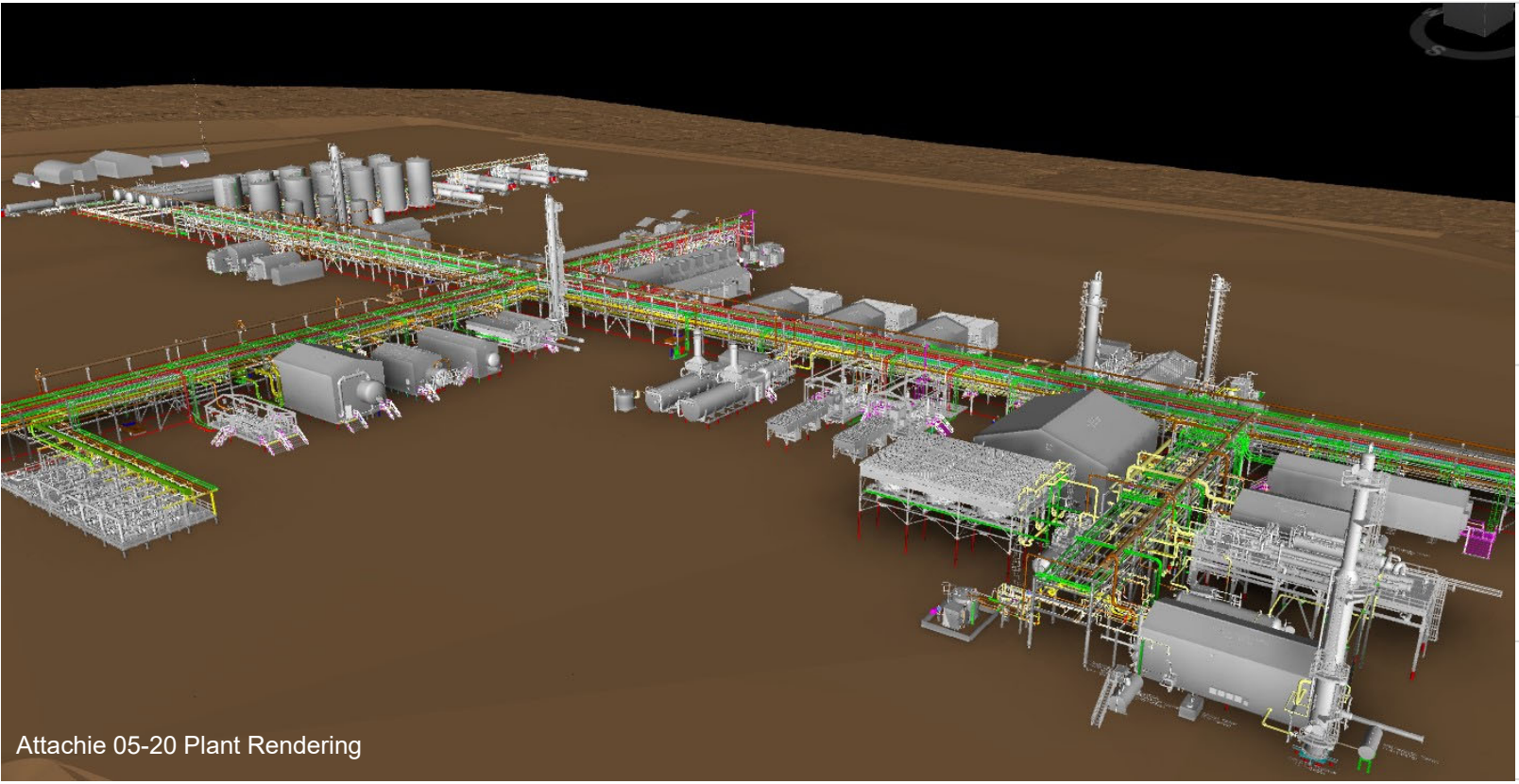




Attachie Type Well

Attachie Phase I Overview

Aiming to deliver the most efficient Montney development to-date


Attachie 05-20 Plant Rendering

$740 MM
to construct and fill facilities

40 Mboe/d
Processing capacity

2025
Targeting full production capacity

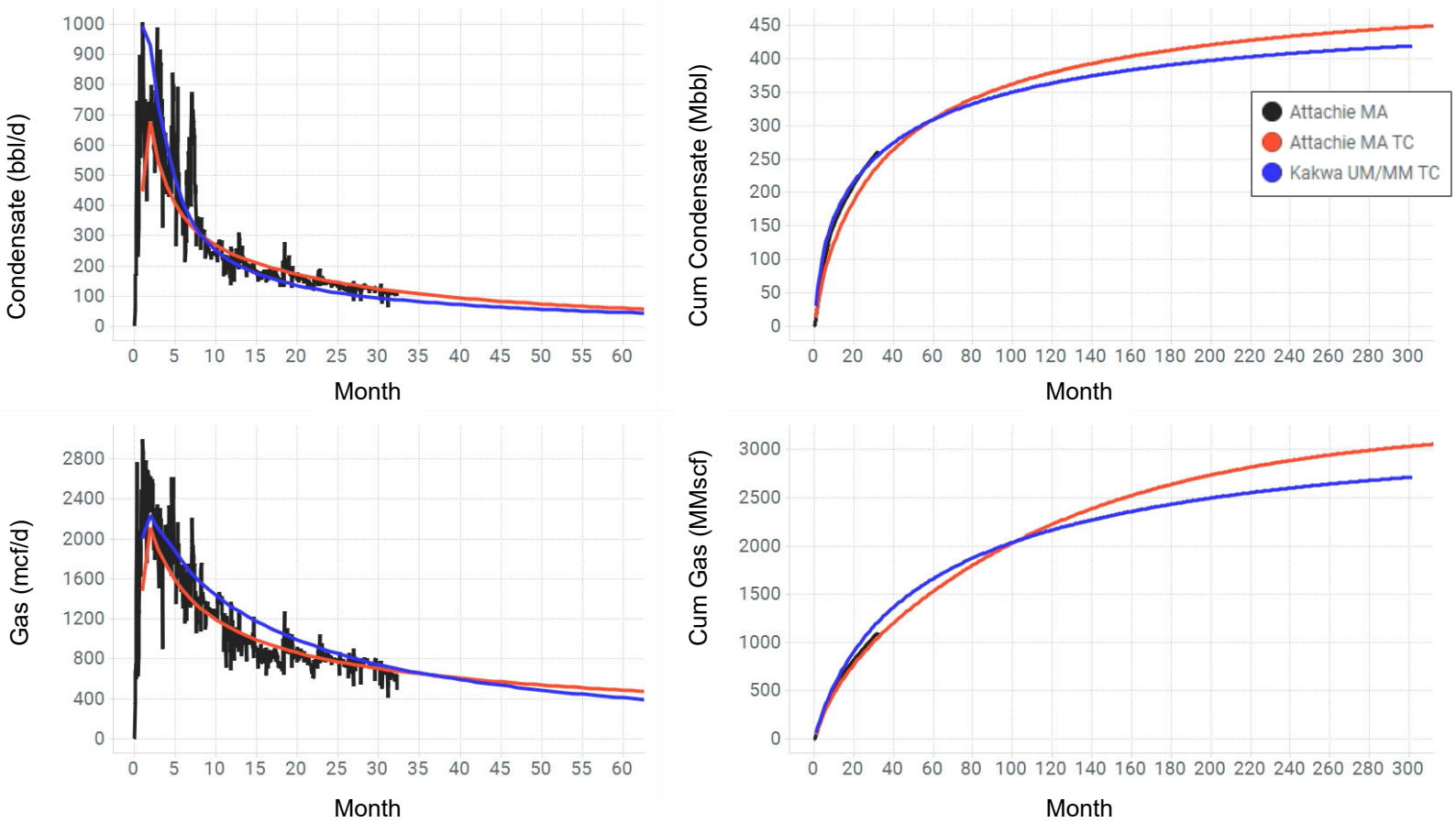
Low-Emissions
Liquids-rich greenfield project
(among the lowest to be developed to-date)

First Nations
support from neighbouring communities

Marketing Agreements
in place for multiple phases (natural gas & liquids)

Attachie Phase I

Performance replicates Kakwa



PERFORMANCE

Well performance at Attachie Phase I replicates Kakwa core for both gas and liquids

EFFICIENT

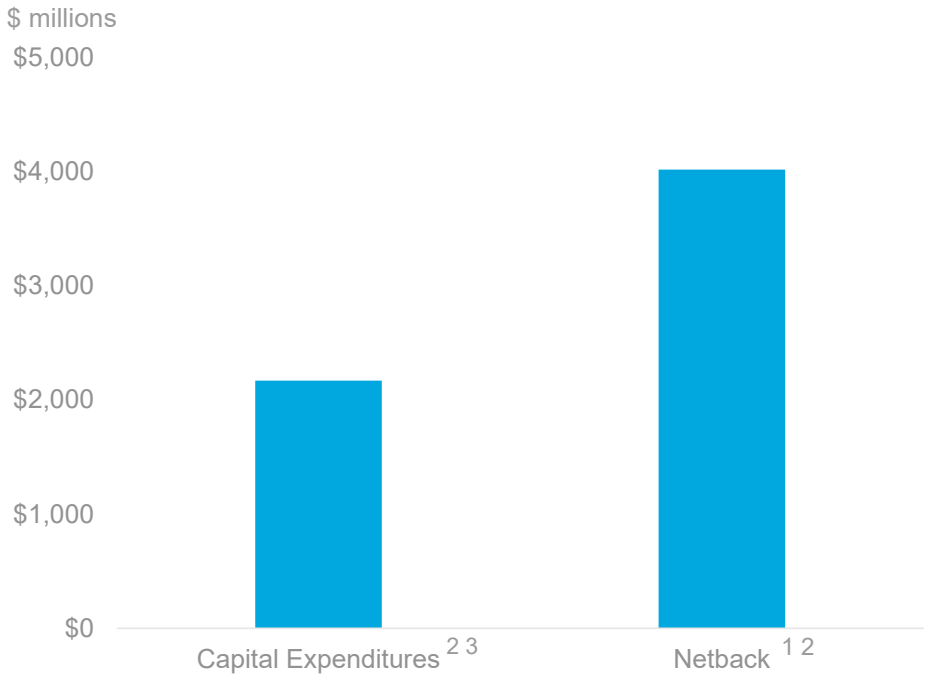
Pad, well and completion designs are specific to each asset to capture the resource efficiently

Note: Curves are normalized to 2,700m

Attachie Phase I Economics

Full production anticipated in 2025; project payout in 2027

Economic Outlook
(2023 to 2032)



Economics

- $740 million of capital to build and fill the facility
- ~$500 million of netback[3] in 2025+
- Project payout in 2027
- Above cost of capital return at US $50/B WTI and C$2.50/mcf AECO

Inventory

- Greater than 10 years for Phase I

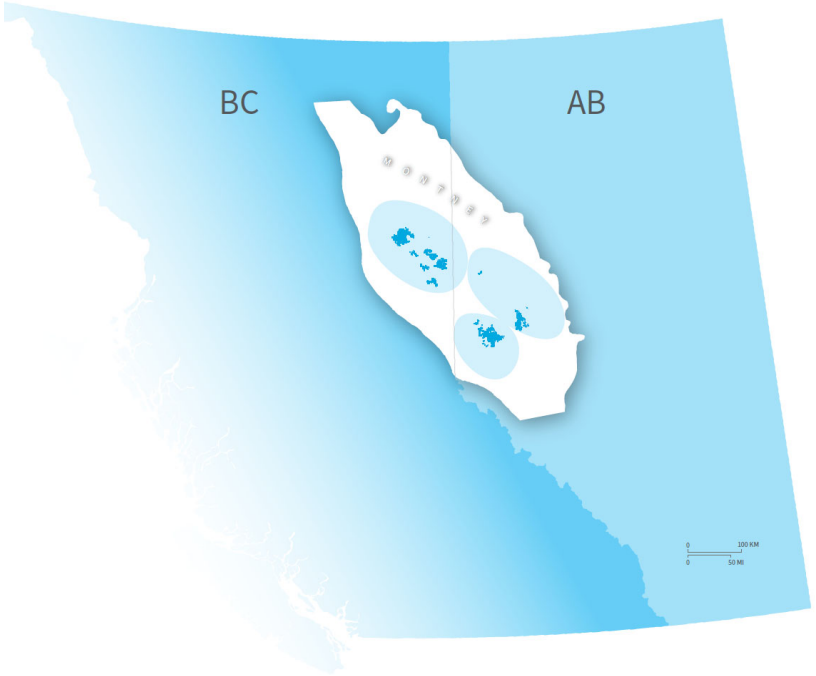
Phase I Detail

- Processing Capacity of 40 Mboe per day
  - 60% condensate and NGLs
  - 90 MMcf/d natural gas processing facility

1) Economics run at US$70/bbl WTI and $3.50 AECO/GJ
2) Refer to the section entitled "*About ARC Resources Ltd.*" contained within the *2022 Annual MD&A* for historical capital expenditures
3) Non-GAAP Financial Measure — see "*Non-GAAP and Other Financial Measures*" in the *Advisory Statements* of this presentation

Asset Strategy Summary

Inventory rich across all assets, continued focus on optimizing capital efficiency



NEBC Assets

45% of corporate production

Greater Dawson: Continued focus on minimizing sustaining capital to maximize free funds flow generation

Greater Sunrise (including Septimus/Sundown): LNG connectivity planned with growth capability at Septimus and Sundown

Attachie: Long-term condensate and liquids-rich natural gas growth
Scale to take asset from near zero production to 150,000 to 200,000 boe/d

Alberta Assets

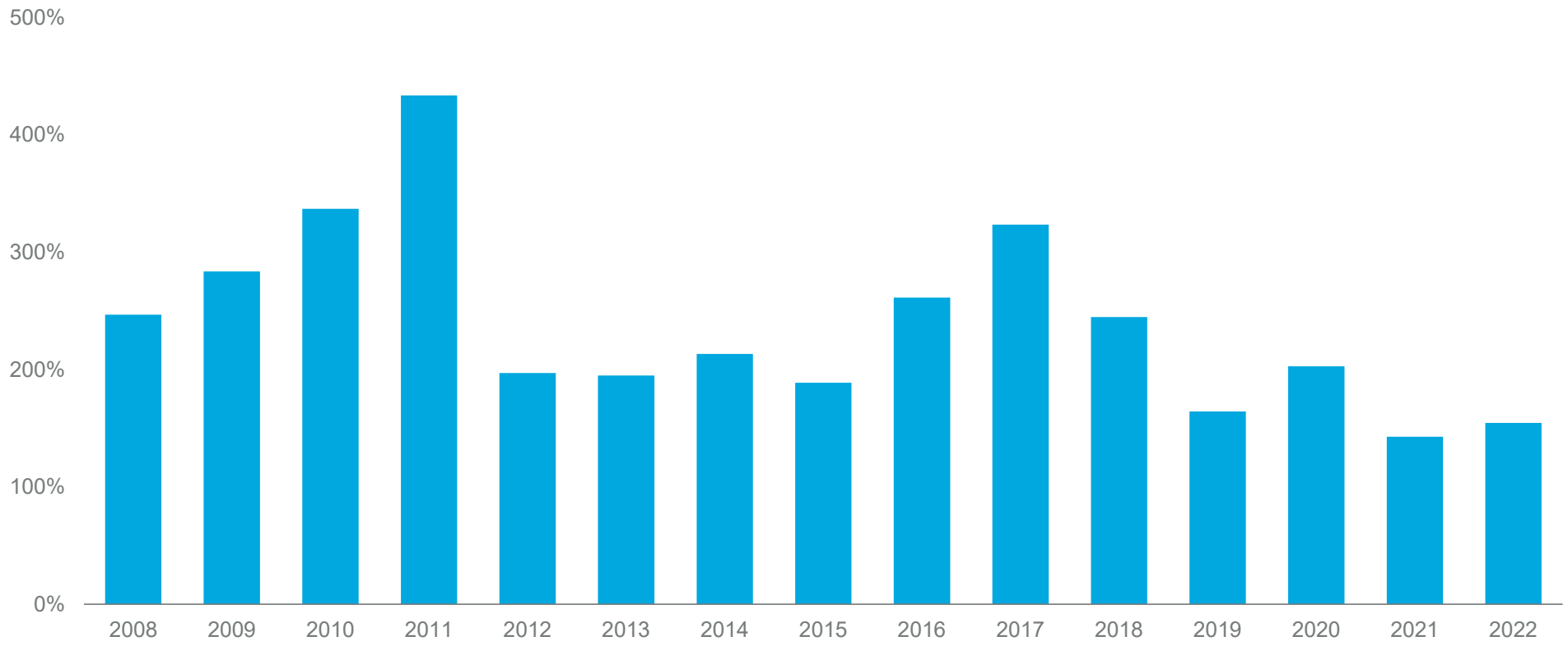
55% of corporate production

Kakwa: Approximately 15 years of inventory at current pace of development
Sustain production and maximize free cash flow through margin expansion projects

Ante Creek: Oil exposure provides strong free funds flow

Reserves Replacement

ARC has replaced >140% of production for 15 consecutive years



Sunrise, BC

LNG & Marketing Strategy

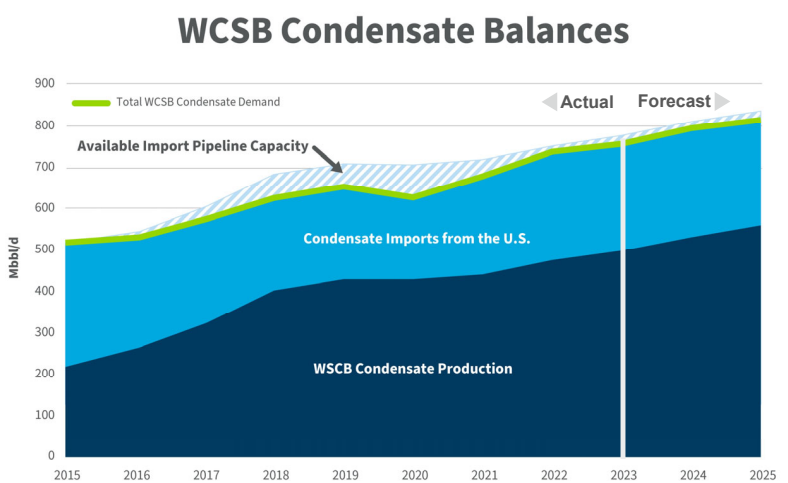
Our Marketing Strategy

Accessing global demand markets at the lowest cost

Market Access	Market Diversification	Price Optimization
Securing long-term transportation arrangements and managing risk through dual-connected facilities	Accessing diversified markets and moving molecules to key consuming regions	Increasing revenues through margin expansion opportunities

Condensate Supply and Demand Outlook

- 35% of WCSB condensate demand is met by supply imported from the U.S. market
- Import pipelines run at high utilization
- Demand from the oil sands is growing

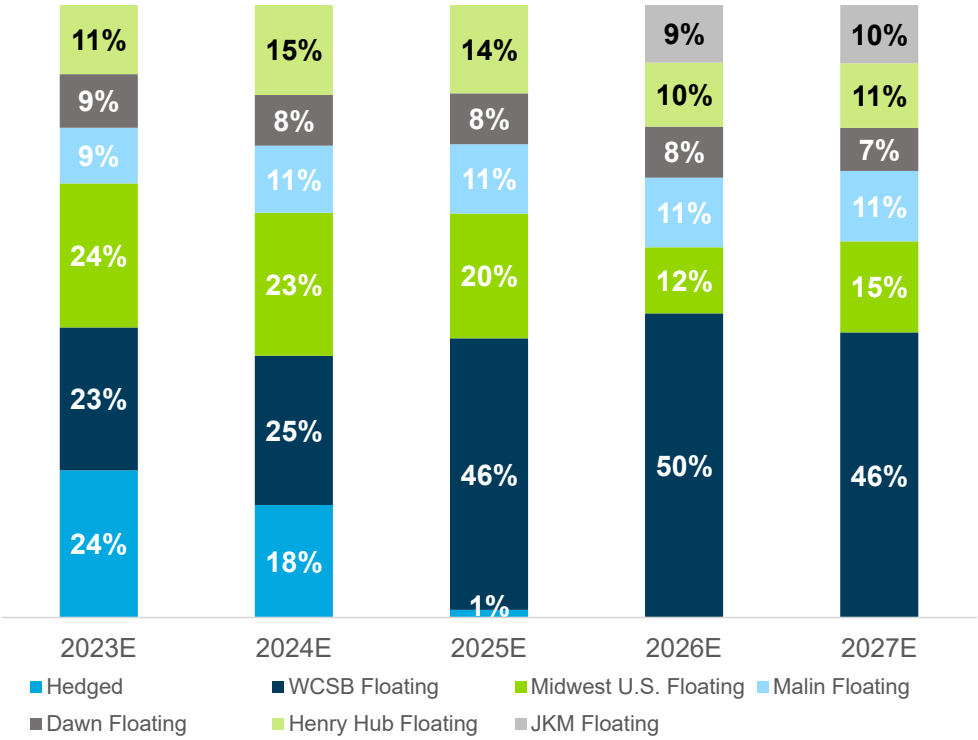


Note: Import capacity assumes 180 Mbbl/d for Southern Lights and 95 Mbbl/d for Cochin.
Source: ARC Risk Research, AER, BCOGC, Peters & Co., Petrinex, Company Reports

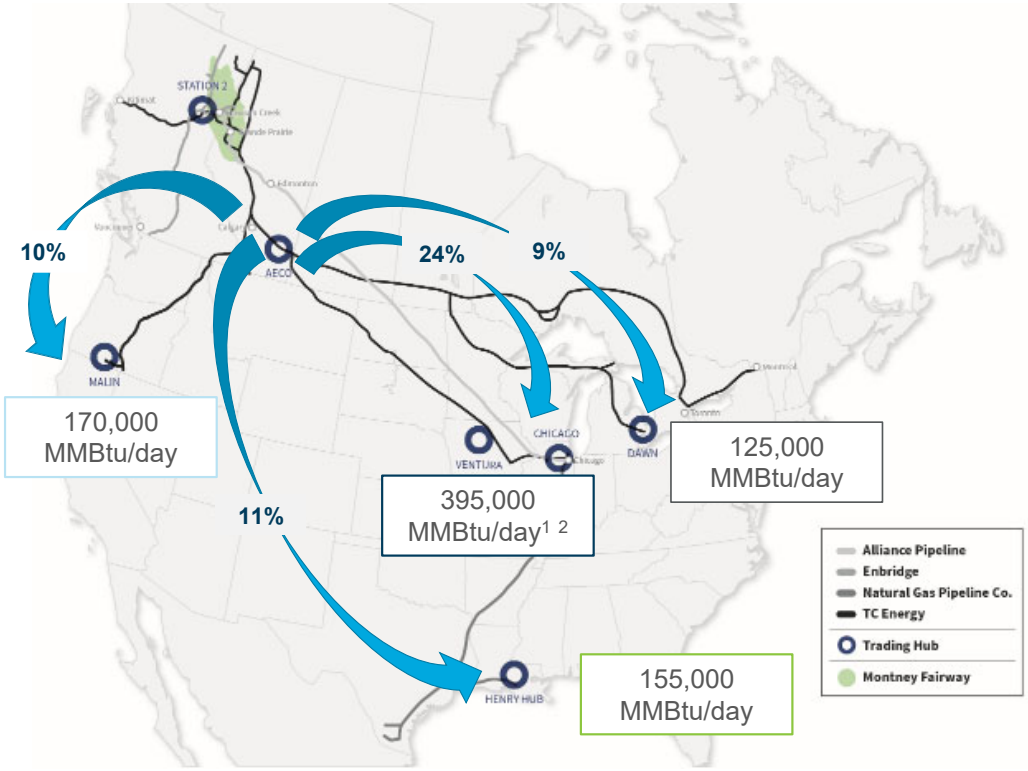
Natural Gas Marketing Strategy

Portfolio with well-diversified North American exposure is driving strong realizations

Natural Gas Financial Exposure[1 2]



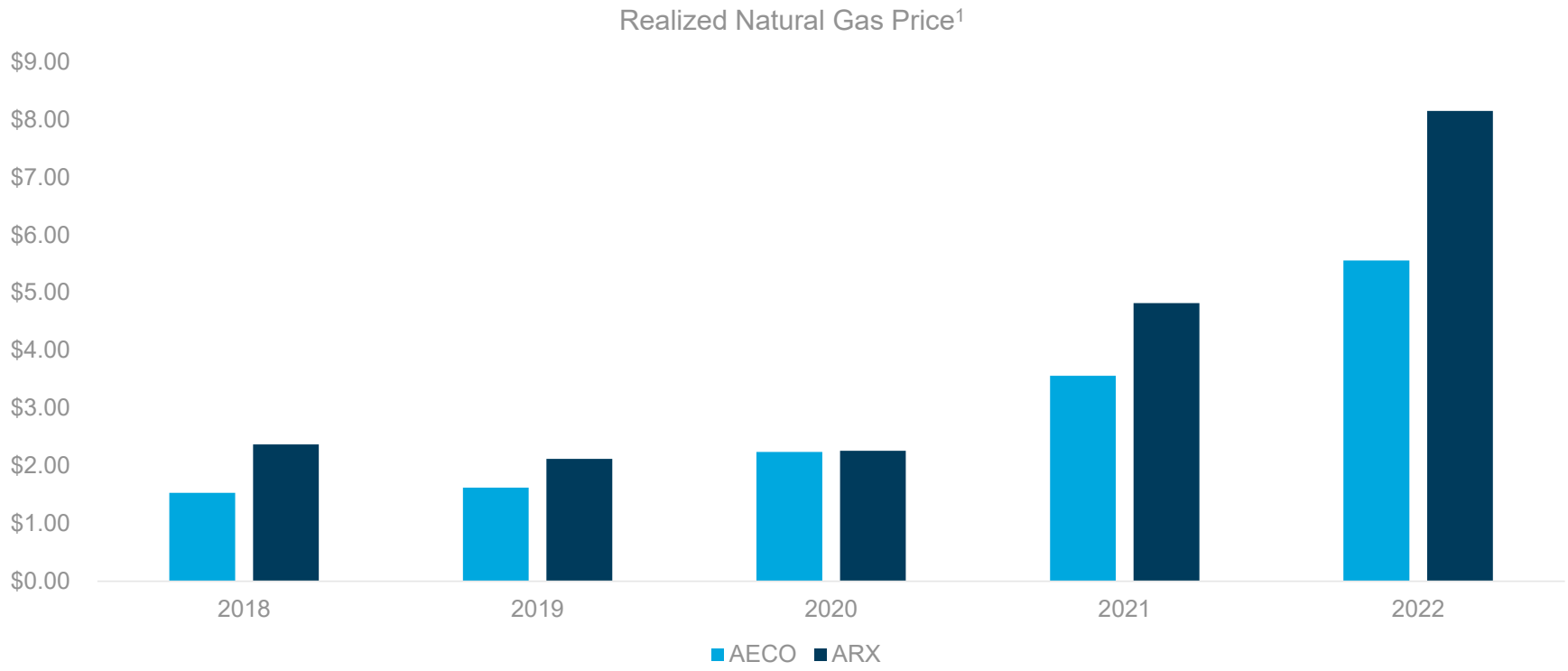
ARC's Current Natural Gas Portfolio



1) Natural gas financial exposure based on internal volume and marketing assumptions, adjusted for ARC's heat content. Volumes denoted on map indicate 2023 natural gas sales exposure.
2) ARC's Midwest US exposure is a combination of Alliance Pipeline and various third-party and proprietary contracting arrangements on Northern Border Pipeline.

Natural Gas Price Realization – Benchmarking

Physical diversification to end markets is a competitive advantage

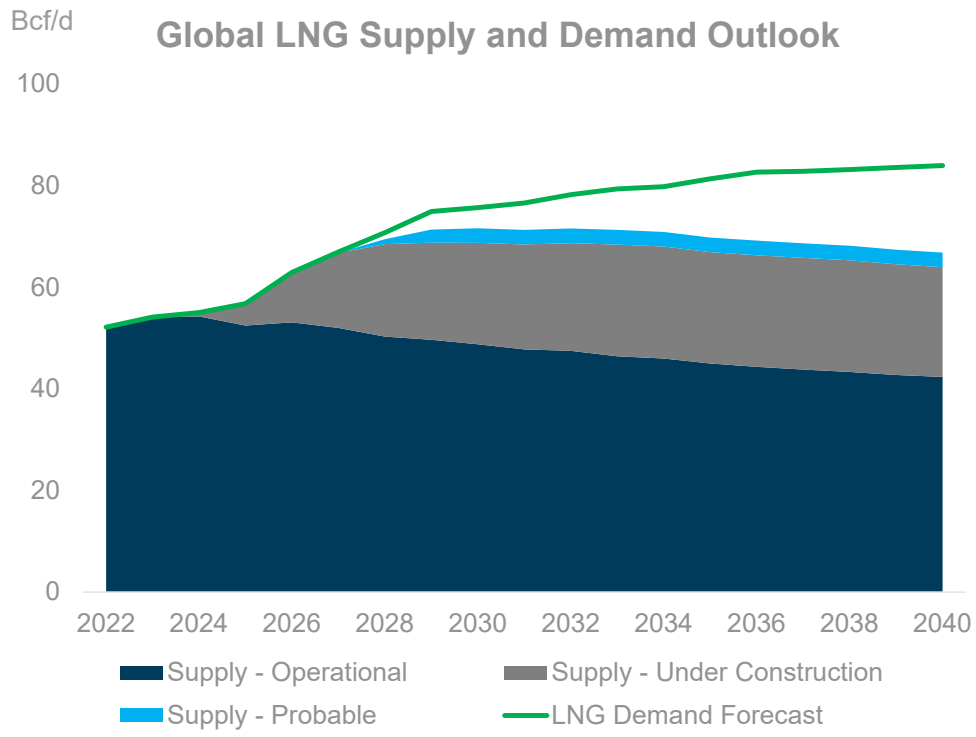


ARC has realized an average premium to AECO of 20% over the past decade

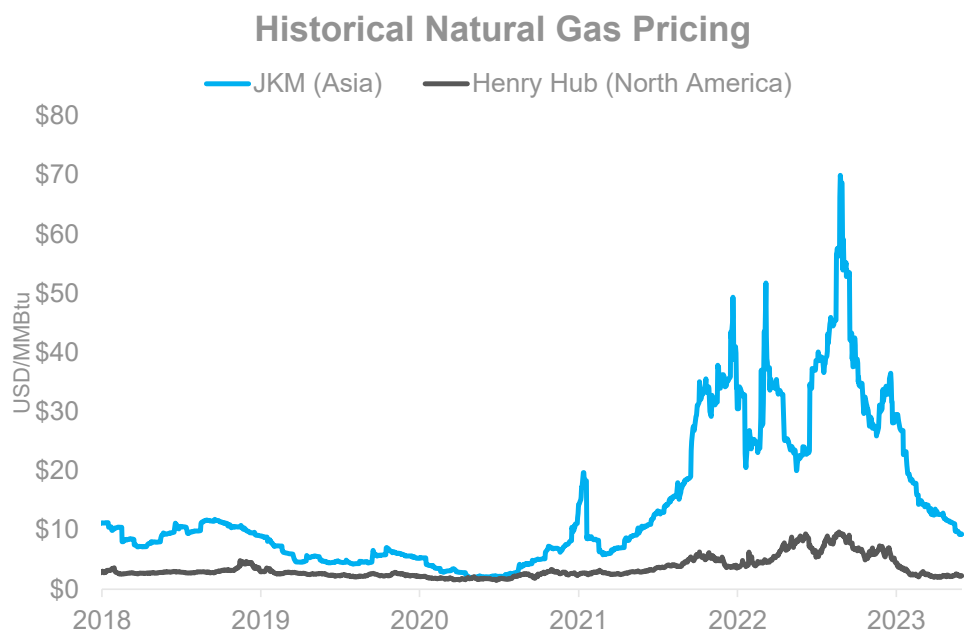
1) Supplementary Financial Measure— see "*Non-GAAP and Other Financial Measures*" in the *Advisory Statements* of this presentation.

Global LNG Supply and Demand Outlook

Structural long-term outlook for global natural gas demand



Source: ARC Risk Research, Wood Mackenzie

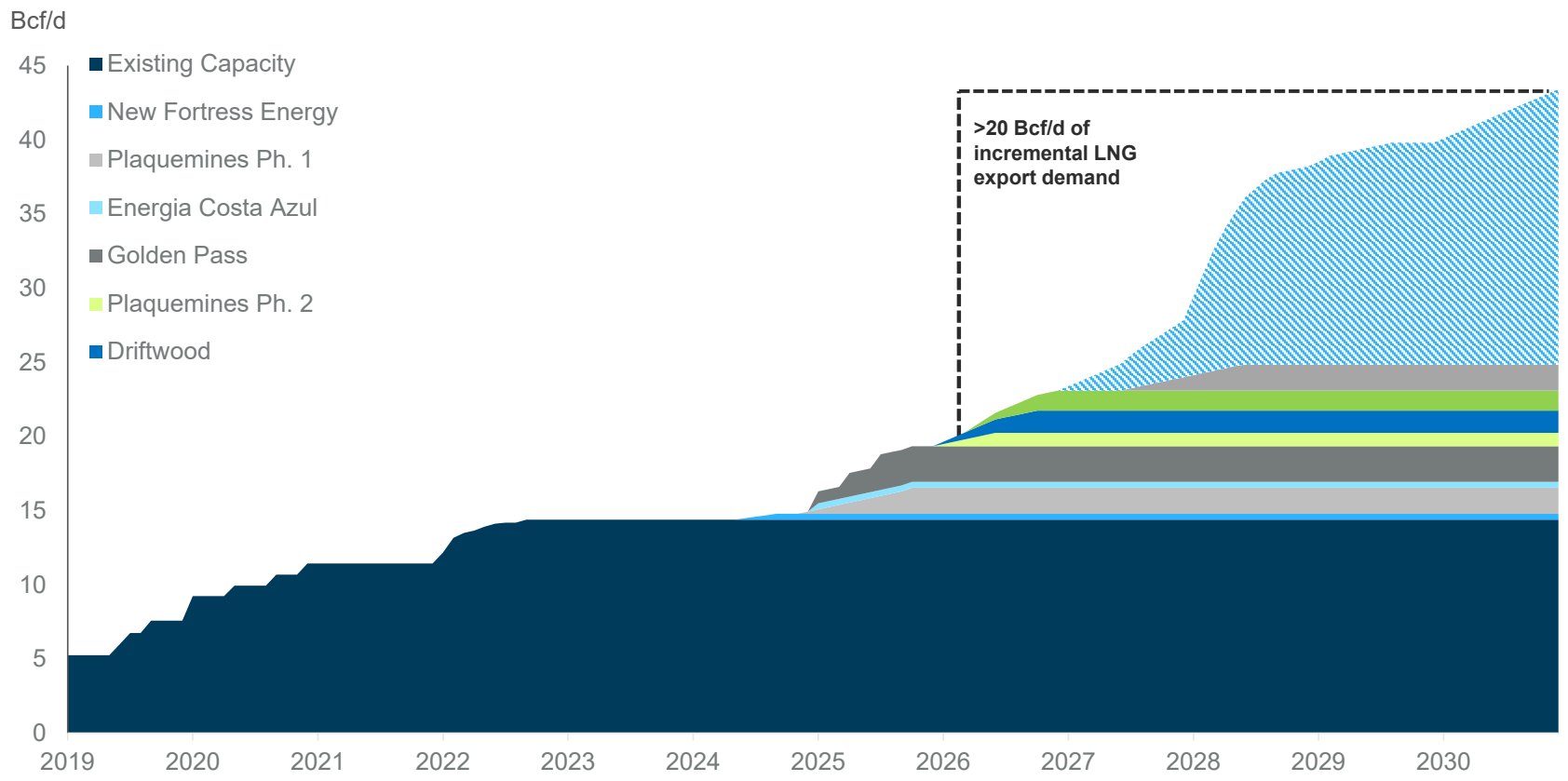


Source: ARC Risk Research, Bloomberg

North America accounts for ~50% amount of LNG buildout under construction

Long-term U.S. LNG Export Capacity

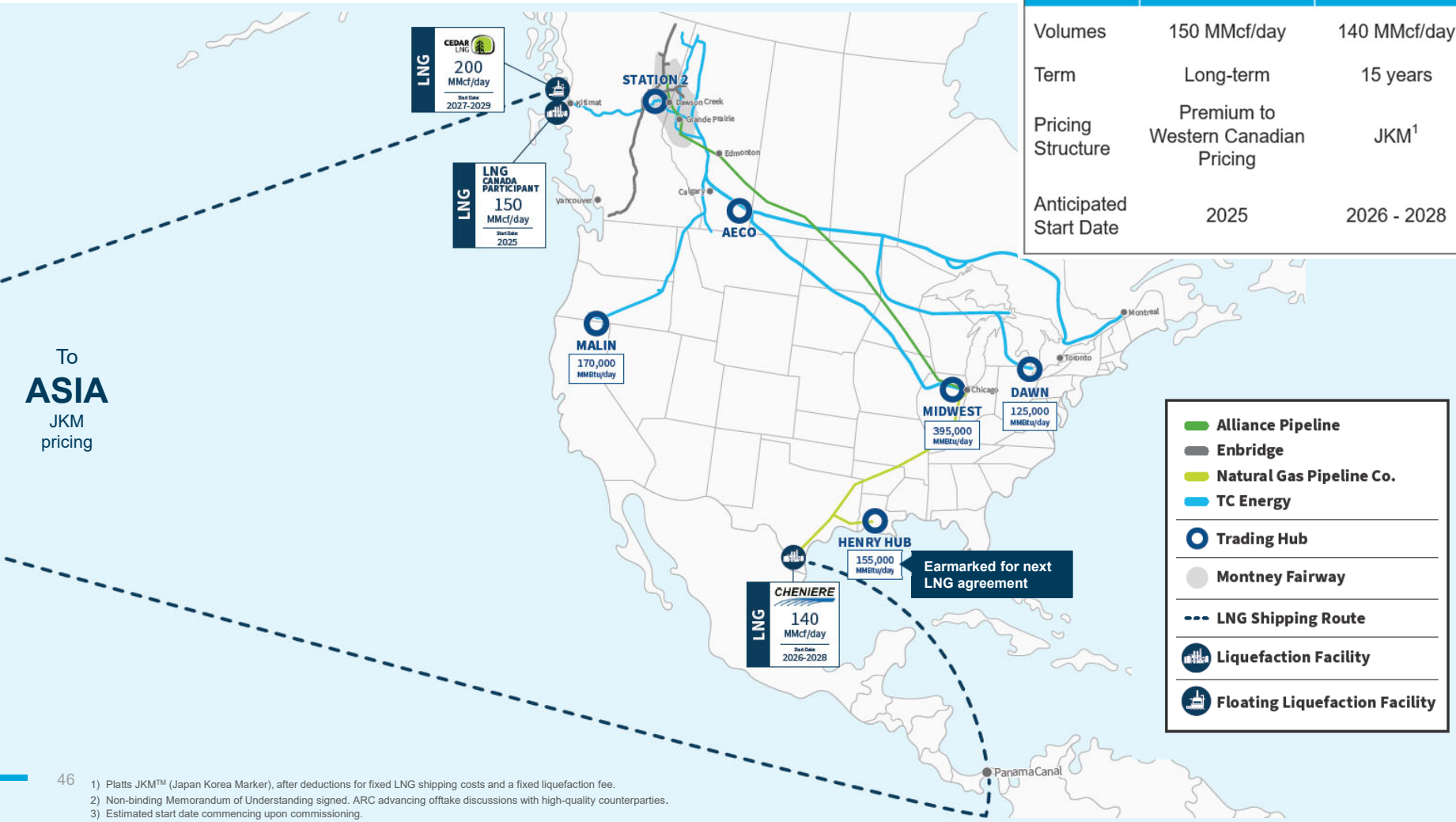
Approximately 9 Bcf/d of incremental liquefaction capacity by 2027



Source: ARC Risk Research, Various Third-Party Reports

LNG Supply Agreements

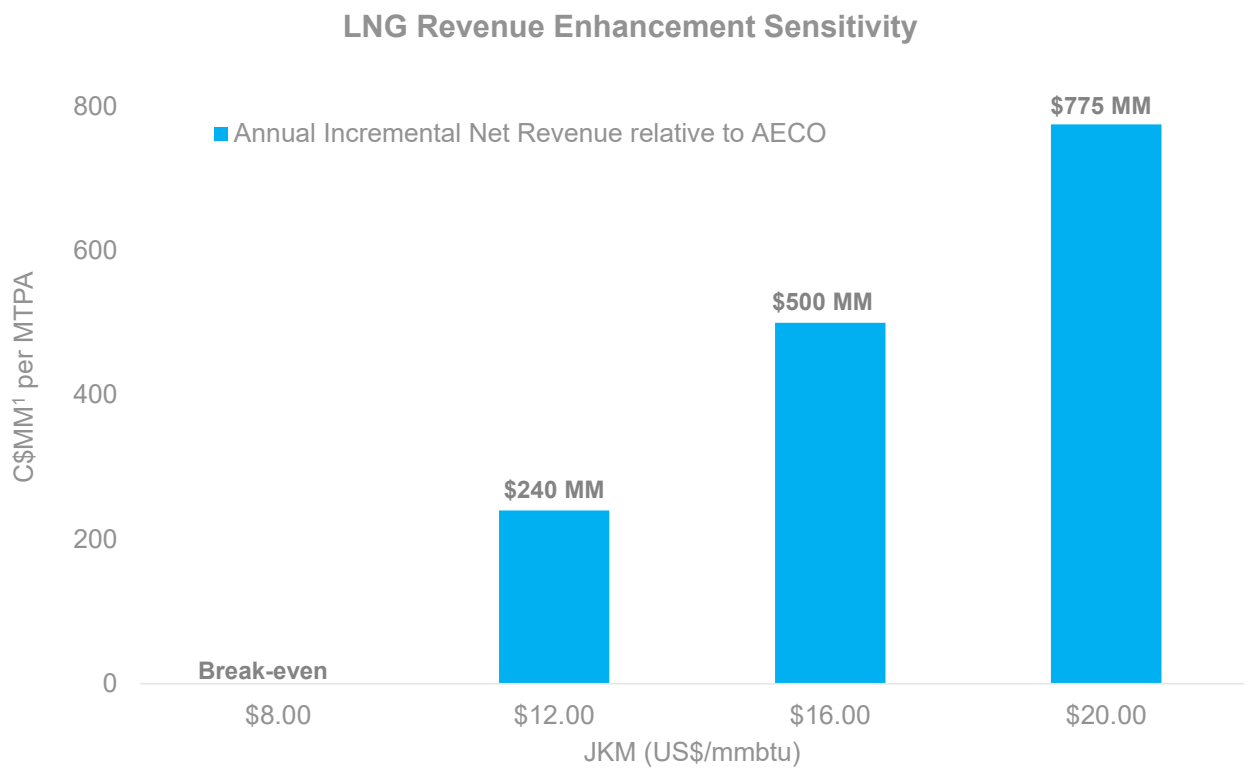
	LNG Canada Participant	Cheniere Corpus Christi Stage III	Cedar LNG[2]
Volumes	150 MMcf/day	140 MMcf/day	200 MMcf/day
Term	Long-term	15 years	20 years
Pricing Structure	Premium to Western Canadian Pricing	JKM[1]	JKM[2]
Anticipated Start Date	2025	2026 - 2028	2027-2029[3]



1) Platts JKM™ (Japan Korea Marker), after deductions for fixed LNG shipping costs and a fixed liquefaction fee.
2) Non-binding Memorandum of Understanding signed. ARC advancing offtake discussions with high-quality counterparties.
3) Estimated start date commencing upon commissioning.

LNG Economics

Long-term supply agreements to diversify and access global natural gas pricing



- LNG access is an extension of ARC's diversification activities
- Diversify while maintaining low-cost and low-emission status at each end-market
- ARC's all-in landed cost to reach JKM is US$5-6/MMBtu

1) Economics run at US$70/bbl WTI and $3.50 AECO/GJ

Best-in-Class
Safety Performance

EMISSIONS

among the
lowest
GHG emissions intensities
in our Canadian peer group

EQUITABLE ORIGIN

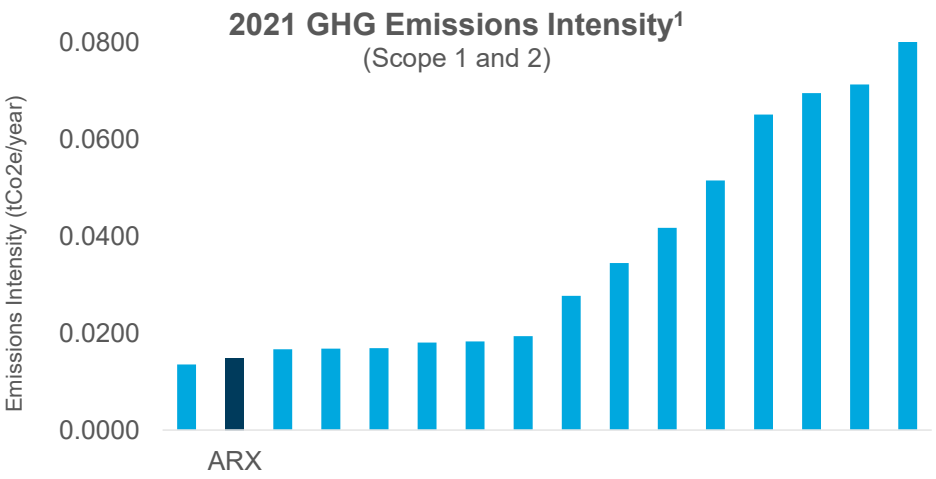
100%
Certified Production

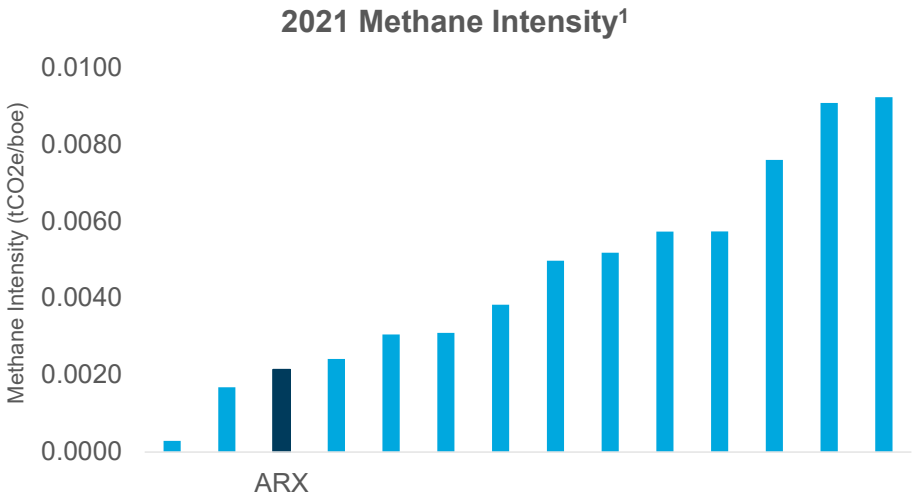
ESG Strategy & Performance

ARC

Leading Emissions Profile

ARC has one of the lowest emissions profiles amongst Canadian E&P companies

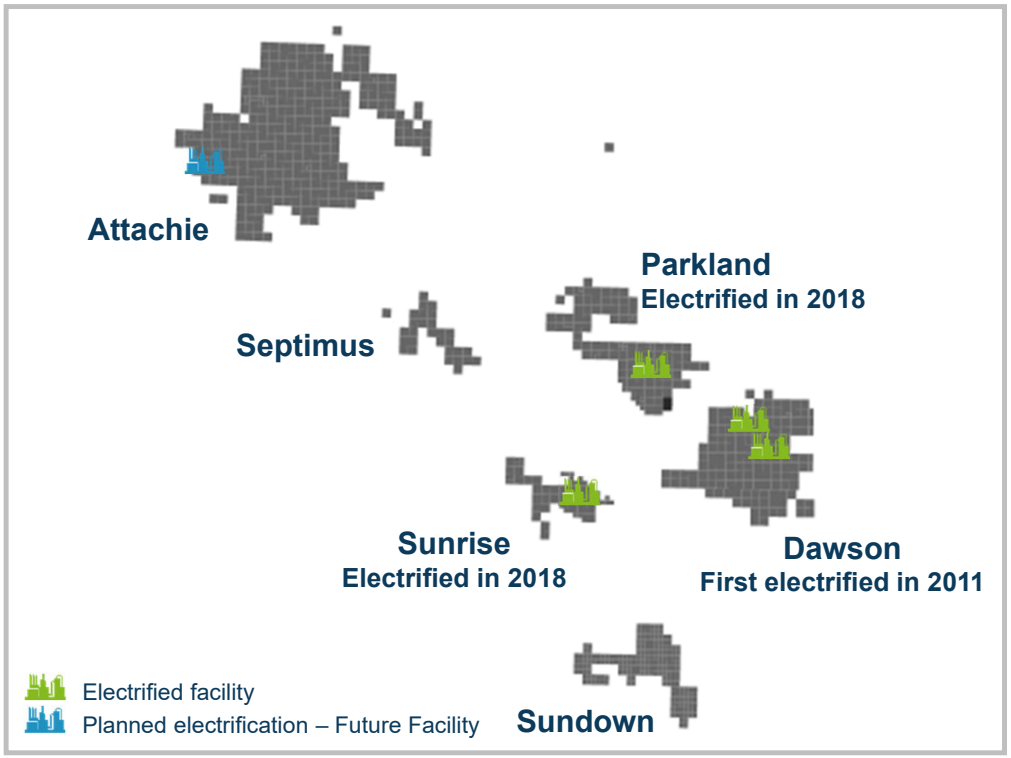




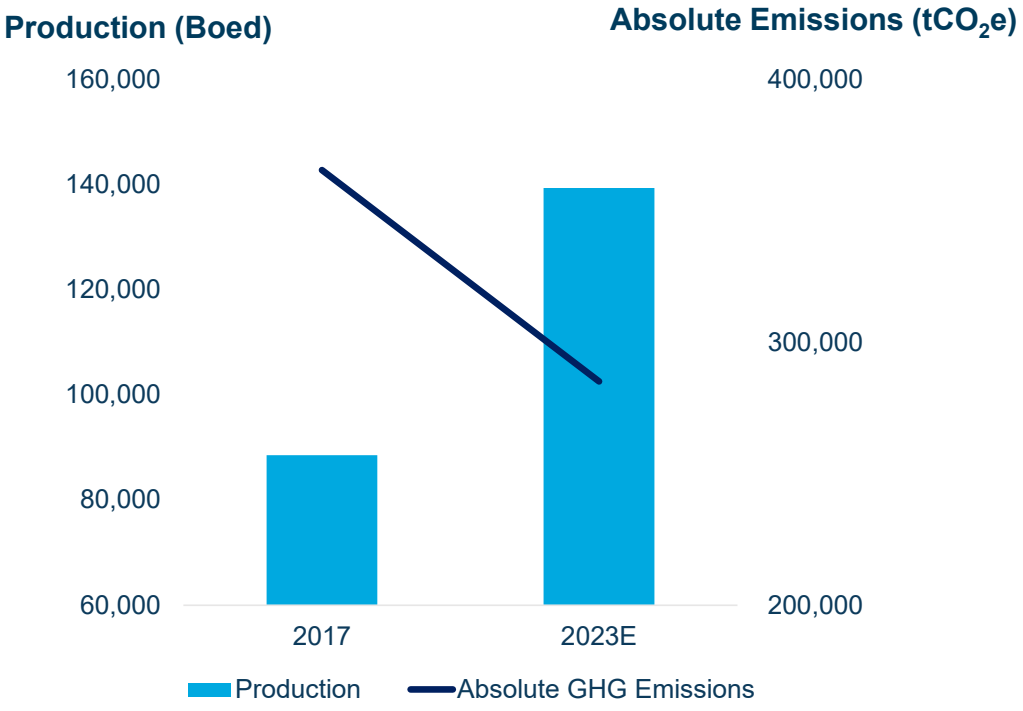
1) Performance data for 2021 GHG emissions intensity comes from company reports and other publicly available data sources. Peer group includes: AAV, BTE, BIR, CNQ, CPG, CVE, MEG, IMO, NVA, OVV, PEY, POU, TOU, VET, and WCP.

ESG Leadership

Northeast BC Infrastructure



NEBC Absolute GHG emissions reduction[1]



From 2017 to 2023, ARC reduced its direct emissions in NEBC by 22% despite growing production by 57%

(1) Absolute GHG emissions and production represented are prior to the acquisition of Seven Generations, which closed on April 6, 2021.

Through electrification of its NEBC facilities ARC will avoid 420,000 tCO_2e per year

ESG Leadership Through Innovation

Driving operational efficiencies and enabling top-quartile emissions performance

OUR APPROACH

Invest

in emerging technologies directly (equity) or indirectly (funds) that have the potential to **drive operational efficiencies** or **improve emissions performance**

Apply

clean technologies in our business to **capture value** and **deliver leading ESG and operational performance**

ARC has committed to invest

$50 MM

in the development of clean technologies

Application of artificial intelligence in continuous emissions monitoring

Pilot project to enhance water recycling capabilities

NGIF CAPITAL

evōk INNOVATIONS

PILLARFOUR CAPITAL

EKONA™

ARC

Key Takeaways

World-class Assets

- **Largest condensate producer**
- **Kakwa has 15 years of inventory** to sustain production at 180,000 boe/d
- Attachie Phase I unlocks **decades of liquids-rich development opportunities**
- **Capability to grow and sustain** production at ~500,000 boe/d

Commitment to Shareholder Returns

- Five-year plan to more than **double** free funds flow per share
- **Reduce share count** to pre-merger levels, from 720 million to 350 million
- **Increase the dividend** annually >10%[1]

Margin Expansion

- Diversification and margin expansion **targeting up to 25%** of natural gas sales globally through LNG

1) Subject to board approval

Ante Creek, AB

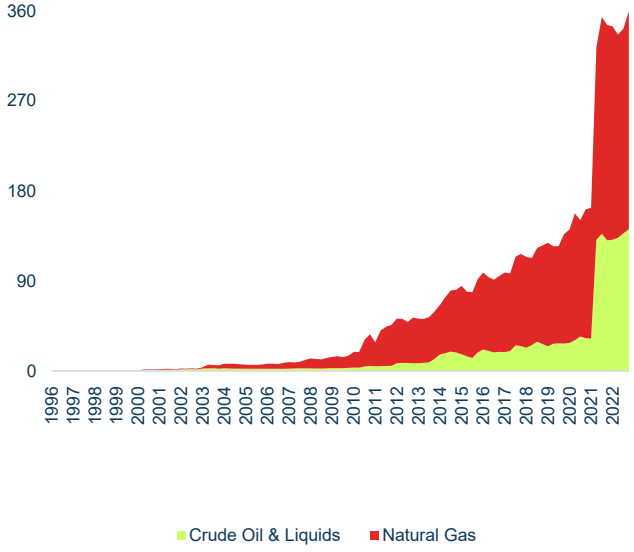
Appendix

Historical Performance

ARC has managed a profitable business through all commodity price cycles with its efficient Montney assets, capital discipline, and strong balance sheet

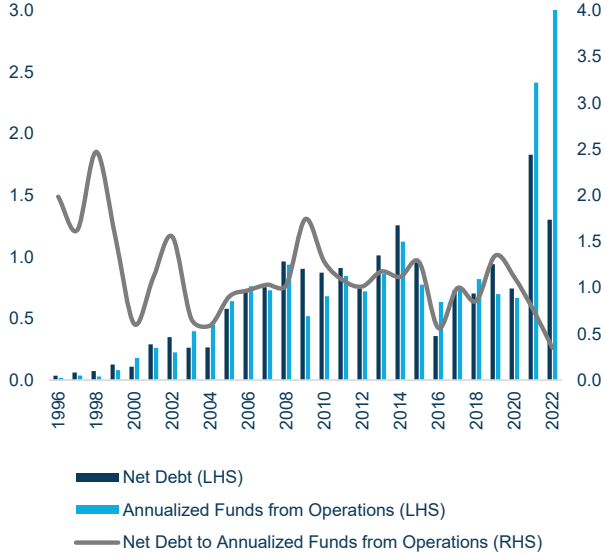
Production

boe/day



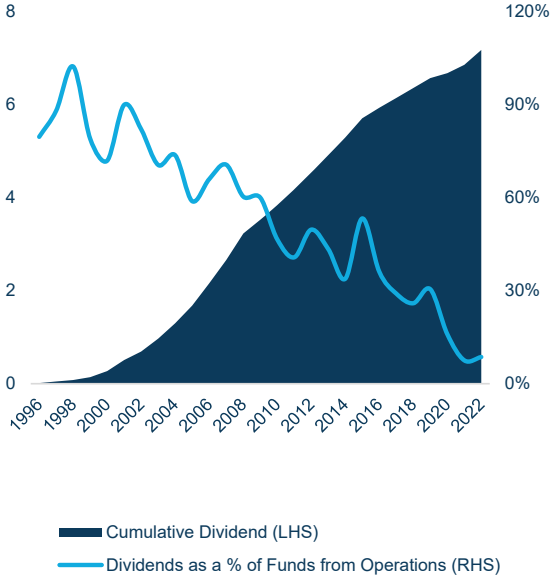
Net debt to FFO

$ billions, ratio



Dividends[1]

$ billions, % of FFO

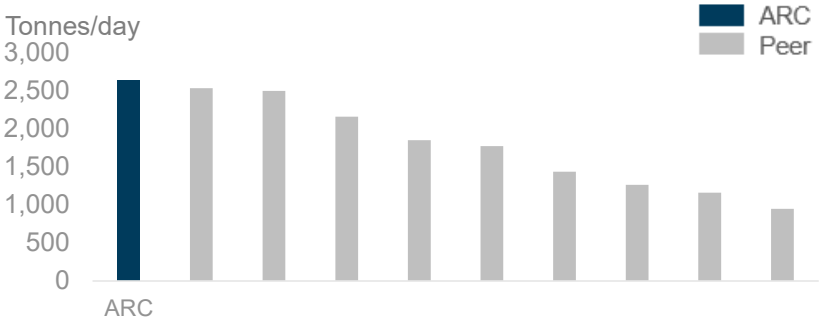


1) Dividends as a percentage of funds from operations is a supplementary financial measure. See *"Non-GAAP and Other Financial Measures"* in the Q2 2023 MD&A for an explanation of the composition of this supplementary financial measure, which information is incorporated by reference into this presentation.

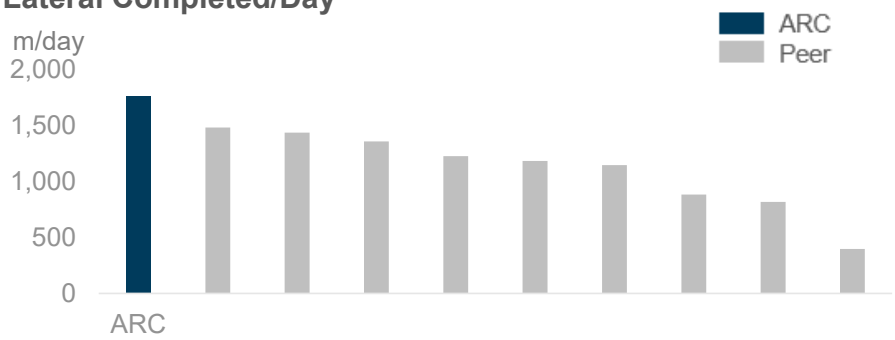
NEBC Montney Operational Excellence

ARC outperforms industry peers on both drilling and completions operating metrics

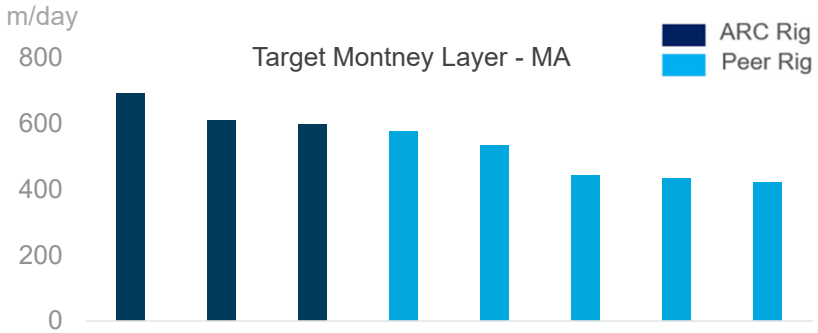
Completions Efficiency
Proppant Pumped/Day[1]



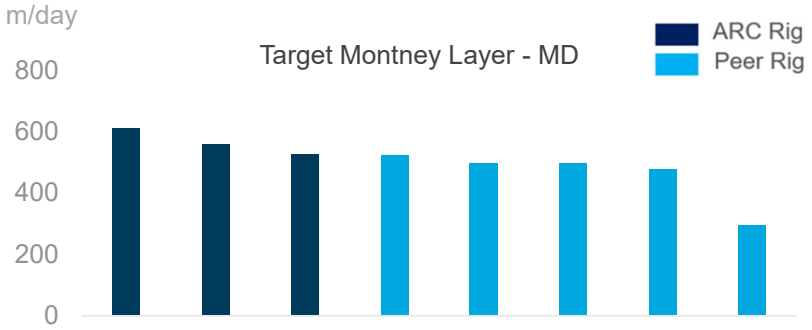
Completions Efficiency
Lateral Completed/Day[1]



Drilling Efficiency[1 2]



Drilling Efficiency[1 2]

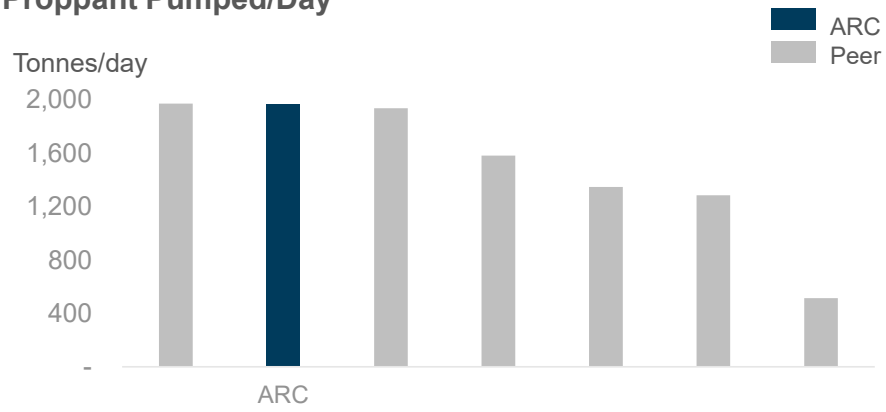


1) Benchmarking data from 2021 to present
2) Drilling efficiency represents the Greater Dawson area

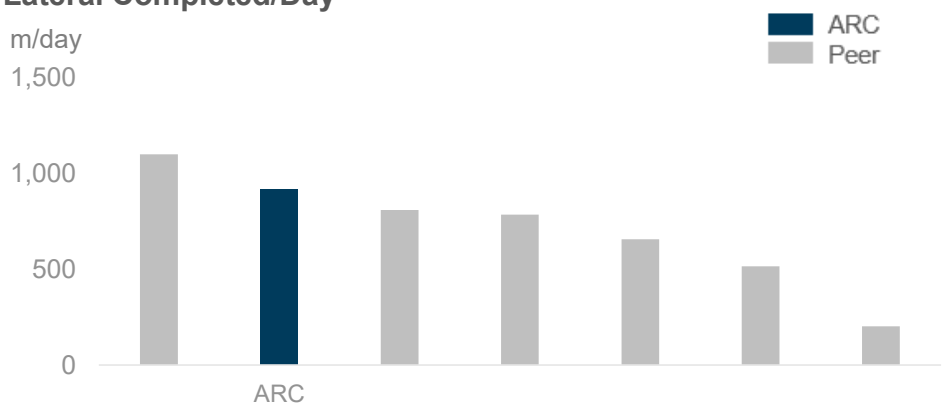
Greater Kakwa Montney Operational Excellence

ARC continues to deliver top-quartile completions and drilling efficiencies in Kakwa

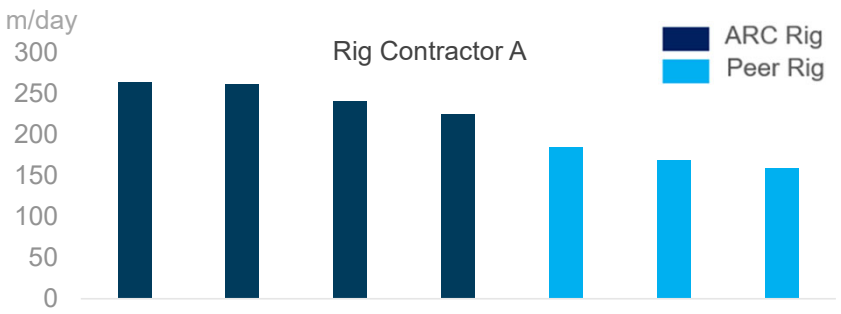
Completions Efficiency Proppant Pumped/Day[1]



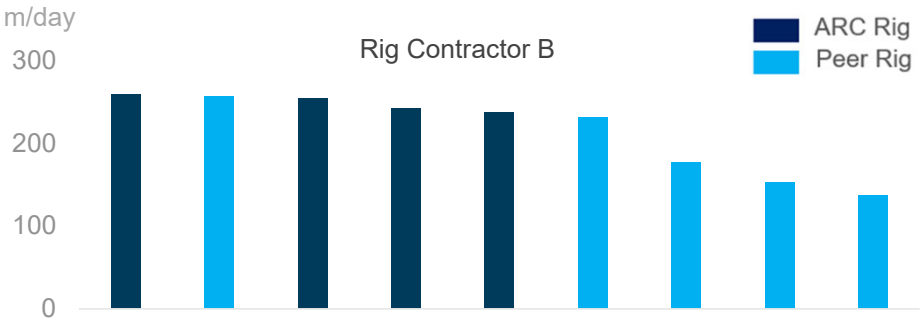
Completions Efficiency Lateral Completed/Day[1]



Drilling Efficiency m/day[1]



Drilling Efficiency m/day[1]



1) Benchmarking data from 2021 to present

Risk Management Contracts Positions

ARC's long-term focus is to reduce downside risk and create certainty in cash flows

As at March 31, 2023[1]	Remainder 2023		2024		2025	
Crude Oil – WTI	US$/bbl	bbl/day	US$/bbl	bbl/day	US$/bbl	bbl/day
Ceiling	76.52	20,338	123.86	5,243	–	–
Floor	60.17	20,338	69.07	5,243	–	–
Sold Floor	49.13	13,338	55.00	4,000	–	–
Swap	70.00	662	–	–	–	–
Total Crude Oil Volumes (bbl/day)		**21,000**		**5,243**		**–**
Natural Gas – NYMEX Henry Hub [2]	US$/MMBtu	MMBtu/day	US$/MMBtu	MMBtu/day	US$/MMBtu	MMBtu/day
Ceiling	3.95	100,000	2.74	10,000	–	–
Floor	2.79	100,000	2.50	10,000	–	–
Sold Floor	2.40	50,000	2.10	10,000	–	–
Swap	2.56	28,200	–	–	–	–
Sold Ceiling	–	–	–	–	7.60	50,000
Natural Gas – AECO 7A	Cdn$/GJ	GJ/day	Cdn$/GJ	GJ/day	Cdn$/GJ	GJ/day
Ceiling	3.93	222,255	4.13	250,000	4.97	120,000
Floor	2.84	222,255	3.12	250,000	2.85	120,000
Sold Floor	2.00	15,564	–	–	–	–
Swap	2.06	10,000	3.59	30,000	–	–
Total Natural Gas Volumes (MMBtu/day)		**348,335**		**275,389**		**113,738**
Natural Gas – AECO Basis (Differential to NYMEX Henry Hub)	US$/MMBtu	MMBtu/day	US$/MMBtu	MMBtu/day	US$/MMBtu	MMBtu/day
Sold Swap	(0.91)	70,000	(0.91)	70,000	(0.83)	150,000
Total AECO Basis Volumes (MMBtu/day)		**70,000**		**70,000**		**150,000**
Natural Gas – Other Basis (Differential to NYMEX Henry Hub)		MMBtu/day		MMBtu/day		MMBtu/day
Sold Swap		**85,527**		–		**–**
Foreign Exchange	Notional (US$ millions)	Rate (Cdn$/US$)	Notional (US$ millions)	Rate (Cdn$/US$)	Notional (US$ millions)	Rate (Cdn$/US$)
Ceiling	618.0	1.3788	720.0	1.3812	–	–
Floor	618.0	1.3038	720.0	1.3142	–	–

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

ARC

Asset Details

ARC consistently delivers strong results across its asset base

	Kakwa	Greater Dawson	Sunrise	Ante Creek	Attachie
Production[1]					
Crude oil & liquids (bbl/day)	104,740	19,762	167	9,021	1,610
Natural gas (MMcf/day)	445.7	457.0	277.5	63.6	8.9
Total (boe/day)	179,020	95,929	46,416	19,628	3,085
Land position[2]					
Net acres	466,560	150,260	22,741	117,820	203,419
Average working interest	99%	97%	100%	100%	100%
PDP reserves[3]					
Total oil and NGLs (MMbbl)	150	27	-	10	3
Natural gas (Bcf)	844	718	484	65	18
Total (MMboe)	291	147	81	21	6

1) Represents operational results for the year ended December 31, 2022.
2) Represents Montney acreage and working interest only as of December 31, 2022.
3) Reserves as of December 31, 2022.

ESG Ratings and Rankings

View ARC's ESG performance and highlights at www.arcresources.com/sustainability

Member of MSCI Global Sustainability Index
MSCI ESG Rating: AAA

Member of Sustainalytics' Jantzi Social Index

Environment Score: 4
Social Score: 7
Governance Score: 2

Member of FTSE Russell's FTSE4Good Index Series since 2018

Score: 36 – High (80th Percentile)

Member of the 30% Club since 2018

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Notes 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 current expectations regarding the future based on certain assumptions made by ARC. Although ARC believes that the expectations represented by such forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. Forward-looking information in this presentation is identified by words such as "anticipate", "believe", "ongoing", "may", "expect", "estimate", "plan", "will", "project", "continue", "target", "strategy", "upholding", or similar expressions, and includes suggestions of future outcomes. In particular, but without limiting the foregoing, this presentation contains forward-looking information with respect to: ARC's production guidance, production estimates and expenses; ARC's plans to maintain a strong balance sheet, improve per share metrics and grow dividends; ARC's plans to grow free funds flow per share and the anticipated timing and benefits therefrom; anticipated shareholder returns and the anticipated timing thereof; long-term resource optionality and production outlook; estimated production volumes, commodity types and timing for Attachie Phase I; the anticipated return on average capital employed; anticipated capital allocation and reinvestment rates; ARC's long-term outlook regarding capital expenditures, production and free funds flow; ARC's five-year outlook regarding dividend growth; the development in Attachie Phase I and the anticipated timing and benefits therefrom; production estimates for Attachie Phase I and the anticipated timing and benefits therefrom; the cash flow profile of Attachie Phase I; the ability of the Attachie asset to drive production and reserve growth; the anticipated increase in free funds flow allocations to shareholders; the continued assessment of dividends and payment thereof; ARC's plans with respect to growing its dividend and increasing the dividend on a per share basis as shares are retired through share buybacks or other means; global LNG supply and demand outlook; ARC's LNG supply agreements and the anticipated timing thereof; and other statements. Further, statements relating to reserves are deemed to be forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions, that the resources and reserves described can be profitably produced in the future. In addition, forward-looking information may include statements attributable to third-party industry sources. There can be no assurance that the plans, intentions, or expectations upon which these forward-looking statements are based will occur.

Readers are cautioned not to place undue reliance on forward-looking information as ARC's actual results may differ materially from those expressed or implied. ARC undertakes no obligation to update or revise any forward-looking information except as required by law. 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 and others that apply to the industry generally. The material assumptions on which the forward-looking information in this news release are based, and the material risks and uncertainties underlying such forward-looking information, include: ARC's ability to successfully integrate and realize the anticipated benefits of completed or future acquisitions and divestitures; access to sufficient capital to pursue any development plans; ARC's ability to issue securities and to repurchase its securities under the NCIB; ARC's ability to meet and maintain certain targets, including with respect to emissions-related reductions and ESG performance; expectations and projections made in light of ARC's historical experience; data contained in key modeling statistics; the potential implementation of new technologies and the cost thereof; forecast commodity prices and other pricing assumptions with respect to ARC's 2023 capital expenditure budget; continuing uncertainty of the impact of the June 29, 2021 BC Supreme Court ruling in Blueberry River First Nations (Yahey) v. Province of British Columbia on BC and/or federal laws or policies affecting resource development in northeast BC and potential outcomes of the negotiations between Blueberry River First Nations and the Government of BC; assumptions with respect to global economic conditions and the accuracy of ARC's market outlook expectations for 2023, 2024 and in the future; suspension of or changes to guidance, and the associated impact to production; that ARC's investment in Attachie West Phase I will result in the anticipated benefits; forecast production volumes based on business and market conditions; the accuracy of outlooks and projections contained herein; that future business, regulatory, and industry conditions will be within the parameters expected by ARC, including with respect to prices, margins, demand, supply, product availability, supplier agreements, availability, and cost of labour and interest, exchange, and effective tax rates; projected capital investment levels, the flexibility of capital spending plans, and associated sources of funding; the ability of ARC to complete capital programs and the flexibility of ARC's capital structure; applicable royalty regimes, including expected royalty rates; future improvements in availability of product transportation capacity; opportunity for ARC to pay dividends and the approval and declaration of such dividends by the Board; the existence of alternative uses for ARC's cash resources which may be superior to payment of dividends or effecting repurchases of outstanding common shares; cash flows, cash balances on hand, and access to ARC's credit facility being sufficient to fund capital investments; foreign exchange rates; near-term pricing and continued volatility of the market; the ability of ARC's existing pipeline commitments and financial risk management transactions to partially mitigate a portion of ARC's risks against wider price differentials; business interruption, property and casualty losses, or unexpected technical difficulties; estimates of quantities of crude oil, 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; ARC's ability to obtain necessary regulatory approvals generally; potential regulatory and industry changes stemming from the results of court actions affecting regions in which ARC holds assets; risks and uncertainties related to oil and gas interests and operations on Indigenous lands; 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; ARC's ability to obtain and retain qualified staff and equipment in a timely and cost-efficient manner; ARC's ability to carry out transactions on the desired terms and within the expected timelines; forecast inflation and other assumptions inherent in the guidance of ARC; the retention of key assets; the continuance of existing tax, royalty, and regulatory regimes; GLJ Ltd.'s estimates with respect to commodity pricing; ARC's ability to access and implement all technology necessary to efficiently and effectively operate its assets; and other assumptions, risks, and uncertainties described from time to time in the filings made by ARC with securities regulatory authorities.

The forward-looking information contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking information included in this news release are made as of the date of this news release and, except as required by applicable securities laws, ARC undertakes no obligation to publicly update such forward-looking information to reflect new information, subsequent events or otherwise.

Advisory Statements

Financial Outlook

This presentation contains information that may be considered a financial outlook under applicable securities laws about ARC's potential financial position, including, but not limited to, ARC's production guidance, production estimates and expenses; ARC's plans to maintain a strong balance sheet, improve per share metrics and grow dividends; ARC's plans to grow free funds flow per share; anticipated shareholder returns; long-term resource optionality and production outlook; the anticipated return on average capital employed; anticipated capital allocation and reinvestment rates; ARC's long-term outlook regarding capital expenditures, production and free funds flow; ARC's five-year outlook regarding dividend growth; the cash flow profile of Attachie Phase I; the anticipated increase in free funds flow allocations to shareholders; the continued assessment of dividends and payment thereof and other statements, all of which are subject to numerous assumptions, risk factors, limitations and qualifications, including those set forth in the above paragraphs. The actual results of operations of ARC and the resulting financial results will vary from the amounts set forth in this presentation and such variations may be material. This information has been provided for illustration only and with respect to future periods are based on budgets and forecasts that are speculative and are subject to a variety of contingencies. Accordingly, these estimates are not to be relied upon. Because this information is subjective and subject to numerous risks, it should not be relied on as indicative of future results. Except as required by applicable securities laws, ARC undertakes no obligation to update such financial outlook. The financial outlook contained in this presentation was made as of the date of this presentation and was provided for the purpose of providing further information about ARC's potential future business operations. Readers are cautioned that the financial outlook contained in this presentation is not conclusive and is subject to change.

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 and Other Financial Measures

Throughout this presentation and in other materials disclosed by the Company, ARC employs certain measures to analyze its financial performance, financial position, and cash flow. These non-GAAP and other financial measures are not standardized financial measures under IFRS and may not be comparable to similar financial measures disclosed by other issuers. The non-GAAP and other financial measures should not be considered to be more meaningful than GAAP measures which are determined in accordance with IFRS, such as net income (loss), cash flow from operating activities, and cash flow used in investing activities, as indicators of ARC's performance. See "Non-GAAP and Other Financial Measures" in the 2022 Annual MD&A.

References to disclosure in Q2 2023 MD&A (as defined below) are incorporated by reference in this presentation and are available on ARC's website at www.arcresources.com and under ARC's SEDAR profile at www.sedar.com.

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Non-GAAP Financial Measures

Capital Expenditures

ARC uses capital expenditures to measure its capital investment level compared to the Company's annual budgeted capital expenditures. ARC's budgeted capital expenditures exclude any acquisition or disposition activities as well as the accounting impact of any accrual changes and payments under lease arrangements. The directly comparable GAAP measure to capital expenditures is cash flow used in investing activities. Please see "*Non-GAAP Financial Measures – Capital Expenditures*" in the Company's MD&A for the three and six months ended June 30, 2023 ("Q2 2023 MD&A") for a quantitative reconciliation of capital expenditures against cash flow used in investing activities, its more directly comparable GAAP measure.

Free Funds Flow

ARC uses free funds flow as an indicator of the efficiency and liquidity of ARC's business, measuring its funds after capital expenditures available to manage debt levels, pay dividends, and return capital to shareholders. ARC computes free funds flow as funds from operations generated during the period less capital expenditures. Capital expenditures is a non-GAAP financial measure. By removing the impact of current period capital expenditures from funds from operations, Management monitors its free funds flow to inform its capital allocation decisions. The most directly comparable GAAP measure to free funds flow is cash flow from operating activities. Please see "*Non-GAAP Financial Measures – Free Funds Flow*" in the Q2 2023 MD&A for a quantitative reconciliation of free funds flow against cash flow from operating activities, its most directly comparable GAAP measure.

Netback

ARC computes netback as commodity sales from production less royalties, operating, and transportation expense. Management believes that netback is a key industry performance indicator and one that provides investors with information that is also commonly presented by other crude oil and natural gas producers. The most directly comparable GAAP measure is commodity sales from production. Please see "*Non-GAAP Financial Measures – Netback*" in the Q2 2023 MD&A for a quantitative reconciliation of netbacks against commodity sales from production, its most directly comparable GAAP measure.

Adjusted Earnings before Interest and Taxes ("EBIT")

ARC calculates adjusted EBIT as net income (loss) plus interest and financing, less accretion of ARO, plus total income taxes (recovery). ARC uses adjusted EBIT as a measure of long-term operating performance and as a component in the calculation for ROACE, which is calculated by ARC on an annual basis and a five-year basis. The most directly comparable GAAP measure is net income (loss). Please see "*Non-GAAP Financial Measures – Adjusted EBIT*" in the Q2 2023 MD&A for a quantitative reconciliation of adjusted EBIT against net income (loss), its most directly comparable GAAP measure.

Average Capital Employed

ARC calculates average capital employed as the total of net debt plus current and long-term portions of lease obligations and shareholders' equity. ARC uses average capital employed as a measure of long-term capital management and operating performance, and as a component in the calculation for ROACE. The most directly comparable GAAP measure is shareholders' equity. Please see "*Non-GAAP Financial Measures – Average Capital Employed*" in the Q2 2023 MD&A for a quantitative reconciliation of average capital employed against shareholders' equity, its most directly comparable GAAP measure.

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Non-GAAP Ratios

Netback per boe

ARC calculates netback per boe as netback divided by weighted average daily production. Netback is a non-GAAP financial measure component of netback per boe. Management believes that netback per boe is a key industry performance measure of operational efficiency and one that provides investors with information that is also commonly presented by other oil and gas producers.

Free Funds Flow per Share

ARC presents free funds flow per share by dividing free funds flow by the Company's diluted or basic weighted average common shares outstanding. Free funds flow is a non-GAAP financial measure. Management believes that free funds flow per share provides investors an indicator of funds generated from the business that could be allocated to each shareholder's equity position.

Return on Average Capital Employed ("ROACE")

ARC calculates ROACE, expressed as a percentage, as EBIT divided by the average capital employed. The components EBIT and average capital employed are non-GAAP financial measures. ARC uses ROACE as a measure of long-term financial performance, to measure how effectively Management utilizes the capital it has been provided and to demonstrate to shareholders the returns generated over the long term.

Capital Management Measures

Funds from Operations

ARC considers funds from operations to be a key measure of capital management as it demonstrates ARC's ability to generate the necessary funds to maintain production at current levels and fund future growth through capital investment. 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 actual settlements of ARO, of which the nature and timing of expenditures are discretionary. Funds from operations is not a standardized measure and therefore may not be comparable with the calculation of similar measures by other entities. Please see "*Non-GAAP Financial Measures – Capital Management Measures – Funds from Operations*" in the Q2 2023 MD&A for a quantitative reconciliation of funds from operations against cash flow from operating activities, the most directly comparable financial measure disclosed in the Company's primary financial statements.

Net Debt and Net Debt to Funds from Operations

Net debt and net debt to funds from operations are used by Management as key measures to assess the Company's liquidity position at a point in time. Previously, net debt was computed including current and long-term portions of lease obligations and a similar measure; "net debt excluding lease obligations" was also presented. At December 31, 2022 and 2021, net debt has been computed excluding lease obligations. The current determination of net debt and net debt to funds from operations is reflective of the measures used by Management to monitor its liquidity in light of operating and capital budgeting decisions. Net debt is not a standardized measure and therefore may not be comparable with the calculation of similar measures by other entities. Please see "*Non-GAAP Financial Measures – Capital Management Measures – Net Debt and Net Debt to Funds from Operations*" in the Q2 2023 MD&A for a quantitative reconciliation of net debt and net debt to funds from operations against long term debt, the most directly comparable financial measure disclosed in the Company's primary financial statements.

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Supplementary Financial Measures

"**Average realized natural gas price**" is comprised of natural gas commodity sales from production, as determined in accordance with IFRS, divided by the Company's natural gas production.

"**Break-even**" is comprised as funds from operation less capital to sustain base production less dividends equals zero.

"**CAGR**" is defined as the compounded annual growth rate.

"**Dividend Payout"** is comprised of dividends declared, as determined in accordance with IFRS, divided by funds from operations.

"**Dividend Yield"** is comprised of the dividend as a percent of current share price.

"**Funds from operations per basic share**" is comprised of funds from operations divided by basic weighted average common shares.

"Reinvestment rate" is comprised capital expenditures as a percent of funds from operations.

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") of natural gas to one barrel ("bbl") of liquids. Boe may be misleading, particularly if used in isolation. A conversion ratio of 6 Mcf: 1 bbl 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 to 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.

Product Types

Throughout this presentation, crude oil refers to tight, light, medium, and heavy crude oil product types as defined by National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). Natural gas refers to shale gas and conventional natural gas product types as defined by NI 51-101. ARC's production of conventional natural gas is considered to be immaterial. ARC's core producing properties that are considered to be shale gas include Attachie, Dawson, Parkland (including parts of Tower), and Sunrise, and as such, natural gas, condensate, and natural gas liquids ("NGLs") are disclosed. ARC's core producing properties that are considered to be tight oil include Ante Creek and parts of Tower, and as such, crude oil, natural gas, and NGLs are disclosed. NGLs for Kakwa refer to natural gas liquids, except for condensate, which is reported separately. Natural gas for Kakwa refers to conventional natural gas and shale gas combined.

Throughout this presentation, when condensate is disclosed, it is done so as it is the product type that is measured at the first point of sale. As per the Canadian Oil and Gas Evaluation ("COGE") Handbook, condensate is a by-product of the NGLs product type. NGLs by-products include ethane, butane, propane, and pentanes-plus (condensate).

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Drilling Locations

This presentation discloses ARC's expectations of future drilling location in two categories: (i) proved plus probable locations; and (ii) unbooked locations. Proved plus probable locations are derived from the Reserves Evaluation conducted by GLJ and account for drilling locations that have associated proved plus probable reserves. While certain of these estimated drilling locations may be consistent with "booked" drilling locations identified in the Reserves Report, as having associated proved and/or probable reserves, other locations are considered "unbooked" as they have no associated proved and/or probable reserves in the Reserves Report or any associated resources other than reserves. All drilling locations have been presented on a net basis. Unbooked locations have been identified by Management as an estimation of the multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, historic drilling, production, commodity price assumptions, and reserves information. These unbooked locations do not have attributed reserves or resources and are therefore unbooked locations. Of the more than 5,000 total drilling locations identified herein, approximately 87 per cent are unbooked locations. There is no certainty that all unbooked drilling locations will be drilled, and if drilled, there is no certainty that such locations will result in additional oil and gas reserves, resources, or production. The drilling locations on which wells are actually drilled will ultimately depend upon the capital allocation decisions of royalty payors who have working interests in respect of such drilling locations and a number of other factors including, without limitation, availability of capital, regulatory approvals, crude oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained, and other factors. While certain of the unbooked drilling locations have been de-risked by drilling existing wells in relative close proximity to such unbooked drilling locations, other unbooked drilling locations are farther away from existing wells, where Management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations, and if drilled, there is more uncertainty that such wells will result in additional crude oil and natural gas reserves, resources, or production.

Advisory – Credit Ratings

Credit ratings are intended to provide investors with an independent measure of credit quality of an issue of securities. Credit ratings are not recommendations to purchase, hold, or sell securities and do not address the market price or suitability of a specific security for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by the rating agency in the future if, in its judgment, circumstances so warrant.

Third-party Information

This presentation includes market, industry and economic data which was obtained from various publicly available sources and other sources believed by ARC to be true. Although ARC believes it to be reliable, it has not independently verified any of the data from third party sources referred to in this presentation or analyzed or verified the underlying reports relied upon or referred to by such sources or ascertained the underlying economic and other assumptions relied upon by such sources. ARC believes that its market, industry and economic data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market, industry and economic data used throughout this presentation are not guaranteed and ARC makes no representation as to the accuracy of such information.

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