ARC RESOURCES LTD.

2023 Annual Information Form

March 7, 2024

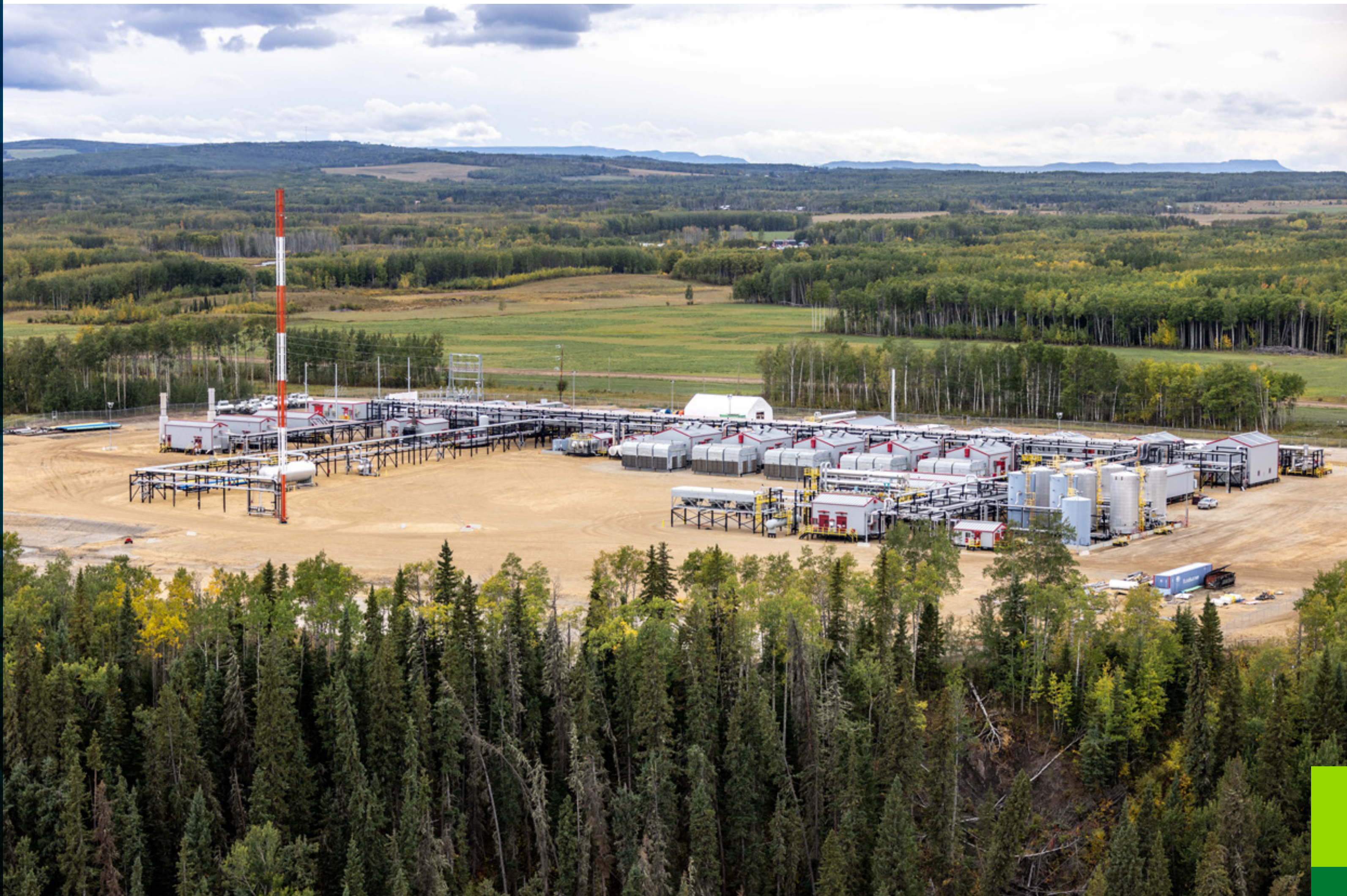

TABLE OF CONTENTS

GLOSSARY OF TERMS

In this Annual Information Form, capitalized terms shall have the meanings set forth below:

ARC Resources, ARC, We, Us, Our, Company, Corporation means ARC Resources Ltd., a corporation formed by amalgamation under the *Business Corporations Act* (Alberta), and all its controlled entities as a consolidated body at the applicable time;

Business Combination means the business combination of ARC Resources Ltd. and Seven Generations Energy Ltd. that closed on April 6, 2021, whereby ARC acquired all the outstanding common shares of Seven Generations Energy Ltd.;

COGE Handbook means the Canadian Oil and Gas Evaluation Handbook maintained by the Society of Petroleum Evaluation Engineers (Calgary chapter), as amended from time to time;

ESG means environmental, social, and governance;

GLJ means GLJ Ltd., independent qualified reserves evaluator of Calgary, Alberta;

GLJ Report means the report prepared by GLJ and dated February 5, 2024, evaluating the crude oil, natural gas, and natural gas liquids reserves attributed to ARC's assets as at December 31, 2023;

LNG means liquefied natural gas;

Montney means our land bases across the Montney fairway in northeast British Columbia comprised of the Greater Dawson, Sunrise, Septimus, Attachie, and Red Creek areas and in northern Alberta in the Kakwa and Ante Creek areas;

NGLs means natural gas liquids;

NI 51-101 means National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*;

NI 51-102 means National Instrument 51-102 *Continuous Disclosure Obligations*;

Seven Generations means Seven Generations Energy Ltd.;

Shareholders means holders of common shares of ARC Resources;

Tax Act means the *Income Tax Act* (Canada); and

TSX means the Toronto Stock Exchange.

Certain other terms used in this Annual Information Form but not defined herein are defined in NI 51-101 and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101.

SPECIAL NOTES TO READER

Regarding Forward-looking Information

Certain information and statements contained in this Annual Information Form, and in certain documents incorporated by reference into this Annual Information Form, constitute forward-looking information under Canadian securities laws. This information relates to future events or our expected future performance. All information other than statements or information of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek," "anticipate," "budget," "plan," "continue," "estimate," "expect," "forecast," "may," "will," "project," "predict," "potential," "target," "intend," "could," "might," "should," "believe," and similar expressions. In addition, there is forward-looking information in this Annual Information Form under the headings: "*Statement of Reserves Data and Other Oil and Gas Information*" as to our reserves and future net revenues from our reserves, pricing and inflation rates, and future development costs; as to the development of our proved undeveloped reserves and probable undeveloped reserves; and as to our future development activities, forward contracts and transportation commitments, reclamation and abandonment obligations, tax horizon, exploration and development activities and expected sources of funding, and production estimates; *"Three-Year History"* as to the timing of the commencement of the two long-term natural gas supply agreements with Cheniere Energy, Inc. and the anticipated terms thereof; the anticipated timing of completion of, and full production from, the Attachie Phase I facility; and *"Marketing and Risk Management"* as to ARC's goals with respect to international price exposure. This information involves known and unknown risks, uncertainties, and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. We believe the expectations reflected in this forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking information included in, or incorporated by reference into, this Annual Information Form should not be unduly relied upon. This information speaks only to estimates as of the date of this Annual Information Form or as of the date specified in the documents incorporated by reference into this Annual Information Form, as the case may be.

In addition to the forward-looking information identified above, this Annual Information Form, and the documents incorporated by reference, contain forward-looking information pertaining to the performance characteristics of our crude oil and natural gas assets; crude oil and natural gas production levels; the size of the crude oil and natural gas reserves; projections of market prices and costs; treatment under governmental regulatory regimes and tax laws; impacts of current commodity prices on the Company, including with respect to abandonment and reclamation obligations; budget expectations; expectations with respect to making customary payments to credit rating organizations; expectations with respect to certain legal proceedings; expectations that ARC's dividends will be classified as "eligible dividends" under the *Tax Act*; and capital expenditure programs.

Actual results achieved during the forecast period will vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors. In addition, these risks and uncertainties are material factors affecting the success of our business. Such factors include, but are not limited to: declines in crude oil and natural gas prices; various pipeline constraints; the payment of dividends, if any; variations in interest rates and foreign exchange rates; stock market volatility; uncertainties relating to market valuations; refinancing risk for existing debt and debt service costs; access to external sources of capital; risks associated with our risk management activities; third-party credit risk; risks associated with the exploitation of our assets and our ability to acquire reserves; government regulation, policy and control and changes in governmental legislation; changes in income tax laws, royalty rates, and other incentive programs; uncertainties associated with estimating crude oil and natural gas reserves; risks associated with acquiring, developing, and exploring for crude oil and natural gas and other aspects of our operations; our reliance on hydraulic fracturing; risks associated with large projects or expansion of our activities; the failure to realize anticipated benefits of acquisitions and dispositions or to manage growth; changes in climate change laws and other environmental regulations; competition in the crude oil and natural gas industry for, among other things, acquisitions of reserves, undeveloped lands, skilled personnel, and drilling and related equipment; risks of non-cash losses as a result of the application of accounting policies; our operating activities and ability to retain key personnel; depletion of our reserves; risks associated with securing and maintaining title to our assets; risks for United States ("US") and other non-resident shareholders; risks described in the section entitled "*Risk Factors*" contained within ARC's Management Discussion and Analysis dated February 8, 2024 (the "MD&A"), available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca; and other factors, many of which are beyond our control.

The actual results could differ materially from those results anticipated in this forward-looking information, which are based on assumptions, including as to the market prices for crude oil and natural gas; the continuation of the present policies of the Board of Directors relating to management of ARC, and the payment of dividends, capital expenditures and other matters; the factors and assumptions under the heading "*Significant Factors or Uncertainties Affecting*

Reserves Data"; the continued availability of capital and skilled personnel, acquisitions of reserves and undeveloped lands; anticipated abandonment and reclamation costs; the continuation of the current tax and regulatory regime, and other assumptions contained in this Annual Information Form.

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 reserves described can be profitably produced in the future.

Statements pertaining to dividend increases and the repurchase of ARC's outstanding common shares, while based on ARC's current intentions and beliefs, are not guaranteed and should not be unduly relied upon. Any decisions with respect to dividends and/or share repurchases are subject to the approval of the Board of Directors of ARC.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking information contained in this Annual Information Form and the documents incorporated by reference herein are expressly qualified by this cautionary statement. We do not undertake any obligation to publicly update or revise any forward-looking information except as required by securities laws or regulations.

ARC's audited consolidated financial statements (the “financial statements”) as at and for the year ended December 31, 2023, and MD&A are available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca. The disclosure under the section entitled "*Non-GAAP and Other Financial Measures*" contained in ARC's MD&A is incorporated by reference into this document. Also refer to the section entitled “*Non-GAAP and Other Financial Measures*” contained within this Annual Information Form.

Access to Documents

Any document referred to in this Annual Information Form and described as being available on SEDAR+ at www.sedarplus.ca (including those documents referred to as being incorporated by reference in this Annual Information Form) may be obtained free of charge from us at IR@arcresources.com or at 1200, 308 - 4th Avenue SW, Calgary, Alberta, T2P 0H7.

Abbreviations and Conversions

Oil and Natural Gas Liquids	
bbl	barrel
bbl/d	barrels per day
Mbbl	thousand barrels
MMbbl	million barrels
API	indication of specific gravity of crude oil measured on the American Petroleum Institute ("API") gravity scale
Natural Gas	
Mcf	thousand cubic feet
Mcf/d	thousand cubic feet per day
MMcf	million cubic feet
MMcf/d	million cubic feet per day
Bcf	billion cubic feet
Bcf/d	billion cubic feet per day
Bcfe	billion cubic feet equivalent
Tcf	trillion cubic feet
MMBtu	million British thermal units
MMBtu/d	million British thermal units per day
GJ	gigajoules
Other	
boe	barrels of oil equivalent
boe/d	barrels of oil equivalent per day
Mboe	thousand barrels of oil equivalent
MMboe	million barrels of oil equivalent
$M	thousand dollars
$MM	million dollars

We have adopted the standard of 6 Mcf:1 bbl when converting natural gas to boe. Boe may be misleading, particularly if used in isolation. **A boe conversion ratio of six Mcf per barrel is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different than the energy equivalency of the 6:1 conversion ratio, utilizing the 6:1 conversion ratio may be misleading as an indication of value.**

All dollar amounts set forth in this Annual Information Form are in Canadian dollars, except where otherwise indicated.

The following table sets forth certain standard conversions between Standard Imperial Units and the International System of Units (or metric units), in accordance with the COGE Handbook.

To Convert From	To	Multiply By
cubic metres	cubic feet	35.49373
cubic feet	cubic metres	0.0282
barrels	cubic metres	0.15898
cubic metres	barrels	6.2901
feet	metres	0.3048
metres	feet	3.28084

CORPORATE STRUCTURE

ARC Resources was formed by amalgamation under the *Business Corporations Act* (Alberta). Prior to January 1, 2011, ARC was one of Canada's largest conventional crude oil and natural gas royalty trusts and was founded in 1996.

Our principal office is located at 1200, 308 - 4th Avenue SW, Calgary, Alberta, T2P 0H7 and our registered office is located at 2400, 525 - 8th Avenue SW, Calgary, Alberta, T2P 1G1.

The following diagram illustrates the intercorporate relationship between ARC and its subsidiaries, the percentage of votes attached to all voting securities of the subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by ARC and the jurisdiction of incorporation of the subsidiaries.

DEVELOPMENT OF OUR BUSINESS

General

ARC is a leading Canadian energy company and the nation's third-largest producer of natural gas and largest producer of condensate. ARC's business activities include the exploration, development, and production of crude oil, condensate, natural gas, and NGLs in Alberta and British Columbia, Canada. ARC has focused on the acquisition and development of resource-rich properties that provide for both near-term and long-term growth. ARC trades on the TSX under the symbol ARX and currently pays a quarterly dividend to its shareholders.

Strategy

ARC's vision is to be recognized as a "Best-in-Class Responsible Energy Producer". The strategy to achieve this is built upon four pillars that are foundational to the organization: high-quality assets and operational excellence, commercial activities and risk management, financial sustainability and return on investment, and people and ESG leadership. These pillars have created a strong foundation for excellent business performance, measured by delivering superior risk-adjusted returns that are sustainable through commodity price cycles.

ARC's competitive advantage is anchored by its scale in world-class assets and is complemented by a low-cost structure and end-market diversification. Over the past 28 years, ARC has amassed greater than one million acres in the heart of the liquids-rich area of the Montney formation, providing an inventory of development opportunities that extends for decades.

Superior margins are achieved through strong price realizations and a low-cost structure throughout all aspects of our business. The strategy of owning and operating infrastructure complemented by long-term transportation agreements ensures a low-cost structure and market access to key end-markets across North America. Historically, this has resulted in superior price realizations compared to the local benchmarks. Commencing in 2027, end-market diversification will include international price exposure through recently executed agreements to supply natural gas to North American LNG projects.

ARC is committed to balancing organic investment with a meaningful return of capital to deliver an optimal total return for its shareholders. ARC's preferred method to return capital is through a growing dividend and share repurchases.

Three-Year History

The following is a description of the general development of our business over the last three financial years and to the date of this Annual Information Form.

2021

Acquisition and integration of Seven Generations. On February 10, 2021, ARC announced that it had entered into a Business Combination with Seven Generations in an all-share transaction. The Business Combination was structured through a plan of arrangement under the *Canada Business Corporations Act*, where Seven Generations shareholders received 1.108 common shares of ARC for each class “A” common share of Seven Generations. On April 6, 2021, ARC issued approximately 369.4 million common shares to acquire all of the outstanding Seven Generations class “A” common shares, making Seven Generations a wholly-owned subsidiary of ARC. On May 1, 2021, ARC amalgamated with Seven Generations.

Issuance of unsecured notes. On March 10, 2021, ARC completed the issuance of two tranches of senior unsecured notes of $1.0 billion aggregate principal amount with a weighted average interest rate of 2.965 per cent and average term of 7.75 years (the “2021 Notes”). The 2021 Notes were assigned a rating of BBB with a stable trend by DBRS upon successful completion of the Business Combination. On April 6, 2021, ARC used the proceeds from the 2021 Notes, combined with draws on its $2.0 billion unsecured extendible revolving credit facility (the “Credit Facility”), to repay all of Seven Generations' outstanding senior notes. ARC subsequently amended and restated the Credit Facility in October 2021, extending the tenor from three to four years and executing amendments to align with credit facilities of other investment-grade energy companies. Additionally, ARC repaid the entire principal amount outstanding of its legacy private senior notes in September 2021.

Annual average production of 302,003 boe per day. ARC delivered full-year average production of 302,003 boe per day in 2021. Production increased 87 per cent relative to 2020, reflecting nine months of contribution from the Kakwa asset acquired through the Business Combination.

Cash flow used in investing activities was $808.1 million and capital expenditures(1) totalled $1.1 billion. ARC's 2021 capital program demonstrated capital discipline and prioritized efficiently integrating the Kakwa asset into its portfolio. During the year, ARC completed two small infrastructure optimization and expansion projects in the Sunrise and Parkland areas and drilled 141 wells and completed 132 wells.

Total proved plus probable reserves of 1,761 MMboe identified. The acquisition of the Kakwa asset approximately doubled ARC's reserves volume, while development additions replaced greater than 100 per cent of production in all reserves categories, reflecting ARC's successful operational execution throughout 2021. Total proved plus probable reserves were 1,761 MMboe, total proved reserves were 1,185 MMboe, and proved producing reserves were 503 MMboe as at December 31, 2021.

Returns to shareholders accelerated. Reflecting increased profitability and ARC's ability to capture $190 million in annual savings due to synergies of the Business Combination, ARC increased its quarterly dividend twice during 2021. ARC increased its third quarter dividend by 10 per cent, from $0.06 per share to $0.066 per share, and subsequently increased its fourth quarter dividend by 52 per cent, from $0.066 per share to $0.10 per share.

Normal course issuer bid (“NCIB”) initiated. ARC received TSX approval to commence an NCIB, which allowed ARC to purchase up to 72.2 million of its outstanding common shares, representing 10 per cent of the Company's public float over a 12-month period commencing September 1, 2021. From September 1, 2021 to December 31, 2021, ARC repurchased 30.9 million or approximately four per cent of its common shares outstanding at a weighted average price of $11.17 for total consideration of $345.2 million.

Long-term natural gas supply agreement secured. ARC advanced its marketing strategy by entering into its first long-term supply agreement to supply approximately 150 MMcf per day of natural gas from ARC's Sunrise asset to Shell Canada Limited as a participant of LNG Canada. The agreement will commence with the start-up of LNG Canada.

(1) Non-GAAP financial measure that is not a standardized financial measure under International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and may not be comparable to similar financial measures disclosed by other issuers. The most directly comparable GAAP measure for capital expenditures is cash flow used in investing activities. Certain additional disclosures for this non-GAAP measure have been incorporated by reference and can be found in the section entitled *"Non-GAAP and Other Financial Measures"* in ARC's MD&A available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

Executive appointments. Upon close of the Business Combination, Armin Jahangiri was appointed to the position of Senior Vice President, Capital Operations; Larissa M. Conrad was appointed to the position of Senior Vice President, Development; Lisa A. Olsen was appointed to the position of Vice President, People and Corporate; Kristin L. Cerny was appointed to the position of Vice President, Finance; Brian R. Groundwater was appointed to the position of Vice President, Engineering; Lynne P. Chrumka was appointed to the position of Vice President, Geosciences; Brian J. Newmarch was appointed to the position of Vice President, Sustainability; and David B. Holt was appointed to the position of Senior Vice President and Chief Operating Officer. Effective September 8, 2021, Sean W. Stuart was appointed to the position of Vice President, Capital Operations.

2022

Annual average production of 345,613 boe per day. ARC delivered full-year average production of 345,613 boe per day in 2022, representing a 14 per cent increase relative to 2021. The increase in production was driven by increased condensate and NGLs production from the Kakwa area, and recognizing a full year of production from this asset which was acquired in the Business Combination.

Cheniere long-term natural gas supply agreement. In the second quarter of 2022, ARC entered into a long-term natural gas supply agreement with Cheniere Energy, Inc. ("Cheniere"). The agreement commences with the commercial operation of Train 7 of the Corpus Christi Stage III expansion which is expected in 2027. ARC will deliver 140,000 MMBtu/d of natural gas to Cheniere through existing pipeline capacity and will receive an LNG price based on Platts JKM™ (Japan Korea Marker), after deductions for transport and liquefaction.

Cash flow used in investing activities was $1.4 billion and capital expenditures totaled $1.4 billion. ARC executed its 2022 capital program safely and efficiently. In addition to drilling 134 wells and completing 126 wells, ARC continued infrastructure investment with its Sunrise facility expansion and Dawson Phase III and IV electrification projects.

Net present value of proved plus probable reserves increased 49 per cent. ARC's before-tax net present value of proved plus probable reserves, discounted at 10 per cent, increased 49 per cent to $34.00 per share(2) or $21.1 billion at December 31, 2022. The increase was driven by positive technical revisions and extensions and improved recovery, particularly in the Kakwa area, along with stronger commodity prices and fewer shares outstanding.

Reserves per share grew between 14 and 22 per cent in all categories. ARC's proved producing reserves increased 22 per cent per share to 549 MMboe, primarily due to strong results in the Kakwa area where proved producing reserves grew by 17 per cent. Positive technical revisions accounted for a nine per cent increase in proved producing reserves, with the largest increase in the Kakwa area being an 11 per cent increase in proved producing reserves.

Dividend increase of 50 per cent over the course of the year. ARC increased its quarterly dividend twice during 2022. During the first quarter, ARC increased its dividend by 20 per cent, from $0.10 per share to $0.12 per share. Subsequently, in the fourth quarter, ARC announced an additional increase of 25 per cent to $0.15 per share.

NCIB renewed. On August 30, 2022, ARC received TSX approval to renew its NCIB, which allowed ARC to purchase 65.3 million of its outstanding common shares, representing 10 per cent of the Company's public float over a 12-month period commencing September 1, 2022. During the year ended December 31, 2022, ARC repurchased 74.6 million common shares at a weighted average price of $17.36 for a total cost of $1.3 billion.

Equitable Origin's EO100™ certification. In April 2022, ARC received certification under Equitable Origin's EO100™ Standard for Responsible Development for its northeast British Columbia assets, including Greater Dawson and Sunrise. In January 2023, the Company achieved certification of its Ante Creek asset, with 100 per cent of the Company's production base now certified under this global standard.

Executive appointments. Effective January 10, 2022, Armin Jahangiri was appointed to the position of Senior Vice President and Chief Operating Officer; Larissa M. Conrad was appointed to the position of Senior Vice President and Chief Development Officer; Ryan V. Berrett was appointed to the position of Senior Vice President, Marketing; Lisa A. Olsen was appointed to the position of Senior Vice President, People and Corporate; and Katherine J. Gomes was appointed to the position of Vice President, Controller. Effective March 10, 2022, Brian R. Groundwater was appointed to the position of Vice President, Engineering and Geoscience. Effective September 16, 2022, Tejay D. Haugen was appointed to the position of Vice President, Operations Planning; and Sean R. A. Calder was appointed to the position of Vice President, Field Operations.

(2) This supplementary financial measure is comprised of the before-tax net present value for proved plus probable reserves, discounted at 10 per cent, as determined in accordance with NI 51-101, divided by common shares outstanding at the end of the period.

2023

Record annual average production of 351,954 boe per day. ARC delivered record average production of 351,954 boe per day in 2023, representing a 12 per cent per share increase relative to 2022. The increase in production was primarily driven by increased natural gas production from new wells coming on-stream in the Sunrise and Kakwa areas.

Advancement of LNG strategy. In the first quarter of 2023, ARC entered into a non-binding Memorandum of Understanding with Cedar LNG for an anticipated 20-year agreement to supply and liquefy approximately 200 MMcf/d of natural gas. In the fourth quarter of 2023, ARC announced that it entered into its second long-term natural gas supply agreement with Cheniere for 140,000 MMBtu/d that is expected to commence by 2029. ARC will supply natural gas and will receive a Title Transfer Facility index price less deductions for liquefaction, transport, and regasification.

Record safety performance and record capital expenditures. Cash flow used in investing activities was $1.7 billion, and capital expenditures were a record $1.8 billion. Despite increased levels of capital and operational activity, 2023 was a record year in safety performance. ARC drilled 148 wells, completed 151 wells, and completed several infrastructure projects including the expansion of its Sunrise facility and the electrification of its Dawson Phase III and IV facilities. During 2023, ARC announced the sanctioning of its Attachie Phase I facility, which is anticipated to be completed in late 2024, with full production anticipated in the first quarter of 2025.

Return on investment. Return on average capital employed ("ROACE")(3) was 23 per cent in 2023. Over the previous three years, ROACE has been between 18 and 35 per cent.

Record year in reserves and net present value of proved plus probable reserves increased 13 per cent. Reserves across all categories were a 28-year record, increasing from 2022 by between 12 and 13 per cent per share on a proved producing, proved, and proved plus probable basis. ARC's before-tax net present value of proved plus probable reserves, discounted at 10 per cent, increased from 2022 to $38.00 per share at December 31, 2023. The proved plus probable net present value considers the development of 20 per cent of ARC's internally identified inventory.

Return of capital. ARC generated cash flow from operating activities of $2.4 billion ($3.92 per share)(4) and free funds flow(5) of $790 million ($1.29 per share)(6) in 2023 and distributed 110 per cent of free funds flow to shareholders.

NCIB renewed. On August 30, 2023, ARC received TSX approval to renew its NCIB. The renewed NCIB allows ARC to purchase up to 60.7 million of its outstanding common shares, representing 10 per cent of the Company's public float over a 12-month period commencing September 1, 2023. In 2023, ARC repurchased 25.3 million common shares at a weighted average price of $18.34 for a total cost of $464 million.

2024

Executive appointment. Effective February 8, 2024, Michael C. Capon was appointed to the position of Vice President, Information Technology.

(3) Non-GAAP ratio that is not a standardized financial measure under IFRS Accounting Standards and may not be comparable to similar ratios disclosed by other issuers. Includes non-GAAP financial measure components of adjusted EBIT and average capital employed. Certain additional disclosures for this non-GAAP measure have been incorporated by reference and can be found in the section entitled *"Non-GAAP and Other Financial Measures"* in ARC's MD&A available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

(4) For information on this supplementary financial measure refer to the section entitled *"Non-GAAP and Other Financial Measures"* contained within ARC's MD&A available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

(5) Non-GAAP financial measure that is not a standardized financial measure under IFRS Accounting Standards and may not be comparable to similar financial measures disclosed by other issuers. The most directly comparable GAAP measure for free funds flow is cash flow from operating activities. Certain additional disclosures for this non-GAAP measure have been incorporated by reference and can be found in the section entitled *"Non-GAAP and Other Financial Measures"* in ARC's MD&A available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

(6) Non-GAAP ratio that does not have any standardized meaning under IFRS Accounting Standards and may not be comparable to similar ratios presented by other entities. Includes a non-GAAP financial measure component of free funds flow. Certain additional disclosures for this non-GAAP measure have been incorporated by reference and can be found in the section entitled *"Non-GAAP and Other Financial Measures"* in ARC's MD&A available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

DESCRIPTION OF OUR BUSINESS

General

The following describes certain general activities and conditions impacting our business.

Revenue Sources and Royalties

ARC's primary source of revenue is commodity sales from production, comprising sales of crude oil, condensate, NGLs, and natural gas. For further information refer to the section entitled "*Commodity Sales From Production*" contained within the MD&A, available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

ARC must pay royalties to the owners of the mineral rights of the lands on which ARC produces its products from, primarily the provincial governments of Alberta and British Columbia. Each province has legislation and regulation in place to govern Crown royalties and establish the royalty rates that crude oil and natural gas producers must pay in respect of the production of Crown resources. The royalty regime in a given province is in addition to applicable federal and provincial taxes and can be a significant factor in the profitability of crude oil, condensate, NGLs, and natural gas production. Royalties payable on production from lands where the Crown does not hold the mineral rights are negotiated between the freehold mineral owner and the lessee, though certain provincial taxes and other charges on production or revenue may still be payable. For further information on royalties paid by ARC refer to the section entitled "*Royalties*" contained within the MD&A, available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

Marketing and Risk Management

ARC sells its production pursuant to fixed and variable-priced contracts. The transaction price for variable-priced contracts is based on the commodity price, adjusted for quality, location, or other factors, whereby each component of the pricing formula can be either fixed or variable, depending on the contract terms. Under these contracts, the Company is required to deliver a fixed volume of crude oil, natural gas, condensate, or NGLs to the contract counterparty.

ARC's marketing strategy centers on accessing global demand markets at the lowest cost by focusing on a multi-prong approach of (i) accessing diversified markets and transporting commodities to key consuming regions, (ii) securing long-term transportation arrangements and managing risk through dual-connected facilities, and (iii) increasing revenues through margin expansion opportunities. For example, ARC's natural gas sales are physically diversified to multiple sales points within North America, each with different index-based pricing. Recently ARC has entered into long-term natural gas sales contracts that are linked to international natural gas or LNG pricing. For further information refer to Note 16 "*Financial Instruments and Market Risk Management*" in the financial statements and the section entitled "*Risk Management Contracts*" contained within the MD&A, available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca. ARC's goal is for 25 per cent of its natural gas production to have international price exposure.

To support its marketing strategy, ARC enters into firm transportation service commitments in order to secure diversified market access for both its current production, as well as anticipated production from facility infrastructure planned to be operational in the future. For further information on ARC's transportation commitments refer to the section entitled "*Contractual Obligations and Commitments*" contained within the MD&A, available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

ARC's financial results are largely dependent on commodity prices received for its crude oil and natural gas production. To manage exposure to fluctuations in commodity prices ARC utilizes a variety of risk management contracts. A summary of our financial contracts in respect of hedging activities can be found in Note 16 "*Financial Instruments and Market Risk Management*" in the financial statements and in the section entitled "*Risk Management Contracts*" contained within the MD&A, available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

As part of its physical risk management strategy, ARC owns and operates a network of facility infrastructure, with capacity to process approximately 1.7 Bcf/d of natural gas and handle 135,000 bbl/d of crude oil, condensate, and NGLs.

Competition

The crude oil and natural gas industry is competitive in all of its phases. ARC competes with numerous other companies in the acquisition, exploration, development, production, transportation, and marketing of crude oil, condensate, NGLs, and natural gas and procuring timely and cost-effective services to carry out its operations. We also compete for skilled personnel. To a lesser extent, we also face competition from companies that supply alternative sources of energy, such as wind or solar power. The timing of when, and the degree to which, global energy markets transition from carbon-based sources to alternative energy sources is highly uncertain.

Seasonal Factors

Generally, the demand for natural gas increases during the winter months and decreases during the summer months. Seasonal anomalies such as mild winters or hot summers may impact general seasonal changes in natural gas demand. As well, the production of crude oil and natural gas can be dependent on access to geographic areas where development of reserves is to be conducted. Seasonal weather variations can affect access and operations in certain circumstances.

Employees and Specialized Skill and Knowledge

The operations and management of ARC requires the recruitment and retention of a skilled workforce, including engineers, geologists, geophysicists, finance, marketing, and human resource professionals and other key personnel required to find, acquire, develop and operate our assets, and transport and market our crude oil, condensate, NGLs, and natural gas production.

At December 31, 2023, ARC had 622 permanent professional, technical, and support staff, with 370 employees located in the Calgary office and 252 employees located across ARC’s operating areas.

Regulation

The crude oil and natural gas industry in the provinces of British Columbia and Alberta is extensively regulated at the federal, provincial, and municipal levels. Regulations affecting elements of the energy sector in these jurisdictions are under constant review for amendment or expansion and frequently more stringent requirements are imposed. Various federal and provincial agencies, including the Alberta Energy Regulator, the British Columbia Energy Regulator, and the Canadian Energy Regulator have, or may have in the future, legal and regulatory authority and oversight over ARC's exploration and development activities and operations. In addition, regulations imposed in jurisdictions other than where ARC has operations, may influence those jurisdictions where ARC does operate.

Canadian environmental regulation is the responsibility of both the federal and provincial governments. While provincial governments and their delegates are responsible for most environmental regulation, the federal government can regulate environmental matters where they impact matters of federal jurisdiction or when they arise from projects that are subject to federal jurisdiction, such as interprovincial transportation undertakings, including pipelines and railways, and activities carried out on federal lands. Where there is a direct conflict between federal and provincial environmental legislation in relation to the same matter, the federal law prevails.

Ensuring compliance with the rules, regulations, and orders promulgated by such entities requires extensive effort and incremental costs to comply, which may affect ARC's profitability. As public policy changes are commonplace, and existing laws and regulations are frequently amended, ARC is unable to predict the future cost or impact of compliance. However, ARC does not expect that any of these laws and regulations will affect its operations materially differently than they would affect other companies with similar operations, size, and financial position. The following are significant areas of government control and regulation affecting ARC's crude oil and natural gas activities.

Environment and Health and Safety Matters

ARC strives to conduct its operations in a socially and environmentally responsible manner and is required to comply with all federal, provincial, and municipal laws and regulations concerning health and safety, the discharge or other release of materials, and protection of the environment and natural resources. These legal requirements primarily relate to: the discharge or other release of pollutants; assessing the environmental impact of seismic acquisition, drilling, and construction activities; the generation, storage, transportation, and disposal of waste materials, including hazardous substances and wastes; the emission of certain gases into the atmosphere; the monitoring, abandonment, reclamation, and remediation of wells and other sites, including sites of former operations; the development of emergency response and spill contingency plans; the protection of threatened and endangered species; and worker protection.

Failure by ARC to comply with these laws, regulations, and regulatory initiatives or controls may result in the assessment of sanctions, including administrative, civil and criminal penalties; the imposition of investigatory, remedial and corrective action obligations or the obligation to incur expenditures; the occurrence of restrictions, delays or cancellations in the permitting, development, or expansion of projects; and issuance of injunctions restricting or prohibiting some or all of ARC's activities in a particular area. Historically, ARC's compliance costs have not had a material adverse effect on its financial results. However, there can be no assurance that such costs will not be material in the future or that such future compliance will not have a material adverse effect on ARC's business and financial results.

ARC owns, leases, or operates numerous assets, some of which have been used for crude oil and natural gas exploration and production activities for several years. ARC also has acquired and disposed of certain assets from third parties whose actions with respect to the management and disposal or release of hydrocarbons, hazardous substances, or wastes at or from such assets were not under ARC's control prior to acquiring them. Under certain environmental laws and regulations, ARC could incur strict joint and several liability due to damages to natural resources or for remediating hydrocarbons, hazardous substances, or wastes disposed of or released by prior owners or operators. Moreover, an accidental release of materials into the environment during ARC's operations could cause the Company to incur significant costs and liabilities.

Over time, the trend in laws and regulations impacting crude oil and natural gas production operations has been to place more restrictions and limitations on these activities. If existing legal requirements change or new legislative, regulatory, or executive initiatives are developed and implemented in the future, ARC may be required to make significant, unanticipated expenditures.

Exploration and Development Activities

ARC's crude oil and natural gas operations are subject to laws and regulations that relate to matters including: the acquisition of seismic data; location, drilling, and casing of wells; hydraulic fracturing; well production operations; disposal of produced water; regulation of transportation and sale of crude oil, condensate, NGLs, and natural gas; surface land usage; calculation and disbursement of royalty payments; and restoration of lands disturbed for crude oil and natural gas operations.

Development and production operations are subject to various regulations, including regulations requiring permits for the drilling and completion of wells, the posting of security in connection with development and production activities and the filing of reports related to production operations. Alberta and British Columbia, and certain municipalities in which ARC operates also regulate one or more of the following: the location of wells; the method of drilling and casing wells; the method and ability to fracture stimulate wells; the surface use and restoration of lands upon which wells are drilled and infrastructure and equipment are located; the disposal of produced water; the plugging and abandoning of wells; and notices to surface land owners and other third parties.

All of the wells drilled by ARC are completed and stimulated through the use of hydraulic fracturing technology. Hydraulic fracturing involves the injection of water, sand, and small amounts of additives under high pressure into tight rock formations to stimulate the production of crude oil and natural gas. While the majority of the sand remains underground to hold open the fractures, a significant amount of the water and chemical additives flow back and are then either reused or safely disposed of at sites that are approved and permitted by provincial regulatory authorities.

Hydraulic fracturing is regulated at the provincial level through permitting and other compliance requirements. Regulatory scrutiny of hydraulic fracturing has generally focused on issues related to water storage, management and handling, increased seismicity in the areas in which hydraulic fracturing takes place, and local stakeholder engagement. Regulatory authorities actively monitor and investigate hydraulic fracturing activities in their jurisdictions and have imposed, or have considered imposing, various conditions and restrictions on drilling and completions activities involving hydraulic fracturing. Such restrictions, conditions, or prohibitions could lead to operational delays and increased operating and compliance costs, and could delay or prevent the development of crude oil, condensate, NGLs, and natural gas from formations which would not be economically viable without the use of hydraulic fracturing.

Project Approvals

Approvals and licenses from relevant government and regulatory bodies are required to carry out or make modifications to ARC’s crude oil and natural gas production activities. The project approval process can involve environmental assessment, stakeholder and Indigenous consultation, and inputs regarding project concerns and public hearings and may include various conditions and commitments arising throughout the consultation and review process.

In 2019, the *Canadian Energy Regulator Act* and the federal *Impact Assessment Act* ("IAA") came into force which may impact the way large energy-related projects are approved. Additionally, the Impact Assessment Agency of

Canada was replaced with the Canadian Environmental Assessment Agency. The enactment of these laws have created uncertainty as they appear to grant broad discretion to the government of Canada to veto infrastructure projects (including infrastructure projects under provincial jurisdiction) based on broad and undefined criteria. In 2023, the Supreme Court of Canada found that the IAA was unconstitutional largely on the basis that it represented significant federal overreach into provincial affairs. Since the decision on the IAA, the Canadian federal government has paused the assessment process under the IAA. Though ARC does not typically own, operate, permit, or construct projects which would appear to fall under the scope of the IAA, aspects of ARC's crude oil and gas natural operations may rely on these projects being owned, operated, permitted, and constructed by others.

The Canadian federal and provincial governments have a duty to consult with Indigenous people when contemplating actions that may adversely affect the asserted or proven Indigenous or treaty rights and, in certain circumstances, accommodate their concerns. The scope of the duty to consult by federal and provincial governments varies with the circumstances and is often the subject of ongoing litigation. The fulfillment of the duty to consult Indigenous people and any associated accommodations may adversely affect ARC's ability to, or increase the timeline to, obtain or renew, permits, leases, licences and other approvals, or to meet the terms and conditions of those approvals. For example, regulatory authorities in British Columbia ceased granting approvals, and in some cases, revoked existing approvals, for among other things, crude oil and natural gas activities relating to drilling, completions, testing, production, and transportation infrastructure following a British Columbia Supreme Court decision that the cumulative impacts of government-sanctioned industrial development on the traditional territories of an Indigenous group in northeast British Columbia breached that group's treaty rights. Following that decision, the Government of British Columbia signed an implementation agreement with that Indigenous group to address cumulative effects of development on that group's claim area through restoration work, establishment of areas protected from industrial development, and a constraint on development activities. These measures, which have and are expected to continue to form the basis of similar arrangements with other Indigenous groups in British Columbia, are expected to remain in place while a long-term cumulative effects management regime is implemented. The long-term impacts of, and associated risks with, the court decision and arrangements with Indigenous groups to address the cumulative effects of development on claimed lands on the crude oil and natural gas industry and ARC remain uncertain.

Climate Change and Greenhouse Gas Emissions

Greenhouse gases, which include among other items, methane, carbon dioxide, nitrous oxide and various fluorinated gases ("GHGs") are typically emitted throughout all phases of the crude oil and natural gas supply chain and in end-user consumption through activities such as power generation and motorized transportation. The Government of Canada and the provincial governments of Alberta and British Columbia have been increasingly focused on GHG emissions and climate change issues in recent years, resulting in new laws and regulations designed to limit existing emissions of GHGs, and to restrict or eliminate future GHG emissions. Some of these laws and regulations are in effect, while others remain in various phases of review, discussion, or implementation.

The Government of Canada has been the most active, compared to its provincial counterparts, in proposing and implementing new laws and regulations to limit GHG emissions, including those impacting the crude oil and natural gas sector. Most recently, the Government of Canada announced plans to implement a national emissions cap-and-trade model. The proposal is to phase in the cap-and-trade system between 2026 and 2030 and have it apply to, among other things, all direct GHG emissions from LNG facilities and upstream crude oil and natural gas facilities, including offshore facilities, while also accounting for indirect emissions and emissions that are captured and permanently stored. It is currently proposed that the 2030 emissions cap, which will inform the number of emission allowances issued to regulated facilities, will be set at 35 per cent to 38 per cent below 2019 emission levels. Under the proposed regime, facilities that emit more than the allowances allocated would have some flexibility to compensate for a limited quantity of additional emissions, up to the level of the legal upper bound, which for 2030, is proposed to be set at 20 per cent to 23 per cent below 2019 emission levels. The Government of Canada has committed to regularly reviewing the emissions cap trajectory, the emissions trading market, and access to compliance flexibilities in setting the allowance level and legal upper bound for the post-2030 period with a view to its long-term objective of achieving net-zero GHG emissions in the crude oil and natural gas sector by 2050.

Many of the federal government initiatives have, by legislative design, caused the provincial governments of Alberta and British Columbia to evaluate, and in some cases, enact their own laws and regulations in response to federal government initiatives focused on GHG emissions, particularly in the areas of output-based pricing systems and the regulation of methane emissions from crude oil and natural gas operations.

Output-Based Pricing Systems

On January 1, 2019, the *Greenhouse Gas Pollution Pricing Act* (the "GGPPA") came into force in Canada. This federal regime implemented an output-based pricing system which imposes a price (cost) on CO_{2e} emissions for large industry and a fuel charge system. To ensure there is a uniform price on emissions across Canada, the GGPPA system applies in provinces and territories that request it, and those jurisdictions that do not have their own equivalent emissions pricing systems in place meeting the federal standards, commonly referred to as the “federal backstop program”.

In 2019, the fuel charge element of the federal backstop program took effect in Alberta. The carbon tax payable in Alberta will continue to increase at a rate of $15 per year, currently $80 per tonne, until it reaches $170 per tonne in 2030. Also in 2019, the federal government approved Alberta's *Technology Innovation and Emissions Reduction* ("TIER") regulation which applies to facilities that emitted 100,000 tonnes or more of CO_{2e} per year in 2016, or any subsequent year, or those that import more than 10,000 tonnes of hydrogen annually. The TIER regulation satisfies the federal benchmark stringency requirements for emissions sources covered in the regulation, however, the federal backstop program continues to apply to emissions sources not covered by the regulation. The provincial carbon pricing system in British Columbia satisfies all requirements of the GGPPA and applies in the place of the federal regime in all respects.

Methane Regulations

In 2020, the Government of Canada's *Regulations Respecting Reduction in the Release of Methane and Certain Volatile Organic Compounds (Upstream Oil and Gas Sector)* (the "Federal Methane Regulations") came into force seeking to reduce emissions of methane from the crude oil and natural gas sector by using new control measures intended to reduce unintentional leaks and the intentional venting of methane, and ensuring that crude oil and natural gas operations use low-emission equipment and processes. Among other things, the Federal Methane Regulations limit how much methane upstream crude oil and natural gas facilities are permitted to vent. The regulations aim to reduce the crude oil and natural gas sector's methane emissions by 40 per cent to 45 per cent by 2025, relative to 2012 emissions. Proposed amendments to the Federal Methane Regulations are expected to come into force in 2027. These amendments introduce, among other items, new prohibitions and limits on certain intentional emissions, a new risk-based approach around unintentional emissions, and a new performance-based approach for compliance that relies on continuous emissions monitoring systems.

The Governments of Alberta and British Columbia have enacted provincial regulations designed to lower annual methane emissions from the crude oil and natural gas sector 45 per cent by 2025, in line with the federal methane regulations and effective January 1, 2020. The Government of Canada announced equivalency agreements with each of these provinces regarding the regulation of methane emissions from the crude oil and natural gas sector such that the federal methane regulations would not apply in these jurisdictions.

Environmental Protection

Other than its asset retirement obligation ("ARO"), ARC does not separately track the financial effects of environmental protection requirements on its capital expenditures and net income, all of which are included in ARC's other capital expenditures and operating expense**.**

With respect to ARO, the provinces of Alberta and British Columbia have each implemented similar liability management programs for upstream crude oil and natural gas wells, facilities, and pipelines. These programs are designed to assess a licensee’s ability to address its suspension, abandonment, remediation, and reclamation liabilities. ARC maintains a planned and scheduled approach to its ARO. For further information on ARC’s ARO refer to the section entitled “*Asset Retirement Obligation*” contained within the MD&A, available on ARC’s website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

Environmental, Social, and Governance Policies

ARC is committed to the responsible development of our assets and integrating principles of sustainability into all aspects of our business. To that end, ARC has adopted several policies and guiding principles focused on ethics, social, and environmental matters.

We believe that maintaining high standards of business conduct is essential to the long-term success of the Company. Our Code of Business Conduct and Ethics (the "Code") reinforces our expectation that all directors, officers, employees, and other representatives will conduct themselves with a high standard of professionalism and ethical behaviour. The Code specifically outlines the standards required for business integrity, accuracy of records and reporting, conflicts of interest, insider trading, protection and proper use of ARC's assets, reporting of illegal or unethical behaviour, and other matters. The Code is applicable to all directors, officers, employees, and contractors. On an annual basis, all directors, officers, employees, and contractors are required to read and acknowledge their understanding of the Code in writing.

In addition, ARC has a Code of Ethics for Senior Financial Officers and a quarterly certification process to ensure their compliance with ethical business conduct, financial reporting requirements and filings, and accurate reporting of operational results. This Code of Ethics for Senior Financial Officers is signed by the Chief Executive Officer and Chief Financial Officer to indicate their compliance and is reviewed by the Policy and Board Governance Committee each quarter. Copies of the Code and the Code of Ethics for Senior Financial Officers can be found on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

ARC has a Respectful Workplace Policy that supplements the Code. ARC requires high standards of professional and ethical conduct from all persons representing ARC. Our values of respect, integrity, trust, and community are core to every decision we make. The policy outlines ARC's commitment to fostering a work environment that is respectful, inclusive, and free of all forms of discrimination, bullying, harassment, sexual harassment, and workplace violence. All new employees are required to review and acknowledge the policy in writing. We conduct regular and ongoing education and training for all employees related to fostering a respectful workplace.

ARC has a Health and Safety Policy which details ARC's expectations on workplace health and safety matters and affirms ARC's belief that the health, safety, and well-being of our employees, contractors, and the communities in which we operate is a main priority. ARC has a strong safety culture that is embedded in our core values and is fundamental in delivering our organizational purpose. ARC follows a people-centric approach and values strong safety leadership starting from the top down. ARC has three focus areas with respect to delivering strong safety performance: (i) implementing strong systems to effectively manage risk and prevent harm on our worksites; (ii) providing adequate training and empowering our people by setting out clear safety expectations; and (iii) fostering a culture of empowered safety leadership. Employees are provided with comprehensive training which is supported by ongoing communication, systems, and processes.

Sustainability

ARC is committed to the responsible development of our assets and integrating principles of sustainability into all aspects of our business. Through strong ESG performance and delivering value to our stakeholders and Indigenous communities, our goal is to be Canada's "Best-in-Class Responsible Energy Producer". We are dedicated to building a sustainable business that supports the transition to a low-carbon economy. Our approach prioritizes producing low-cost, low-emissions energy, while supporting the economic and social well-being of the communities in which we work and live. This approach to responsible development has shaped the company we are today, and underpins our strategy for continued success into the future.

ESG Guiding Principles

We manage our business for the long term and strive to achieve leading ESG performance with a focus on the following guiding principles relating to environmental performance: (i) provide low-carbon energy for the future, (ii) protect water resources – "Secure, Reduce, Recycle", and (iii) restore land; relating to social performance: (i) be an industry leader in health, safety, and environmental practices and performance, (ii) form strong relationships with Indigenous communities, (iii) create shared value for society, and (iv) develop a diverse and inclusive workforce; and relating to governance performance: (i) ensure appropriate focus and oversight on ESG strategies and practices, (ii) continually improve governance structure and processes, and (iii) ensure a strong link between executive compensation and performance, including the assessment of ESG metrics.

Disclosure

We recognize the importance of comprehensive and transparent disclosure of our progress towards stated ESG goals and targets. To support our disclosure efforts, we publish ESG Reports to measure and communicate our performance. These reports highlight the Company's progress towards its ESG goals and targets, and profiles key sustainability initiatives within the organization.

Where possible, we measure our performance by aligning to internationally recognized standards and frameworks, including the Sustainability Accounting Standards Board and the Global Reporting Initiative.

To support ongoing transparency and assurance of our sustainability practices and performance, ARC has achieved certification of its asset base under the EO100™ Standard for Responsible Energy Development. As a result, 100 per cent of ARC's production is certified, representing the largest certified production base in Canada. Certification was granted following a comprehensive and independent process that included site-level assessments and interviews with key stakeholders and Indigenous communities. Certification under this global standard acknowledges ARC's top-tier ESG performance and commitment to continuous improvement.

For more information on ARC's ESG performance and for the most recent ESG Report, see www.arcresources.com/responsibility.

Risk Factors

A discussion of ARC's risk factors is contained in the section entitled "*Risk Factors*" in the MD&A, which section is incorporated by reference herein. Also see other documents filed by ARC from time to time available on SEDAR+ at www.sedarplus.ca.

STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

The statement of reserves data and other oil and gas information is set forth below (the “Statement”). The effective date of the Statement is December 31, 2023. The Statement conforms to the requirements of NI 51-101.

The reserves data set forth below is based upon an evaluation by GLJ and contained in the GLJ Report dated February 5, 2024. The reserves data summarizes our reserves and the net present values of future net revenues for these reserves, using forecast prices and costs prior to provision for interest, general and administrative expenses, and the impact of any financial risk management activities. Reserves evaluation includes abandonment and reclamation costs for all assets with attributed reserves as well as future drilling locations attributed proved and/or probable reserves. Future net revenues have been presented on a before-tax and after-tax basis. We engaged GLJ to provide an evaluation of proved and proved plus probable reserves.

It should not be assumed that the estimates of future net revenues presented in the tables below represent the fair market value of the reserves. There is no assurance that the forecast prices and cost assumptions will be attained, and variances could be material. The recovery and reserves estimates provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided herein. Readers should review the definitions and information contained in “*Definitions and Notes to Reserves Data Tables*” in conjunction with the following tables and notes. For more information as to the risks involved, see the section entitled “*Risk Factors*” contained within the MD&A, available on ARC’s website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

The Report on Reserves Data by GLJ on Form 51-101F2 and the Report of Management and Directors on Reserves Data and Other Information on Form 51-101F3 are attached as Appendices A and B to this Annual Information Form.

Disclosure of Reserves Data

Summary of 2023 Crude Oil and Natural Gas Reserves - Based on Forecast Prices and Costs

Company Gross Reserves	Tight Oil (Mbbl) [1]	NGLs (Mbbl) [2][3]	Total Oil and NGLs (Mbbl)	Shale Gas (MMcf) [4]	Total Oil Equivalent (Mboe)
PROVED					
Developed Producing	11,022	178,979	190,002	2,408,806	591,469
Developed Non-producing	512	10,547	11,060	73,740	23,350
Undeveloped	6,835	218,891	225,725	2,745,045	683,233
TOTAL PROVED	**18,369**	**408,418**	**426,787**	**5,227,591**	**1,298,052**
PROBABLE	12,091	233,204	245,296	2,705,885	696,277
TOTAL PROVED PLUS PROBABLE	**30,460**	**641,622**	**672,082**	**7,933,476**	**1,994,328**

Company Net Reserves	Tight Oil (Mbbl) [1]	NGLs (Mbbl) [2][3]	Total Oil and NGLs (Mbbl)	Shale Gas (MMcf) [4]	Total Oil Equivalent (Mboe)
PROVED					
Developed Producing	9,233	132,464	141,697	2,129,099	496,547
Developed Non-producing	449	8,242	8,691	65,816	19,661
Undeveloped	5,229	171,913	177,142	2,398,440	576,882
TOTAL PROVED	**14,911**	**312,619**	**327,530**	**4,593,355**	**1,093,089**
PROBABLE	9,062	170,040	179,102	2,280,511	559,187
TOTAL PROVED PLUS PROBABLE	**23,974**	**482,659**	**506,632**	**6,873,866**	**1,652,277**

1) Includes non-material amounts of Light Crude Oil, Medium Crude Oil, and Heavy Crude Oil.
2) Includes associated NGLs for both Conventional and Shale/Tight Reservoirs and includes condensate, propane, and butane.
3) Condensate and Pentanes Plus represent 67 per cent of proved producing NGLs, 71 per cent of total proved NGLs, and 72 per cent of total proved plus probable NGLs.
4) Includes a non-material amount of Conventional Natural Gas.

Net Present Value of Future Net Revenues - Based on Forecast Prices and Costs

Before-tax Net Present Value [1] ($ millions)	Undiscounted	Discounted at 5%	Discounted at 10%	Discounted at 15%	Discounted at 20%
PROVED					
Developed Producing	12,968	10,253	8,402	7,122	6,199
Developed Non-producing	690	550	457	395	350
Undeveloped	14,940	9,547	6,442	4,525	3,268
TOTAL PROVED	**28,598**	**20,349**	**15,301**	**12,042**	**9,817**
PROBABLE	20,201	11,634	7,661	5,520	4,225
TOTAL PROVED PLUS PROBABLE	**48,799**	**31,983**	**22,962**	**17,562**	**14,042**
After-tax Net Present Value [1][2][3] ($ millions)	**Undiscounted**	**Discounted at 5%**	**Discounted at 10%**	**Discounted at 15%**	**Discounted at 20%**
PROVED					
Developed Producing	10,746	8,613	7,120	6,075	5,316
Developed Non-producing	523	419	348	300	265
Undeveloped	11,209	7,029	4,608	3,117	2,143
TOTAL PROVED	**22,478**	**16,061**	**12,075**	**9,491**	**7,724**
PROBABLE	15,286	8,735	5,702	4,074	3,095
TOTAL PROVED PLUS PROBABLE	**37,763**	**24,795**	**17,778**	**13,565**	**10,819**

1) Reflects values inclusive of estimated abandonment and reclamation for all active assets with attributed reserves.
2) Based on ARC's estimated tax pools at year-end 2023.
3) The after-tax net present value of the future net revenue attributed to ARC's crude oil and natural gas assets reflects the tax burden on the assets on a standalone basis and does not necessarily reflect the business entity tax-level situation or tax planning. ARC's financial statements and the MD&A, available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca, should be consulted for information at the business entity level.

Total Future Net Revenues (Undiscounted) - Based on Forecast Prices and Costs

Reserves Category ($ millions)	Revenue	Royalties	Operating Expense	Development Costs	Abandonment and Reclamation Costs [1]	Future Net Revenue before Income Taxes	Income Taxes	Future Net Revenue after Income Taxes
Proved Reserves	60,197	11,907	11,485	7,282	924	28,598	6,120	22,478
Proved plus Probable Reserves	98,401	20,972	17,675	9,991	964	48,799	11,036	37,763

1) Reflects estimated abandonment and reclamation for all active assets with attributed reserves.

Future Net Revenues by Production Group - Based on Forecast Prices and Costs

Reserves Category	Production Group	Future Net Revenue before Income Taxes (Discounted at 10% per Year) ($ millions)	Per Unit [1]
Proved Reserves	Tight Oil [2][3]	885	16.72
	Shale Gas [4][5]	14,416	2.31
	Total	**15,301**	**14.00**
Proved Plus Probable Reserves	Tight Oil [2][3]	1,330	15.72
	Shale Gas [4][5]	21,632	2.30
	Total	**22,962**	**13.90**

1) Unit values are based on Net Reserves.
2) Including solution gas and other by-products.
3) Includes non-material amounts of Light Crude Oil, Medium Crude Oil, and Heavy Crude Oil.
4) Including by-products, condensate, and pentanes plus but excluding solution gas and other by-products from crude oil wells.
5) Includes a non-material amount of Conventional Natural Gas.

Forecast Prices and Costs

Forecast prices and costs are prices and costs that are generally acceptable, in the opinion of GLJ, as being a reasonable outlook of the future as of the evaluation effective date. To the extent that there are fixed or presently determinable future prices or costs to which we are legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs have been incorporated into the forecasts.

The forecast cost and price assumptions include increases in wellhead selling prices and take into account inflation with respect to future operating and capital costs. Crude oil, natural gas, and NGLs benchmark prices reference GLJ January 1, 2024 price forecasts and exchange rates which reflect current forward commodity prices as at December 31, 2023, in accordance with the COGE Handbook, which states that major benchmark commodity price forecasts, up to and including the second full forecast year, should not deviate from current forward commodity prices by more than 20 per cent.

Summary of GLJ January 1, 2024 Forecast Prices and Inflation Rate Assumptions

	Crude Oil				Natural Gas		Edmonton Liquids Prices				
Forecast	WTI Cushing Oklahoma (US$/bbl)	Edmonton Par Price 40° API (Cdn$/bbl)	Hardisty Heavy 12° API (Cdn$/bbl)	Cromer Medium 29.3° API (Cdn$/bbl)	NYMEX Henry Hub[1] Gas Price (US$/ MMBtu)	AECO Gas Price (Cdn$/ MMBtu)	Propane (Cdn$/bbl)	Butane (Cdn$/bbl)	Pentanes Plus (Cdn$/bbl)	Inflation Rate[2] (%/Year)	Exchange Rate[3] (US$/ Cdn$)
2024	72.50	89.40	66.89	87.17	2.75	2.01	31.29	49.17	94.04	—	0.755
2025	75.00	94.04	71.19	91.69	3.85	3.42	42.32	51.72	98.01	2.0	0.755
2026	76.99	95.31	73.76	92.92	4.16	4.30	42.89	52.42	101.95	2.0	0.765
2027	78.53	97.22	75.76	94.79	4.25	4.39	43.75	53.47	103.99	2.0	0.765
2028	80.10	99.16	79.25	96.68	4.33	4.47	44.62	54.54	106.07	2.0	0.765
2029	81.70	101.14	80.86	98.61	4.42	4.56	45.51	55.63	108.18	2.0	0.765
2030	83.34	103.16	82.50	100.58	4.50	4.65	46.42	56.74	110.35	2.0	0.765
2031	85.00	105.23	84.16	102.60	4.60	4.75	47.35	57.88	112.55	2.0	0.765
2023	86.70	107.33	85.87	104.65	4.69	4.84	48.30	59.03	114.80	2.0	0.765
2033	88.44	109.48	87.62	106.74	4.78	4.94	49.26	60.21	117.07	2.0	0.765
Thereafter	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	2.0	0.765

1) GLJ assigns a value to ARC's existing natural gas physical sales contracts at Dawn, Chicago, Ventura, and Malin consuming markets based upon GLJ's forecasted differential to NYMEX Henry Hub, contracted volumes, and transportation costs. No incremental value is assigned to potential future contracts which were not in place as of December 31, 2023.
2) Inflation rates for forecasting costs.
3) Exchange rates used to generate the benchmark reference prices in this table.
4) Prices escalate two per cent per year from 2034.

ARC's weighted average realized prices for the year ended December 31, 2023, were $3.77 per Mcf for shale gas; $95.05 per barrel for tight oil; $99.92 per barrel for condensate; and $22.79 per barrel for NGLs.

Definitions and Notes to Reserves Data Tables

In the tables set forth above and elsewhere in this Annual Information Form, the following definitions and other notes are applicable:

1. "**Gross**" means:

    a) in relation to our interest in production and reserves, our interest (operating and non-operating) before deduction of royalties and without including any royalty interest to us;

    b) in relation to wells, the total number of wells in which we have an interest; and

    c) in relation to properties, the total area of properties in which we have an interest.

2. "**Net**" means:

    a) in relation to our interest in production and reserves, our interest (operating and non-operating) after deduction of royalty obligations, plus our royalty interest in production or reserves;

    b) in relation to wells, the total number of wells in which we have an interest multiplied by the working interest we owned; and

c) in relation to our interest in a property, the total area in which we have an interest multiplied by the working interest we owned.

3. Columns may not add due to rounding.

4. The forecast price and cost assumptions assumed the continuance of current laws and regulations.

5. All factual data supplied to GLJ was accepted as represented. No field inspection was conducted.

6. The crude oil, natural gas, and NGLs reserves estimates presented in the GLJ Report are based on the definitions and guidelines contained in the CSA Notice 51-324 - *Revised Glossary to NI 51-101 Standards of Disclosure for Oil and Gas Activities* and the COGE Handbook. A summary of those definitions are set forth below.

Reserves Categories

Reserves are estimated remaining quantities of crude oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on analysis of drilling, geological, and geophysical data; through the use of established technology; and within specified economic conditions.

Reserves are classified according to the degree of certainty associated with the estimates.

a) **Proved reserves** are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

b) **Probable reserves** are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Other criteria that must also be met for the categorization of reserves are provided in the COGE Handbook.

Each of the reserves categories (proved and probable) may be divided into developed and undeveloped categories:

a) **Developed reserves** are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

   i) **Developed producing reserves** are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

   ii) **Developed non-producing reserves** are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

b) **Undeveloped reserves** are those reserves expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved and probable) to which they are assigned.

In multi-well pools it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to subdivide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities, and completion intervals in the pool and their respective development and production status.

Levels of Certainty for Reported Reserves

The qualitative certainty levels referred to in the definitions above are applicable to individual reserves entities (which refers to the lowest level at which reserves calculations are performed) and to reported reserves (which refers to the highest level sum of individual entity estimates for which reserves are presented). Reported reserves should target the following levels of certainty under a specific set of economic conditions:

a) at least a 90 per cent probability that the quantities actually recovered will equal or exceed the estimated proved reserves; and

b) at least a 50 per cent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves.

A qualitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates will be prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Additional clarification of certainty levels associated with reserves estimates and the effect of aggregation is provided in the COGE Handbook.

Reconciliations of Changes in Reserves

The following table sets forth the reconciliation of our gross reserves as at December 31, 2023, using forecast price and cost estimates derived from the GLJ Report. Gross reserves as at December 31, 2023 and as at December 31, 2022 include working interest reserves before royalties payable and without including gross royalties receivable. Key highlights include:

- The sanctioning of the Attachie Phase I facility and strong performance in the Sunrise area resulted in positive total proved and proved plus probable extensions and improved recovery.
- Continued strong well performance across ARC's Montney assets drove positive proved producing, total proved and proved plus probable technical revisions in the Shale Gas and NGLs categories.
- The Kakwa asset's proved producing reserves realized positive technical revisions as a result of strong base well performance.
- Development in the Greater Dawson, Sunrise, Ante Creek, and Kakwa areas resulted in positive extensions and improved recovery reserve additions in all categories.
- Negative revisions in the Economic Factors category are primarily due to the upcoming expiry of an ethane sales contract in the Kakwa area.

Reconciliation of Gross Reserves by Principal Product Type

	Tight Oil (Mbbl) [1]	NGLs (Mbbl) [2][3]	Total Oil and NGLs (Mbbl)	Shale Gas (MMcf) [4]	Total Oil Equivalent (Mboe)
PROVED PRODUCING					
December 31, 2022	10,192	181,423	191,615	2,142,265	548,659
Extensions and Improved Recovery [5]	3,225	53,431	56,656	498,968	139,817
Technical Revisions	1,063	4,392	5,456	245,168	46,317
Acquisitions	—	—	—	—	—
Dispositions	(472)	(335)	(807)	(10,756)	(2,600)
Economic Factors	—	(14,937)	(14,938)	15,461	(12,361)
Production [6]	(2,986)	(44,994)	(47,980)	(482,300)	(128,363)
December 31, 2023	**11,022**	**178,979**	**190,002**	**2,408,806**	**591,469**
PROVED					
December 31, 2022	18,698	391,339	410,037	4,794,579	1,209,133
Extensions and Improved Recovery [5]	1,535	64,191	65,726	650,988	174,224
Technical Revisions	1,594	26,011	27,605	289,879	75,918
Acquisitions	—	—	—	—	—
Dispositions	(472)	(1,478)	(1,950)	(39,723)	(8,570)
Economic Factors	—	(26,651)	(26,651)	14,168	(24,290)
Production [6]	(2,986)	(44,994)	(47,980)	(482,300)	(128,363)
December 31, 2023	**18,369**	**408,418**	**426,787**	**5,227,591**	**1,298,052**
PROBABLE					
December 31, 2022	13,333	220,608	233,941	2,312,861	619,418
Extensions and Improved Recovery [5]	567	21,879	22,446	369,219	83,983
Technical Revisions	(1,643)	842	(800)	37,927	5,521
Acquisitions	—	—	—	—	—
Dispositions	(166)	(1,237)	(1,403)	(32,454)	(6,812)
Economic Factors	(1)	(8,887)	(8,888)	18,332	(5,833)
December 31, 2023	**12,091**	**233,204**	**245,296**	**2,705,885**	**696,277**
PROVED PLUS PROBABLE					
December 31, 2022	32,031	611,947	643,978	7,107,440	1,828,551
Extensions and Improved Recovery [5]	2,103	86,070	88,172	1,020,207	258,207
Technical Revisions	(49)	26,853	26,804	327,807	81,439
Acquisitions	—	—	—	—	—
Dispositions	(638)	(2,715)	(3,353)	(72,177)	(15,382)
Economic Factors	(1)	(35,538)	(35,539)	32,499	(30,122)
Production [6]	(2,986)	(44,994)	(47,980)	(482,300)	(128,363)
December 31, 2023	**30,460**	**641,622**	**672,082**	**7,933,476**	**1,994,328**

1) Includes non-material amounts of Light Crude Oil, Medium Crude Oil, and Heavy Crude Oil.
2) Includes associated NGLs for both Conventional and Shale/Tight Reservoirs.
3) Condensate and Pentanes Plus represent 66 per cent of total proved NGLs, 73 per cent of probable NGLs and 69 per cent of proved plus probable NGLs in the December 31, 2022 opening balance. Condensate and Pentanes Plus represent 71 per cent of total proved NGLs, 74 per cent of probable NGLs and 72 per cent of proved plus probable NGLs in the December 31, 2023 closing balance.
4) Includes a non-material amount of Conventional Natural Gas.
5) Reserve additions for Discoveries, Infill Drilling, Extensions, and Improved Recovery are combined and reported as “Extensions and Improved Recovery”.
6) Production does not include royalty interest volumes and therefore differs from the production shown in the Production History table within this document.

Future Development Costs

The following table sets forth development costs deducted in the estimation of our future net revenue attributed to the reserves categories noted below:

Future Development Costs

Year	Proved Reserves ($ millions)	Proved Plus Probable Reserves ($ millions)
2024	1,546	1,626
2025	1,663	1,893
2026	939	1,340
2027	1,270	1,707
2028	657	1,181
Remainder	1,208	2,243
Total: Undiscounted	7,282	9,991
Total: Discounted at 10% per year	5,642	7,457

We expect to fund the development costs of the reserves through a combination of sources including funds from operations and debt.

Changes in forecasted future development capital occur annually as a result of development activities, acquisition and disposition activities, and capital cost estimates that reflect the independent qualified reserve evaluator's best estimate of what it will cost to bring the proved plus probable undeveloped reserves on production at that time. Undiscounted future development costs ("FDC") for proved plus probable undeveloped reserves increased $900 million compared to year-end 2022, to total $10.0 billion at year-end 2023. The increase in FDC was primarily driven by the booking of proved plus probable undeveloped reserves in the Attachie area as a result of the Attachie Phase I development.

Estimates of reserves and future net revenues have been made assuming the development of each property, in respect of which the estimate is made, will occur, without regard to the likely availability to us of funding required for the development. There can be no guarantee that funds will be available or that we will allocate funding to develop all of the reserves attributed in the GLJ Report. Failure to develop those reserves would have a negative impact on future earnings.

The interest or other costs of external funding are not included in the reserves and future net revenue estimates and would reduce reserves and future net revenues to some degree depending upon the funding sources utilized. We do not anticipate that interest or other funding costs would make development of any property uneconomic.

Undeveloped Reserves

Undeveloped reserves are attributed by GLJ in accordance with standards and procedures contained in the COGE Handbook. Proved undeveloped reserves are those reserves that can be estimated with a high degree of certainty and are expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production. Probable undeveloped reserves are those reserves that are less certain to be recovered than proved reserves and are expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production.

The following tables disclose, by each product type, the volumes of proved and probable undeveloped reserves that were first attributed by GLJ in each of the most recent three financial years.

Proved Undeveloped Reserves (1)

	Tight Oil (Mbbl)		Shale Gas (Bcf)		NGLs (Mbbl)		Total (Mboe)	
	First Attributed	Total at Year-end	First Attributed	Total at Year-end	First Attributed	Total at Year-end	First Attributed	Total at Year-end
2021	1,262	8,048	1,298.8	2,467.3	173,397	213,183	391,121	632,450
2022	1,109	5,420	380.5	2,320.6	35,408	171,933	99,932	564,118
2023	1,298	6,835	607.2	2,745.0	58,976	218,891	161,482	683,233

Probable Undeveloped Reserves (1)

	Tight Oil (Mbbl)		Shale Gas (Bcf)		NGLs (Mbbl)		Total (Mboe)	
	First Attributed	Total at Year-end	First Attributed	Total at Year-end	First Attributed	Total at Year-end	First Attributed	Total at Year-end
2021	358	8,396	774.7	1,613.2	107,186	140,923	236,667	418,181
2022	1,503	8,144	302.0	1,600.7	54,011	159,466	105,840	434,393
2023	893	8,793	604.1	1,948.3	65,328	178,812	166,898	512,328

1) There are no undeveloped reserves attributed to Light Crude Oil and Medium Crude Oil, Heavy Crude Oil or Conventional Natural Gas in the last three years.

As of December 31, 2023, undeveloped reserves represented 53 per cent of total proved reserves and 60 per cent of proved plus probable reserves. Over 41 per cent of the proved plus probable undeveloped reserves are located in the Kakwa area, with the rest located in our Montney assets in northeast British Columbia and other areas in northern Alberta. We have planned a program to develop a portion of the undeveloped reserves in 2024 and 2025, focusing on the Kakwa, Greater Dawson, Sunrise, Ante Creek, and Attachie areas.

Reserves were assigned adhering to the practices outlined within the COGE Handbook, with uncertainty applied at the individual location level to account for the potential variability in well results. There were 768 total proved, undeveloped locations assigned to be developed in ARC's core properties over the next seven years in the 2023 evaluation which account for 683 MMboe of reserves volumes. 83 per cent of the total proved FDC is forecasted to be spent in the next five years. In addition to these total proved undeveloped locations are 280 future development locations assigned probable reserves only, with a timeline to develop these reserves over the next seven years. 78 per cent of the total proved plus probable FDC is forecasted to be spent in the next five years. These probable locations and additional probable reserves assigned to proved locations account for 512 MMboe. The total proved plus probable undeveloped volumes account for 1,196 MMboe and are all scheduled to produce within the capacity of existing facilities or facilities to which capital has been assigned within the reserves evaluation. With the exception of the Attachie area, where construction of Phase I infrastructure commenced in 2023 and is to be supported by ongoing drilling activity, drilling programs for these assets have been underway for several years and are anticipated to continue for some time due to the large inventory of high-quality locations that qualify for assignment of reserves. Ongoing activity in these assets will continue to supply ARC infrastructure as well as long term natural gas supply contracts secured by ARC. Consistent with ARC's principles to maintain a strong balance sheet and demonstrate capital discipline, capital forecasts in the GLJ Report do not exceed levels historically invested by ARC in any given year.

The pace of development of the proved and probable undeveloped reserves, both in 2024 and 2025, as well as in years beyond 2025, is influenced by many factors, including the outcomes of the annual drilling and reservoir evaluations, the price for crude oil and natural gas, and a variety of economic factors and conditions.

There are a number of factors that could result in delayed or cancelled development, including the following: (i) changing economic conditions (due to pricing, operating, and capital expenditure fluctuations, or changing regulation and/or fiscal or environmental policy); (ii) changing technical conditions (including production anomalies, such as accelerated depletion); (iii) a larger development program may need to be spread out over several years to optimize capital allocation and facility utilization; and (iv) surface access issues (including those relating to landowners, weather conditions, and regulatory approvals). For more information as to the risks involved, refer to the section entitled "*Risk Factors*" contained within the MD&A, available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

Significant Factors or Uncertainties Affecting Reserves Data

We have a significant amount of proved undeveloped and probable undeveloped reserves assigned to the Montney. Sophisticated technology and large capital expenditures are required to bring these undeveloped reserves into production.

Degradation in future commodity price forecasts relative to the forecast in the GLJ Report may have a negative impact on the economics and timing of the development of undeveloped reserves, unless significant reduction in the future costs of development are realized.

The failure to obtain all necessary licenses, permits, and other approvals to carry out exploration, development, and operating activities on ARC's assets would negatively impact the economics and timing of developing ARC's undeveloped reserves. See the sections entitled "*Risk Factors - Indigenous Land and Rights Claims*" and "*Risk Factors - Regulatory Approvals*" within the MD&A, available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

The following table sets forth information respecting anticipated future abandonment and reclamation costs for surface leases, wells, facilities, and pipelines, including those where reserves are attributed. These abandonment and reclamation costs have been calculated outside of the reserves process and exclude any costs for undeveloped reserves. As at December 31, 2023, ARC had 2,802 net wells for which we expect to incur abandonment and reclamation costs.

Abandonment and Reclamation Costs Escalated at an average of 2.0%	**Undiscounted ($ millions)**	**Discounted at 10% (1) ($ millions)**
Total as at December 31, 2023	576.8	151.7
Anticipated to be paid in 2024	17.0	15.8
Anticipated to be paid in 2025	15.0	12.9
Anticipated to be paid in 2026	15.0	12.0

1) Costs used to determine ARC's asset retirement obligation in the financial statements have been discounted using a liability-specific risk-free rate of 3.0 per cent.

For more information with respect to our reclamation and abandonment obligations for properties with no attributed reserves, see "*Statement of Reserves Data and Other Oil and Gas Information - Properties with no Attributed Reserves*" contained within this Annual Information Form. In addition, see the section entitled "*Further Information Respecting Abandonment Obligations*" below.

Further Information Respecting Abandonment Obligations

Abandonment and reclamation costs are incurred to restore shut-in and producing wells, facilities, and pipelines used in ARC's operations to the standard imposed by the applicable regulatory authorities. We include abandonment and reclamation costs for our property, plant and equipment ("PP&E") and exploration and evaluation assets ("E&E") in our annual budgeting process for the budget year and a provision for these costs is recognized at the present value of Management's best estimate of total expenditures required to settle the liability as at the date of the balance sheet. These ongoing environmental obligations are expected to be provided for with funds from operations. A portion of the liability is settled each year and facilities are scheduled to be decommissioned once all of the wells associated with a particular facility have been suspended or abandoned. Our model for estimating the amount and timing of future abandonment and reclamation expenditures was created at an operating area level. Estimated expenditures for each operating area are based on numerous sources, including information provided by provincial regulatory authorities, industry peer groups, area-specific data from a third-party liability management firm, and proprietary data from our operations. All wells, pipelines, facilities, and associated costs are then assigned to a specific geographic region which is consistent with the methodology used by the Alberta Energy Regulator and the British Columbia Energy Regulator. No estimate of salvage value is netted against the estimated cost. The estimates are reviewed periodically, and any changes are applied prospectively.

The provision for site restoration and abandonment is based on current legal and constructive requirements, technology, price levels, and expected plans for remediation. Actual costs and cash outflows can differ from estimates because of changes in laws and regulations, public expectations, market conditions, discovery and analysis of site conditions, and changes in technology. For more information, see Note 5 "*Management Judgments and Estimation Uncertainty*" in the financial statements, available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

In estimating the future net revenues disclosed in this Annual Information Form, the GLJ Report, in the proved plus probable category, deducted $964.4 million (undiscounted) and $44.2 million (discounted at 10 per cent) for abandonment and reclamation costs for all active assets with attributed reserves. Refer to Note 14 "*Asset Retirement Obligation*" in the financial statements and to the section entitled "*Asset Retirement Obligation*" contained within the MD&A, available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

Core Operating Areas

The following is a description of ARC's principal crude oil and natural gas assets as at December 31, 2023. Information in respect of gross and net acres and well counts are as at December 31, 2023. Due to the fact that ARC has been actively acquiring additional interests in its core operating areas (and divesting of non-core assets), the working interest in gross/net acres and wells as at December 31, 2023 may not directly correspond to the stated production for the year, which only includes production after (or up to) the date the interests were acquired (or divested) by ARC.

ARC's crude oil and natural gas assets described below are all located in the Western Canadian Sedimentary Basin and onshore within the Canadian provinces of Alberta and British Columbia. Except as set forth under the heading "*Statement of Reserves Data and Other Oil and Gas Information - Undeveloped Reserves*", there are no material districts to which reserves have been attributed that are capable of producing but which are not producing at December 31, 2023, and there are no material statutory or mandatory relinquishments, surrenders, back-ins, or changes in ownership provisions. When determining gross and net acreage for two or more lease agreements covering the same lands but different rights, the acreage is reported for each lease agreement.

Alberta

ARC's assets in northern Alberta are located in the Montney formation. ARC is one of the largest operators in the region with an average working interest of 91 per cent in approximately 794,160 gross acres (724,508 net acres), which includes land holdings of 910 net Montney sections. ARC drilled 81 gross operated wells in 2023 within the region, with an average working interest of 100 per cent. ARC has access to approximately 1,075 MMcf per day of natural gas and 60 Mbbl per day of NGLs processing capacity through facilities in the region.

British Columbia

ARC's assets in northeast British Columbia are located in the Montney formation. ARC is one of the largest operators in the region with an average working interest of 98 per cent in approximately 583,999 gross acres (571,593 net acres), which includes land holdings of 657 net Montney sections. ARC drilled 67 gross operated wells in 2023 within the region, with an average working interest of 100 per cent. ARC has access to approximately 760 MMcf per day of natural gas processing capacity through its facilities in the region.

Crude Oil and Natural Gas Wells

The following table sets forth the number and status of wells in which ARC had a working interest as at December 31, 2023.

Province	Crude Oil Wells (1)				Natural Gas Wells (2)			
	Producing		Non-Producing		Producing		Non-Producing	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Alberta	274	249	159	140	938	891	217	152
British Columbia	117	117	9	8	581	580	105	100
Total (3)	391	366	168	148	1,519	1,471	322	252

1) Includes Light Crude Oil and Medium Crude Oil wells, Heavy Crude Oil wells, and Tight Oil wells.
2) Includes Conventional Natural Gas wells and Shale Gas wells.
3) Excludes abandoned, water source, water injection, and disposal wells.

Properties with No Attributed Reserves

The following table sets out by province our properties with no attributed reserves as at December 31, 2023.

Undeveloped Acres

	Gross	Net
Alberta	512,840	399,175
British Columbia	378,567	369,537
Total	891,407	768,712

Undeveloped properties are lands that have not been assigned reserves; however, in certain of our undeveloped lands, reserves may have been assigned in other formations. Undeveloped acres are mineral agreement specific. The table above includes vertically stacked agreements within the same areal footprint.

ARC has no material work commitments related to our undeveloped acres in 2024. There are no material expiries in our core holdings in 2024.

Significant Factors or Uncertainties for Properties with No Attributed Reserves

ARC's business model focuses on our core operations, with little to no capital allocated to the acquisition, exploration, or development of properties with no attributed reserves. Therefore, there are not expected to be any significant factors or uncertainties that would affect such properties at this time and the abandonment and reclamation costs associated with these properties are not expected to be material.

For information with respect to our reclamation and abandonment obligations for our properties to which reserves have been attributed, see the section entitled "*Statement of Reserves Data and Other Oil and Gas Information - Further Information Respecting Abandonment Obligations*" in this Annual Information Form.

Forward Contracts and Transportation Commitments

ARC is exposed to market risks resulting from fluctuations in commodity prices, foreign exchange rates, and interest rates, in the normal course of operations. ARC maintains a risk management program including the use of derivative instruments to reduce the volatility of revenues, increase the certainty of funds from operations, and to protect acquisition and development economics.

The Company may also potentially be exposed to losses in the event of default by the counterparties to our derivative instruments. The risk is managed by diversifying our derivative portfolio amongst a number of investment-grade counterparties, including counterparties within our lending syndicate and by conducting regular credit reviews on all counterparties.

A summary of our financial contracts in respect of hedging activities can be found in Note 16 "*Financial Instruments and Market Risk Management*" in the financial statements and in the section entitled "*Risk Management Contracts*" contained within the MD&A, available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

A part of our ongoing strategy is to secure transportation capacity to ensure our production moves to market over the short and long term. ARC believes that securing firm takeaway capacity is part of prudent management of our business, and has secured sufficient takeaway for existing production and anticipated future growth. Our transportation commitments available for future physical deliveries of crude oil, natural gas, and NGLs exceed ARC's expected related future production of our proved reserves, based on the GLJ Report. The amount and estimated cost of excess firm takeaway capacity as compared to our proved reserves forecast is presented in the table below:

Excess Capacity Above Proved Reserves (1)	Zero to Five Years	Beyond Five Years
Natural Gas (MMcf/d)	452	142
Crude Oil and NGLs (Mbbl/d)	2	7
Estimated Cost ($ millions)	407	579

1) Amounts are undiscounted and reflect the total in excess of all proved reserves.

Total proved reserves comprise 65 per cent of total proved plus probable reserves. If ARC's sales volumes were equivalent to the forecast production of proved plus probable reserves, the amount and estimated cost of excess firm takeaway capacity as compared to our expected related production from our proved plus probable reserves is presented in the table below:

Excess Capacity Above Proved Plus Probable Reserves [1]	Zero to Five Years	Beyond Five Years
Natural Gas (MMcf/d)	305	118
Crude Oil and NGLs (Mbbl/d)	—	—
Estimated Cost ($ millions)	278	402

1) Amounts are undiscounted and reflect the total in excess of all proved plus probable reserves.

In cases where ARC holds transportation commitments for volume that exceeds its expected future production from proved and proved plus probable reserves, it has identified contractual opportunities where it may reduce its exposure to negative cash flows arising from the settlements of these contractual obligations. Additionally, ARC expects to fulfill these commitments through ongoing exploration and development activities, subject to our development plans, well performance, and disruptions or constraints at facilities and pipelines.

Additional disclosure related to such commitments, as well as ARC's other financial contracts as at December 31, 2023, are set forth in Note 21 "*Commitments and Contingencies*" in the financial statements, available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

Tax Horizon

ARC has accumulated $4.4 billion of income tax pools for federal tax purposes at December 31, 2023. In 2023, ARC recognized a current income tax expense of $201.5 million. For 2024, ARC expects current income tax expense to range from 10 per cent to 15 per cent of funds from operations[1]; however, this will be dependent on the commodity price environment and the amount of capital invested. For more information, please see Note 17 "*Income Taxes*" in the financial statements, available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

1) For information on this supplementary financial measure refer to the section entitled *"Non-GAAP and Other Financial Measures"* contained within the MD&A, available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

Costs Incurred

The following table summarizes costs incurred for the year ended December 31, 2023.

($ millions)	Alberta	British Columbia	Total
Property Acquisition (Disposition) Costs, Net (1)			
Proved Properties	(50.8)	(23.0)	(73.8)
Unproved Properties	(43.6)	—	(43.6)
Exploration Costs (2)	—	11.8	11.8
Development Costs (3)	1,092.2	727.3	1,819.5
Total	**997.8**	**716.1**	**1,713.9**

1) Represents acquisition costs net of disposition proceeds and asset exchanges, and includes costs of land acquired ($0.5 million). Acquisition value is net of post-closing adjustments. Disposition value represents proceeds and adjustments to proceeds from divestitures.
2) Represents asset additions that have been determined by Management to be in the E&E stage and excludes capitalized corporate costs.
3) Represents additions to PP&E and excludes capitalized corporate costs.

Exploration and Development Activities

The following table sets forth the gross and net development wells that ARC participated in during the year ended December 31, 2023.

	Development Wells (1)(2)	
Well Type	Gross	Net
Crude Oil	6	6
Natural Gas	142	142
Total	**148**	**148**

1) Based on rig release dates.
2) No exploration wells, dry holes, or stratigraphic test wells were drilled during the year ended December 31, 2023.

Production Estimates

The following table sets out the GLJ forecast of the volume of production estimated for the year ended December 31, 2024, which is reflected in the estimate of gross proved reserves and gross probable reserves disclosed in the tables contained under "*Statement of Reserves Data and Other Oil and Gas Information - Disclosure of Reserves Data*".

	Tight Oil (bbl/d) (1)		NGLs (bbl/d) (2)(3)		Shale Gas (Mcf/d) (4)		Total (boe/d)	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
PROVED								
Kakwa	—	—	90,929	74,182	467,893	435,126	168,911	146,703
Other Properties	6,796	5,669	22,566	19,277	792,191	750,475	161,394	150,025
TOTAL PROVED	**6,796**	**5,669**	**113,495**	**93,459**	**1,260,085**	**1,185,601**	**330,305**	**296,728**
PROBABLE								
Kakwa	—	—	6,063	5,252	26,864	25,284	10,541	9,466
Other Properties	449	335	3,473	3,240	79,636	75,651	17,195	16,183
TOTAL PROBABLE	**449**	**335**	**9,537**	**8,491**	**106,501**	**100,935**	**27,736**	**25,649**
PROVED PLUS PROBABLE								
Kakwa	—	—	96,992	79,434	494,757	460,410	179,452	156,169
Other Properties	7,245	6,004	26,040	22,517	871,828	826,126	178,589	166,208
TOTAL PROVED PLUS PROBABLE	**7,245**	**6,004**	**123,032**	**101,950**	**1,366,585**	**1,286,536**	**358,041**	**322,377**

1) Includes non-material amounts of Light Crude Oil, Medium Crude Oil, and Heavy Crude Oil.
2) Includes associated NGLs for both Conventional and Shale/Tight Reservoirs and includes condensate, propane, and butane.
3) Condensate and Pentanes Plus represent 71 per cent of total proved NGLs, 74 per cent of probable NGLs and 72 per cent of proved plus probable NGLs.
4) Includes a non-material amount of Conventional Natural Gas.

The estimates of reserves for individual properties may not reflect the same confidence level as estimates of reserves for all properties, due to the effects of aggregation.

Production History

The following tables summarize certain information in respect of our production, product prices received, royalties paid, operating expense, transportation expense, and the resulting netback for the periods indicated below:

Production History	**Three Months Ended 2023**				**Year Ended**
	March 31	**June 30**	**September 30**	**December 31**	**2023**
Average Daily Production (1)					
Tight Oil (bbl/d) (2)	7,884	8,076	8,872	8,612	8,364
Shale Gas (MMcf/d) (3)	1,264	1,289	1,353	1,380	1,322
NGLs (bbl/d) (4)	119,885	120,666	125,783	126,667	123,276
Condensate (bbl/d)	71,085	75,464	78,226	77,193	75,516
Other NGLs (bbl/d) (5)	48,800	45,202	47,557	49,474	47,760
Total (boe/d)	338,377	343,630	360,177	365,248	351,954
Average Net Production Prices Received					
Tight Oil ($/bbl) (2)	92.78	88.13	104.91	93.34	95.05
Shale Gas ($/Mcf) (3)	5.89	2.83	3.16	3.33	3.77
NGLs ($/bbl) (4)	73.36	66.26	71.61	68.97	70.04
Condensate ($/bbl)	104.10	93.43	103.21	99.09	99.92
Other NGLs ($/bbl) (5)	28.59	20.89	19.63	21.97	22.79
Total ($/boe)	50.16	35.97	39.47	38.69	40.95
Royalties Paid					
Tight Oil ($/bbl) (2)	18.21	10.10	16.82	17.31	15.65
Shale Gas ($/Mcf) (3)	0.55	(0.16)	0.03	(0.02)	0.09
NGLs ($/bbl) (4)	15.46	13.53	11.86	13.84	13.64
Condensate ($/bbl)	24.04	20.08	18.13	21.28	20.80
Other NGLs ($/bbl) (5)	2.97	2.60	1.54	2.22	2.33
Total ($/boe)	7.96	4.38	4.68	5.14	5.50
Operating Expense (6)					
Tight Oil ($/bbl) (2)	7.06	8.53	6.91	5.41	6.93
Shale Gas ($/Mcf) (3)	0.71	0.73	0.74	0.61	0.69
NGLs ($/bbl) (4)	4.80	5.32	5.65	4.88	5.23
Condensate ($/bbl)	5.26	5.46	5.75	5.16	5.38
Other NGLs ($/bbl) (5)	4.14	5.10	5.50	4.44	4.99
Total ($/boe)	4.50	4.81	4.94	4.13	4.59
Transportation Expense					
Tight Oil ($/bbl) (2)	5.32	4.50	7.19	6.07	5.82
Shale Gas ($/Mcf) (3)	1.02	0.96	0.91	0.90	0.95
NGLs ($/bbl) (4)	4.71	4.69	3.85	3.01	4.05
Condensate ($/bbl)	5.44	5.38	4.42	3.07	4.55
Other NGLs ($/bbl) (5)	3.65	3.54	2.92	2.93	3.25
Total ($/boe)	5.61	5.34	4.94	4.59	5.11

Production History - continued	Three Months Ended 2023				Year Ended
	March 31	June 30	September 30	December 31	2023
Netback Received					
Tight Oil ($/bbl) (2)	62.19	65.00	73.99	64.55	66.65
Shale Gas ($/Mcf) (3)	3.61	1.30	1.48	1.84	2.04
NGLs ($/bbl) (4)	48.39	42.72	50.25	47.24	47.12
Condensate ($/bbl)	69.36	62.51	74.91	69.58	69.19
Other NGLs ($/bbl) (5)	17.83	9.65	9.67	12.38	12.22
Total ($/boe)	32.09	21.44	24.91	24.83	25.75

1) Before deduction of royalties and including royalty interests.
2) Includes non-material amounts of Light Crude Oil, Medium Crude Oil, and Heavy Crude Oil.
3) Includes a non-material amount of Conventional Natural Gas.
4) NGLs as defined by GLJ which includes condensate, butane, ethane, and propane.
5) Other NGLs as defined by ARC includes butane, ethane, and propane but excludes condensate.
6) Operating expense is comprised of direct costs incurred to operate both crude oil and natural gas wells. A number of assumptions have been made in allocating these costs between crude oil, natural gas, condensate, and NGLs production.

Alberta and British Columbia account for approximately 60 per cent and 40 per cent, respectively, of the total production disclosed above. For more information, see the section entitled "*Statement of Reserves Data and Other Oil and Gas Information*" of this Annual Information Form.

DIVIDENDS

Dividend Policy

The Board of Directors of ARC Resources has established a dividend policy of paying a quarterly dividend to shareholders on or about the 15th day of the month following the end of each quarter.

It is expected that the dividends declared and paid will be "eligible dividends" for the purposes of the Tax Act, and thus qualify for the enhanced gross-up and tax credit regime available to certain shareholders. However, no assurances can be given that all dividends will be designated as "eligible dividends" or qualify as "eligible dividends".

Notwithstanding the foregoing, the amount of future cash dividends, if any, will be subject to the discretion of the Board of Directors of ARC Resources and may vary depending on a variety of factors and conditions existing from time to time, including fluctuations in commodity prices, production volumes, capital expenditures, debt service requirements, operating expense, royalty burdens, foreign exchange rates, and the satisfaction of solvency tests imposed by the *Business Corporations Act* (Alberta) for the declaration and payment of dividends.

In certain circumstances, the payment of dividends may be restricted by our borrowing agreements. For more information see "*Other Information Relating to Our Business - Borrowing.*"

Dividend History

The following dividends were declared per common share in the last three completed financial years of ARC:

Dividends	2023	2022	2021
January	—	—	—
February	—	—	—
March	$0.15	$0.10	$0.06
April	—	—	—
May	—	—	—
June	$0.17	$0.12	$0.06
July	—	—	—
August	—	—	—
September	$0.17	$0.12	$0.066
October	—	—	—
November	—	—	—
December	$0.17	$0.15	$0.10
Total	**$0.66**	**$0.49**	**$0.286**

CAPITAL STRUCTURE

The authorized capital of ARC Resources is an unlimited number of common shares without nominal or par value and 50,000,000 preferred shares without nominal or par value issuable in series of which 596,853,471 common shares and no preferred shares were outstanding as at December 31, 2023.

Common Shares

Shareholders are entitled to notice of, to attend, and to one vote per share held at any meeting of the shareholders of the Corporation (other than meetings of a class or series of shares of the Corporation other than the common shares as such).

Shareholders are entitled to receive dividends as and when declared by the Board of Directors of the Corporation on the common shares as a class, subject to prior satisfaction of all preferential rights to dividends attached to shares of other classes of shares of the Corporation ranking in priority to the common shares in respect of dividends.

Shareholders are entitled in the event of any liquidation, dissolution, or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, and subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of the Corporation ranking in priority to the common shares in respect of return of capital on dissolution, to share rateably, together with the holders of shares of any other class of shares of the Corporation ranking equally with the common shares in respect of return of capital on dissolution, in such assets of the Corporation as are available for distribution.

Preferred Shares

Preferred shares may at any time or from time to time be issued in one or more series. Before any shares of a particular series are issued, the Board of Directors shall, by resolution, fix the number of shares that will form such series and shall, subject to the limitations set out in ARC Resources' articles, by resolution fix the designation, rights, privileges, restrictions, and conditions to be attached to the preferred shares of such series, including, but without in any way limiting or restricting the generality of the foregoing, the rate, amount or method of calculation of dividends thereon, the time and place of payment of dividends, the consideration for and the terms and conditions of any purchase for cancellation, retraction or redemption thereof, conversion or exchange rights (if any), and whether into or for securities of ARC Resources or otherwise, voting rights attached thereto (if any), the terms and conditions of any share purchase or retirement plan or sinking fund, and restrictions on the payment of dividends on any shares other than preferred shares or payment in respect of capital on any shares in the capital of ARC Resources or creation or issue of debt or equity securities. Notwithstanding the foregoing, other than in the case of a failure to declare or pay dividends specified in any series of preferred shares, the voting rights attached to the preferred shares shall be limited to one vote per preferred share at any meeting where the preferred shares and common shares vote together as a single class.

Any preferred shares of ARC Resources are intended to provide future financing flexibility and are not intended to be used to block any takeover bid for ARC Resources. ARC Resources confirms that it will not, without prior shareholder approval, issue any preferred shares for any anti-takeover purpose.

Normal Course Issuer Bid

ARC renewed its NCIB on September 1, 2022, allowing the Company to purchase 65.3 million of its outstanding common shares, representing 10 per cent of its public float at the time, over a 12-month period ending August 31, 2023. Subsequently, ARC further renewed its NCIB on September 1, 2023, allowing the Company to purchase up to 60.7 million of its outstanding common shares, representing 10 per cent of its public float at the time, over a 12-month period ending August 31, 2024. Under the NCIB, common shares may be purchased in open market transactions on the TSX and other alternative trading platforms in Canada and in accordance with the TSX rules for NCIBs. Any common shares that are purchased under the NCIB are cancelled. For the 12-month period ending December 31, 2023, ARC had repurchased a total of 25.3 million common shares pursuant to the NCIB.

Borrowing

ARC borrows funds periodically for capital expenditures, to finance the purchase of assets, or for other financial obligations or expenditures in respect of assets held by us or for working capital purposes. ARC manages its capital structure for the long term, with the objective of having its net debt to funds from operations[(1)] ratio at, or below, 1.0 times. The level of borrowing is assessed regularly by Management and is subject to quarterly reviews by the Board of Directors of ARC Resources.

Our borrowings comprise both a bank credit facility and unsecured notes. We may choose to repay a portion of our debt from one source and borrow from other parties in order to reduce borrowing costs and provide more financial flexibility.

As at December 31, 2023, we had a $1.8 billion unsecured credit facility with a syndicate of major chartered banks, a $40.0 million working capital facility with our agent bank, a $15.0 million letter of credit facility with our agent bank, a $25.0 million letter of credit facility with another major chartered bank and member of the syndicate, and $1.0 billion of senior notes outstanding. ARC had a net debt[1] balance of $1.3 billion outstanding at December 31, 2023, comprised of $1.1 billion of long-term debt, and a working capital deficit of $168.2 million.

Borrowings under the facility bear interest at Canadian bank prime or US base rate, or Canadian dollar bankers' acceptances or US dollar loan rates, plus applicable margin and stamping fees, which are based on ARC's credit rating. Subsequent to December 31, 2023, the maturity date of the facility was extended to February 2028 and the capacity was reduced to $1.7 billion from $1.8 billion. In the event the credit facility is not extended at any time before the maturity date, the loan will become repayable on the maturity date.

The senior notes outstanding were issued in two tranches with maturity dates of March 10, 2026 and March 10, 2031 and bear interest at a fixed rate.

ARC is in compliance in all material respects with the terms of the agreements governing the credit facilities and senior notes described above, and has maintained this status throughout the Corporation's history.

The credit facilities and senior notes rank equally and contain provisions which restrict the payment of dividends to shareholders, in the event of the occurrence of certain events of default. For more information, refer to Note 12 "*Long-term Debt*" in the financial statements, available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

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 a rating agency in the future if, in its judgment, circumstances so warrant.

DBRS

The DBRS long-term debt rating scale provides an opinion on the risk of default, meaning the risk that an issuer will fail to satisfy its financial obligations in accordance with the terms under which an obligation has been issued. Ratings are based on quantitative and qualitative considerations relevant to the issuer, and the relative ranking of claims. All rating categories, other than AAA and D, contain subcategories "(high)" or "(low)". The absence of either a "(high)" or "(low)" designation indicates the rating is in the middle of the category.

As of December 31, 2023, DBRS has assigned ARC a BBB issuer rating (stable trend). DBRS has also assigned a BBB rating (stable trend) on ARC's outstanding senior unsecured notes.

Payments to Credit Rating Organizations

ARC has made payments to, and reasonably expects, from time to time, to continue to make customary payments to DBRS for the provision of the related ratings and other services.

(1) For information on this capital management measure refer to Note 15 "*Capital Management*" of the financial statements and to the section entitled "*Non-GAAP and Other Financial Measures*" contained within the MD&A, available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

MARKET FOR SECURITIES

ARC's common shares commenced trading on the TSX on January 6, 2011 following its conversion from a royalty trust. The trading symbol for the common shares is ARX.

The following table sets forth the high and low closing prices and the aggregate volume of trading in 2023 of ARC's common shares on the TSX for the periods indicated (as quoted by Bloomberg).

Toronto Stock Exchange	High ($)	Low ($)	Volume
January	17.03	15.37	75,429,346
February	16.14	14.39	57,113,092
March	15.75	14.84	97,276,794
April	16.83	15.78	58,529,732
May	17.80	15.69	47,255,584
June	18.24	16.28	52,484,319
July	19.94	17.85	50,499,882
August	20.81	19.56	42,423,539
September	21.74	20.54	43,745,660
October	22.58	20.28	57,123,854
November	23.44	21.21	47,665,919
December	22.13	19.17	46,326,934

DIRECTORS AND EXECUTIVE OFFICERS

Directors

The name, municipality, province and country of residence, positions held, period during which such positions have been held, and principal occupation during the past five years of each current Director of ARC Resources as at March 7, 2024 are set out below.

Directors [1]		
Name and Municipality of Residence	**Director Since** [2]	**Principal Occupation During Past Five Years**
Harold N. Kvisle Calgary, Alberta, Canada	2009 (Chair) Independent	Mr. Kvisle is an independent businessperson.
Carol T. Banducci Mississauga, Ontario, Canada	2021 Independent	Ms. Banducci is an independent businessperson. Prior to March 2021, she held the position of Executive Vice President and Chief Financial Officer of IAMGOLD Corporation.
David R. Collyer Calgary, Alberta, Canada	2016 Independent	Mr. Collyer is an independent businessperson.
Hugh H. Connett The Woodlands, Texas, USA	2024 Independent	Mr. Connett is an independent businessperson. Prior to 2021, he held the positions of President, Chevron Global Gas and President, Chevron Pipeline and Power of Chevron Corporation.
William J. McAdam [3] Scottsdale, Arizona, USA	2021 Independent	Mr. McAdam is an independent businessperson.
Michael G. McAllister Calgary, Alberta, Canada	2020 Independent	Mr. McAllister is an independent businessperson. Prior to 2020, he held the position of Executive Vice President and Chief Operating Officer of Ovintiv Inc. (formerly Encana Corporation).
Marty L. Proctor Calgary, Alberta, Canada	2021 Non-independent	Mr. Proctor is the former President and Chief Executive Officer of Seven Generations, a position he held from July 2017 to April 2021.
M. Jacqueline Sheppard Calgary, Alberta, Canada	2021 Independent	Ms. Sheppard is an independent businessperson.
Leontine van Leeuwen-Atkins Calgary, Alberta, Canada	2021 Independent	Ms. Atkins is an independent businessperson. Prior to 2020, she was a Partner at KPMG Canada.
Terry M. Anderson Calgary, Alberta, Canada	2020 Management Director	Mr. Anderson is the President and Chief Executive Officer of ARC Resources. Prior to February 2020, he was the Senior Vice President and Chief Operating Officer of ARC Resources.

1) Farhad Ahrabi retired as a director of ARC on January 1, 2024.
2) The term of each director is until the next annual meeting of shareholders.
3) William J. McAdam will not be seeking re-election at the next annual meeting of shareholders in 2024.

As at December 31, 2023, the Directors and Officers of ARC Resources, as a group, beneficially owned or controlled 1,214,057 common shares or approximately 0.20 per cent of the outstanding common shares.

Executive Officers

The name, municipality, province and country of residence, position held, and principal occupation during the past five years of each executive officer of ARC Resources as at March 7, 2024 are set out below.

Officers	
Name and Municipality of Residence	**Office Held and Principal Occupation During Past Five Years**
Terry M. Anderson Calgary, Alberta, Canada	**President and Chief Executive Officer** Mr. Anderson is the President and Chief Executive Officer. Prior to February 2020, he was the Senior Vice President and Chief Operating Officer.
Kristen J. Bibby Calgary, Alberta, Canada	**Senior Vice President and Chief Financial Officer** Mr. Bibby is the Senior Vice President and Chief Financial Officer. Prior to February 2020, he was the Vice President, Finance and Capital Markets.
Armin Jahangiri Calgary, Alberta, Canada	**Senior Vice President and Chief Operating Officer** Mr. Jahangiri is the Senior Vice President and Chief Operating Officer. From April 2021 to January 2022, he was the Senior Vice President, Capital Projects. From March 2017 to April 2021, he held the position of Vice President, Operations.
Larissa M. Conrad Calgary, Alberta, Canada	**Senior Vice President and Chief Development Officer** Ms. Conrad is the Senior Vice President and Chief Development Officer. From January to December 2021, she was the Senior Vice President, Development. From October to December 2020, she held the position of Vice President, Development and Planning. Prior to October 2020, she was the Vice President, Engineering and Planning.
Ryan V. Berrett Calgary, Alberta, Canada	**Senior Vice President, Marketing** Mr. Berrett is the Senior Vice President, Marketing. Prior to January 2022, he was the Vice President, Marketing.
Lisa A. Olsen Calgary, Alberta, Canada	**Senior Vice President, People and Corporate** Ms. Olsen is the Senior Vice President, People and Corporate. From April 2021 to January 2022, she held the position of Vice President, People and Corporate. Prior to April 2021, she was the Vice President, Human Resources.
Sean R. A. Calder Calgary, Alberta, Canada	**Vice President, Field Operations** Mr. Calder is the Vice President, Field Operations. Prior to September 2022, he was the Vice President, Production.
Michael C. Capon Calgary, Alberta, Canada	**Vice President, Information Technology** Mr. Capon is the Vice President, Information Technology. Prior to February 2024, he was the Manager, Information Technology.
Kristin L. Cerny Calgary, Alberta, Canada	**Vice President, Finance** Ms. Cerny is the Vice President, Finance. Prior to April 2021, she was the Manager, Treasury and Risk Management.
Katherine J. Gomes Calgary, Alberta, Canada	**Vice President, Controller** Ms. Gomes is the Vice President, Controller. Prior to January 2022, she was the Controller.
Brian R. Groundwater Calgary, Alberta, Canada	**Vice President, Engineering and Geoscience** Mr. Groundwater is the Vice President, Engineering and Geoscience. Prior to March 2022, he was the Vice President, Engineering. From January 2018 to April 2021, he held the position of Manager, Engineering.
Tejay D. Haugen Calgary, Alberta, Canada	**Vice President, Operations Planning** Mr. Haugen is the Vice President, Operations Planning. Prior to September 2022, he was Manager, Operations Planning. From 2017 to 2020, he held the position of Supervisor, Operations Planning.
Sean W. Stuart Calgary, Alberta, Canada	**Vice President, Capital Operations** Mr. Stuart is the Vice President, Capital Operations. From April 2017 to September 2021, he held the position of Manager, Completions.
Grant A. Zawalsky (1) Calgary, Alberta, Canada	**Corporate Secretary** Mr. Zawalsky is the Vice Chairman and Partner at Burnet, Duckworth & Palmer LLP (law firm). Prior to February 2022, he was a Managing Partner.

1) Mr. Zawalsky is not considered to be an "executive officer" of ARC as defined by NI 51-102 as he does not perform a policy-making function in respect of the Corporation.

Membership of Board Committees

The following chart sets out the membership of the committees of the Board of Directors as at March 7, 2024.

Name of Director	Audit [1]	Human Resources & Compensation	Policy & Board Governance	Safety, Reserves & Operational Excellence
Carol T. Banducci	√		√	
David R. Collyer		Chair	√	
Harold N. Kvisle (Board Chair)				
William J. McAdam [2]	√			√
Michael G. McAllister		√		Chair
Marty L. Proctor [2]				√
M. Jacqueline Sheppard		√	Chair	
Leontine van Leeuwen-Atkins [2]	Chair			√
Hugh H. Connett	√			√

1) Farhad Ahrabi was a member of the Audit Committee until his retirement as a director of ARC on January 1, 2024, and was the Chair and a member of the Risk Committee until the dissolution of the Risk Committee effective December 31, 2023.
2) Member of the Risk Committee until its dissolution effective December 31, 2023.

All committees are comprised of independent Directors, with the exception of Marty L. Proctor who will become independent on April 6, 2024.

On August 2, 2023, the Board of Directors elected to dissolve the Risk Committee effective December 31, 2023 and, on the recommendation of the Policy & Board Governance Committee, redistribute its responsibilities amongst the Board of Directors, the Audit Committee, and the Policy & Board Governance Committee.

Officer Biographies

The following comprises a brief description of the background of the current Executive Officers of ARC Resources.

Terry M. Anderson, B.Sc., P.Eng.

PRESIDENT AND CHIEF EXECUTIVE OFFICER, DEPENDENT

Mr. Anderson was appointed President and Chief Executive Officer of ARC Resources Ltd. in 2020. In his role, Mr. Anderson has overall accountability for the Company’s strategy and long-term business plans focused on delivering strong financial, operational, and ESG performance. He was appointed to the Board of Directors in May 2020.

Mr. Anderson has more than 30 years’ experience working in the North American energy industry. He joined ARC in 2000 after working for six years at a major crude oil and natural gas company. At ARC, he has held progressively senior roles including Vice President, Operations and Senior Vice President, Engineering and Land. In 2005, he led the technical team credited with unlocking the value of the highly profitable Montney formation by successfully drilling the first horizontal well in the play.

From 2015 to 2020, he was ARC’s Senior Vice President and Chief Operating Officer where he led the Company’s Montney development and production activities in northeast British Columbia and northern Alberta. During his tenure at ARC, Mr. Anderson has played a key role in the Company’s transformation from a widespread royalty trust to a highly focused Montney developer. As President and Chief Executive Officer, he led the transformational Business Combination with Seven Generations, which resulted in the Company becoming the largest pure-play Montney producer and Canada’s third-largest natural gas producer.

Mr. Anderson is active in several organizations including the Canadian Gas Association and the Canadian Association of Petroleum Producers. He holds a Bachelor of Science degree in Petroleum Engineering from the University of Wyoming. He is a member of the Association of Professional Engineers and Geoscientists of Alberta (“APEGA”) and British Columbia (“EGBC”).

Kristen J. Bibby, B. Comm, CPA, CA

SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

As Senior Vice President and Chief Financial Officer, Mr. Bibby oversees the Company’s financial and risk management activities in support of ARC’s strategic priorities. He was appointed to this role in February 2020 and has played a key role in ensuring ARC’s financial strength and continued focus on shareholder returns. Mr. Bibby has more than 20 years' experience in finance and accounting roles within the energy industry. He joined ARC in 2014 as Vice President, Finance where he led the finance, tax, and risk management functions. His responsibility increased with the addition of capital markets and investor relations in 2019. Previously, he was Chief Financial Officer at a junior crude oil and natural gas company with international operations.

In 2020, Mr. Bibby was recognized as the Best Investor Relations Officer by IR Magazine Awards. He is a member of the Alberta Chartered Professional Accountants. He has a Bachelor of Commerce degree from the University of Saskatchewan.

Armin Jahangiri, P.Eng.

SENIOR VICE PRESIDENT AND CHIEF OPERATING OFFICER

As Senior Vice President and Chief Operating Officer, Mr. Jahangiri is responsible for ARC's capital operations and production activities, ensuring the Company's ongoing commitment to operational excellence. In addition, he has accountability for ARC's environmental performance, health and safety, regulatory, government relations, and Indigenous relations functions. Mr. Jahangiri has more than 25 years of domestic and international experience in the energy industry with a focus in major project planning, development, and execution. He joined ARC in 2014 and has held increasingly senior roles with an operations and engineering focus. Prior to his appointment as Chief Operating Officer, he served as Vice President, Operations from 2017 to 2021. Prior to ARC, he held development, operations, and production engineering positions with a major Canadian crude oil and natural gas producer, as well as field engineering and operations management positions both onshore and offshore for a global oilfield services company.

Mr. Jahangiri is a member of APEGA and EGBC. He holds a Bachelor of Science in Mechanical Engineering from the Sharif University of Technology, and a Master of Engineering in Chemical and Petroleum Engineering with specialization in Reservoir Characterization from the University of Calgary.

Larissa M. Conrad, P. Eng.

SENIOR VICE PRESIDENT AND CHIEF DEVELOPMENT OFFICER

As Senior Vice President and Chief Development Officer, Ms. Conrad is responsible for ARC's subsurface development of our core operations and connecting this with ARC's business development activities and capital plan to enhance our long-term strategy. With over 25 years of energy industry experience, Ms. Conrad brings technical and strategic expertise in all aspects of the energy lifecycle from exploration to production. After she joined ARC in 2011, she has taken on various technical and leadership roles including leadership of reservoir and development engineering, geosciences, joint ventures, mineral land, business development, strategic planning, reserves, and legal. Most recently, she was ARC's Senior Vice President, Development from January to December 2021. Prior to joining ARC, she led fiscal, regulatory, and environmental policy at a major Canadian crude oil and natural gas producer, and held various development, production and field engineering positions prior to that.

Ms. Conrad serves as a director on the board of the United Way of Calgary and Area. She was the 2022 United Way of Calgary and Area Campaign Co-Chair and has been an active volunteer with the United Way for more than five years. In 2020, Ms. Conrad was named to the Global Female Influencer 275 list by the Energy Council. She is a professional engineer with both APEGA and EGBC, has a Bachelor of Applied Science degree in Mechanical Engineering from the University of Waterloo, and a Certificate of Management Excellence from Harvard Business School, Executive Education.

Ryan V. Berrett, B. Mgmt, MBA

SENIOR VICE PRESIDENT, MARKETING

As Senior Vice President, Marketing, Mr. Berrett is responsible for ARC's marketing strategy and downstream activities in support of ARC's long-term development plan. In his role, he leads the Company's market access, diversification, and downstream market development initiatives to capture maximum value for each molecule ARC produces and balance enterprise risk. Mr. Berrett joined ARC in 2001. During his tenure, he has developed a deep understanding for ARC's business, holding roles in accounting, finance, and marketing, where he progressed into roles with increasing responsibility. Most recently, he was Vice President, Marketing from 2017 to 2021, where he was responsible for leading ARC's marketing activities including commodity marketing, commercial operations, and downstream market development.

Mr. Berrett has a Bachelor of Management degree from the University of Lethbridge and an Executive MBA in Global Energy from the University of Calgary.

Lisa A. Olsen, B.A.
SENIOR VICE PRESIDENT, PEOPLE AND CORPORATE

As Senior Vice President, People and Corporate, Ms. Olsen oversees the Company's corporate functions including governance, human resources, information technology, internal communications, and office services. In addition, she is accountable for the Company's ESG reporting and disclosure efforts, with a focus on social and governance practices. With more than 20 years of human resources and corporate experience, Ms. Olsen brings expertise from the domestic and international energy and global consumer industries. Most recently, she served as ARC's Vice President, Human Resources from 2016 to 2021. She joined ARC in 2008 as the Manager of Human Resources and has taken on roles of increasing responsibility since. Prior to joining ARC, she spent more than 10 years leading the human resources functions in both a Canadian crude oil and natural gas company with international operations, as well as for a major international consumer brand.

Currently, she serves on the Board of Directors for Enviros and as an advisory member of the Canadian Centre for Advanced Leadership at the University of Calgary. Ms. Olsen has a Bachelor of Communications from Simon Fraser University and a Certificate of Management Excellence from Harvard Business School, Executive Education.

Sean R. A. Calder, P.L. (Eng.), R.E.T.
VICE PRESIDENT, FIELD OPERATIONS

Mr. Calder is ARC's Vice President, Field Operations. In his role, he is responsible for all aspects of field production operations, including field engineering, maintenance, and asset integrity. He has nearly 30 years of energy industry experience including field operations, drilling and completions, and facility management. Mr. Calder joined ARC in 2005, and since this time has taken on roles of increasing responsibility. Prior to joining ARC, he worked at a major crude oil and natural gas company. He is a Professional Licensee (Eng.) under APEGA, and a Registered Engineering Technologist with the Association of Science and Engineering Technology Professionals in Alberta. Mr. Calder has a Bachelor of Applied Technology Petroleum Engineering degree from the Southern Alberta Institute of Technology.

Michael C. Capon, B.Sc.
VICE PRESIDENT, INFORMATION TECHNOLOGY

Mr. Capon is the Vice President, Information Technology (IT). In his role, Mr. Capon is responsible for oversight of the Company's technology strategy, critical IT infrastructure, application services and solutions, cybersecurity program, and the delivery of strategic data analytics. With more than 20 years' experience in the technology and energy industries, Mr. Capon has extensive expertise in developing technology strategy to maximize the value of technology investments and delivering large-scale digital solutions and programs that enable the business. Most recently, he served as Manager, Information Technology at ARC, where he led the technology integration to support the Seven Generations business combination and oversaw the evaluation and selection of an enterprise resource planning platform. Mr. Capon is a Certified Information Systems Security Professional and holds a Bachelor of Science, Computer Information Systems from DeVry Institute of Technology.

Kristin L. Cerny, B.B.A, MSA, CFA
VICE PRESIDENT, FINANCE

Ms. Cerny is ARC's Vice President, Finance, and is responsible for the Company's treasury, corporate finance, insurance, risk management, and market fundamentals analysis functions. She has more than 20 years of finance experience in capital markets and the energy industry. Ms. Cerny has been with ARC since 2011 in roles of increasing responsibility, most recently serving as Manager of Treasury and Risk Management. Prior to joining ARC Resources, she worked for two global investment banks in institutional equities in the US for eight years. Currently, she serves on the Board of Directors of WinSport Canada and the LionHeart Foundation. She holds a Bachelor of Business Administration in Finance from the University of Notre Dame, a Master of Science in Accounting from DePaul University, and is a Chartered Financial Analyst charterholder.

Katherine J. Gomes, B.Comm, CPA, CA
VICE PRESIDENT, CONTROLLER

Ms. Gomes is ARC's Vice President, Controller. In her role, she is responsible for the Company's financial reporting, disclosure, internal controls, and compliance activities. She has more than 20 years' experience in finance and accounting roles in the energy industry. In 2015, she stepped into the role of Controller and has proactively evolved ARC's reporting and disclosure practices through modernization and technology. Ms. Gomes joined ARC in 2010, leading the financial accounting team with increasing responsibility during her tenure. Prior to joining ARC, she led financial reporting teams at intermediate Canadian energy companies and began her career at an international accounting firm in its audit practice. Currently, she serves on the Board of Directors of Enviros and holds an ICD.D designation from the Institute of Corporate Directors. Ms. Gomes is a member of the Chartered Professional Accountants of Alberta, and she holds a Bachelor of Commerce degree in Accounting from the University of Calgary.

Brian R. Groundwater, B.Eng, P.Eng
VICE PRESIDENT, ENGINEERING AND GEOSCIENCE

Mr. Groundwater is the Vice President, Engineering and Geoscience of ARC Resources. In his role, he manages the development engineering, reservoir engineering, and geoscience teams. He has more than 20 years of domestic and international experience in the energy industry, with a depth of technical knowledge of production, facilities, completions, development, and reservoir engineering. Mr. Groundwater joined ARC in 2018, serving as the Manager, Engineering for the Company's Alberta and North Montney assets. Since then, he has taken on roles of increasing responsibility. Earlier in his career, he held leadership roles at an international energy company, working in western Canada and western Europe. Mr. Groundwater is a professional engineer with APEGA, and he holds a Bachelor of Engineering degree in Chemical Engineering from the University of Calgary.

Tejay D. Haugen, P.L. (Eng.), P. Tech (Eng.)
VICE PRESIDENT, OPERATIONS PLANNING

Mr. Haugen is the Vice President, Operations Planning of ARC Resources. In his role, Mr. Haugen is responsible for the Company's long-term production and infrastructure planning, facilities design, water and emissions management, and planning of our capital program. With more than 17 years' experience in the energy industry, he has extensive technical and commercial knowledge of both production and operations. Most recently, he served as Manager, Operations Planning where he led planning, scheduling, and procurement for ARC's capital and production operations. Mr. Haugen joined ARC in 2006, and has held several progressively senior roles within the operations and capital planning functions. Mr. Haugen is a Professional Licensee (Eng.) with APEGA, and a Professional Technologist (Eng.) with the Association of Science and Engineering Technology Professionals in Alberta. He has a diploma in Petroleum Engineering Technology from the Southern Alberta Institute of Technology.

Sean W. Stuart, B.A.Sc, P.Eng
VICE PRESIDENT, CAPITAL OPERATIONS

Mr. Stuart is the Vice President, Capital Operations of ARC Resources and is responsible for the drilling, completions, civil construction, surface land, and Indigenous relations teams. With more than 20 years' experience in the energy industry, he has extensive knowledge of all technical aspects of subsurface development and well operations. Most recently, he served as Manager, Completions overseeing assets in Alberta and British Columbia. Mr. Stuart joined ARC in 2014, holding several leadership roles with increasing responsibility within the operations function. Prior to joining ARC, he worked at an intermediate energy company as a Team Lead for drilling, completions, and well servicing. Mr. Stuart is a member of APEGA and EGBC, and he has a Bachelor of Applied Science in Civil Engineering from the University of Waterloo.

Grant A. Zawalsky, B. Comm, LL.B
CORPORATE SECRETARY

Mr. Zawalsky acts as Corporate Secretary for ARC Resources. He is a Vice Chair and Partner at the law firm of Burnet, Duckworth & Palmer LLP, and has more than 30 years of experience in securities and corporate law including securities offerings, mergers and acquisitions, and corporate governance. Mr. Zawalsky acts a director for several public and private energy companies including NuVista Energy Ltd., PrairieSky Royalty Ltd., and Whitecap Resources Ltd.

Conflicts of Interest

During the year ended December 31, 2023, ARC did not have any existing or potential material conflicts of interest between the Company or a subsidiary of the Company and any director or officer of the Company or of a subsidiary of the Company.

AUDIT COMMITTEE DISCLOSURES

National Instrument 52-110 *Audit Committees* ("NI 52-110") has mandated certain disclosures for inclusion in this Annual Information Form. The text of the Audit Committee's mandate is attached as Appendix C to this Annual Information Form.

Members of the Audit Committee

As of March 7, 2024, the members of the Audit Committee are Leontine van Leeuwen-Atkins (Chair), Carol T. Banducci, William J. McAdam, and Hugh H. Connett; each is independent and financially literate within the meaning of NI 52-110.

The following comprises a brief summary of each member's education and experience:

Leontine van Leeuwen-Atkins

Ms. Atkins has more than 30 years of international experience working across the energy value chain with expertise in business strategy, mergers and acquisitions, finance, and sustainability. Currently, she serves on the boards of Cameco Corporation and EPCOR Utilities Inc. From 2006 to 2019, she was a partner with KPMG LLP. During her tenure, she led the European Energy & Natural Resources practice, the Netherlands' Industrial Markets practice and Europe's Chemical & Pharmaceutical practice, focusing on strategic investments and initiatives. Ms. Atkins also served on KPMG Canada's National Board of Directors and, most recently, was Audit Committee Chair for Points International (sold in 2022 to LeCaisse/Plusgrade) and Seven Generations. Ms. Atkins is a past member of the executive committee and mentoring committee of the Calgary Chapter of the Institute of Corporate Directors. She holds a Bachelor of Business Administration in Finance from Acadia University, and a Master of Business Administration from Dalhousie University. Ms. Atkins holds CPA and CA designations, as well as the ICD.D designation from the Institute of Corporate Directors. Ms. Atkins was awarded the FCPA/FCA in 2022 by the Canadian Institute of Chartered Accountants.

Carol T. Banducci

Ms. Banducci has more than 30 years of international experience with a focus in operational, corporate, and senior leadership roles. She has extensive expertise in strategy development and implementation, finance and accounting. Most recently, Ms. Banducci was Executive Vice President and Chief Financial Officer of IAMGOLD Corporation. She also served as Chair of Niobec Inc. Previously, she was a senior leader with a major plastics and polymer producer and was Chief Financial Officer of Orica Explosives North America and ICI Explosives Canada & Latin America. Ms. Banducci serves as a Director with Hudbay Minerals Inc and Citibank Canada. She is a member of the Institute of Corporate Directors and is a past member of the Canadian Board Diversity Council. Ms. Banducci holds a Bachelor of Commerce from the University of Toronto.

William J. McAdam

Mr. McAdam has 40 years of experience in the energy industry in North America with expertise in engineering, refining, fertilizer, petrochemicals, planning and NGLs. Currently, Mr. McAdam also serves as a Director of Kingston Midstream. From 2000 to 2013, Mr. McAdam was the President and Chief Executive Officer of Aux Sable where he was responsible for leading the company's North American business. Prior to joining Aux Sable, he held several executive roles for North American energy producers including Imperial Oil Limited and ExxonMobil Chemical. Mr. McAdam previously served as a Director for SemGroup Corporation and Canexus Corporation. He has a Bachelor of Science in Chemical Engineering from Queen's University and a Master of Business Administration from McMaster University. He holds the ICD.D designation from the Institute of Corporate Directors and is a member of the National Association of Corporate Directors.

Hugh H. Connett

Mr. Connett has 40 years of global energy industry experience with extensive experience working across various sectors of the energy value chain including natural gas, power, pipelines and LNG. He has expertise in the development and execution of global natural gas strategies inclusive of supply, marketing, logistics, risk management, commercial, and business development. Mr. Connett spent 33 years at Chevron Corporation where he held several executive roles including his most recent role as President, Chevron Global Gas. Prior to that, Mr. Connett held the position of President, Global Power. Prior to joining Chevron, he held various technical and leadership roles with Mitchell Energy Corporation. Mr. Connett is involved in several non-profit organizations serving as President of the Board of Directors for a Municipal Utility District, Trustee Member for the Woodlands Water Agency, and an Advisory Board Member for Penn State Berks Campus. He holds a Bachelor of Arts and Sciences and a Bachelor of Petroleum Engineering from Penn State University.

Principal Accountant Fees and Services

The Audit Committee has policies and procedures for the engagement of non-audit services and pre-approves each engagement or type of engagement in accordance with such policy.

PricewaterhouseCoopers LLP acted as ARC's external auditor for the fiscal years ended December 31, 2023 and 2022. The following is a summary of the external audit and non-audit services fees by category.

Summary of External Audit and Non-audit Service Fees	2023	2022
Audit Fees	$ 1,399,560	$ 1,239,060
All Other Fees [(1)]	$ 40,544	$ 49,638

1) Includes the assessment fee billed by the Canadian Public Accountability Board (the "CPAB") per the National Instrument 52-108 *Auditor Oversight* mandate for reporting issuers to have an audit completed by a CPAB participant firm, fees for services related to an end user computing model, and fees for a research subscription.

LEGAL PROCEEDINGS

On December 9, 2020, Steelhead LNG Ltd. and Steelhead Limited Partnership (collectively "Steelhead") filed a Statement of Claim in the Federal Court of Canada against Seven Generations Energy Ltd., Rockies LNG Limited Partnership, Rockies LNG GP Corp., and Birchcliff Energy Ltd. (collectively the "Defendants") alleging infringement of Steelhead's patent related to a floating near-shore LNG facility and seeking damages in excess of $250 million. ARC replaced Seven Generations as a defendant in the proceedings as a result of the Business Combination. On June 7, 2021, the Defendants filed their Statement of Defence and Counterclaim against Steelhead. The Defendants brought a motion for summary trial related to Steelhead's infringement allegations, which was heard in June 2022. The decision from the summary trial was released on July 6, 2022, where the Court granted the motion for summary trial and found that the Defendants had not infringed Steelhead's patent. Steelhead's appeal of the decision was heard by the Federal Court of Appeal in November 2023, and the Court of Appeal has not yet released its decision. A trial of the Defendants' counterclaims to invalidate Steelhead's patent was heard in September 2023 and the decision was released in December 2023, where the Court invalidated all of the independent claims and a majority of the dependent claims of Steelhead's patent. Steelhead has since filed notice of its appeal of this decision, which is anticipated to be heard by the end of 2024. ARC does not expect the outcome of the claim or counterclaims to result in a material outflow of resources by ARC.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as described in our Annual Information Form dated March 10, 2022, there is no material interest, direct or indirect, of any Director or Executive Officer, or to our knowledge any person or company that beneficially owns, or who exercises control or direction over, directly or indirectly, more than 10 per cent of outstanding common shares, or any associate or affiliate of any of the foregoing, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to affect the Corporation.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for ARC's common shares is Computershare Trust Company of Canada at its principal offices in Calgary and Toronto.

MATERIAL CONTRACTS

During the year ended December 31, 2023, ARC has not entered into any contracts, nor are there any contracts still in effect, that are material to ARC, other than contracts entered into in the ordinary course of business.

INTEREST OF EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under NI 51-102 by us during, or related to, our most recently completed financial year other than GLJ, our independent qualified reserves evaluator, and PricewaterhouseCoopers LLP, our independent external auditor for the year ended December 31, 2023. As at the date hereof the designated professionals of GLJ, as a group, beneficially owned, directly or indirectly, less than one per cent of our outstanding securities, including the securities of our associates and affiliates.

The Corporation's auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants, who have prepared an independent auditor's report dated February 8, 2024, in respect of the Corporation's consolidated financial statements as at December 31, 2023 and December 31, 2022 and for the years then ended. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of Chartered Professional Accountants of Alberta.

In addition, none of the aforementioned persons or companies, nor any Director or Officer of any of the aforementioned persons or companies, is or is expected to be elected, appointed, or employed as a Director or Officer, of ARC Resources or of any of our associate or affiliate entities. Grant A. Zawalsky, the Corporate Secretary of ARC Resources, is a partner of Burnet, Duckworth & Palmer LLP, which law firm renders legal services to ARC Resources.

NON-GAAP AND OTHER FINANCIAL MEASURES

Throughout this document and in other materials disclosed by the Company, ARC employs certain measures to analyze its financial performance, financial position, and cash flow including "capital expenditures" and "free funds flow". These non-GAAP and other financial measures are not standardized financial measures under IFRS Accounting Standards 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 Accounting Standards, such as net income, 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 2023 Annual MD&A for an explanation of the composition of these non-GAAP and other financial measures, which information is incorporated by reference into this Annual Information Form.

ADDITIONAL INFORMATION

Additional information including remuneration and indebtedness of Directors and Officers of ARC Resources, principal holders of the common shares and options to purchase common shares, will be contained in the Information Circular - Proxy Statement of the Corporation which relates to the Annual Meeting of Shareholders. Additional financial information is provided in the financial statements and MD&A, available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca. Other additional information relating to us may be found on SEDAR+ at www.sedarplus.ca.

APPENDIX A

REPORT ON RESERVES DATA BY INDEPENDENT QUALIFIED RESERVES EVALUATOR OR AUDITOR FORM 51-101F2

To the Board of Directors of ARC Resources Ltd. (the “Company”):

1. We have evaluated the Company’s reserves data as at December 31, 2023. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2023, estimated using forecast prices and costs.

2. The reserves data are the responsibility of the Company’s management. Our responsibility is to express an opinion on the reserves data based on our evaluation.

3. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the “COGE Handbook”) maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter).

4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.

5. The following table shows the net present value of future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 per cent, included in the reserves data of the Company evaluated for the year ended December 31, 2023, and identifies the respective portions thereof that we have evaluated and reported on to the Company's Board of Directors:

			Net Present Value of Future Net Revenue (before income taxes, 10% discount rate - $MM)			
Independent Qualified Reserves Evaluator or Auditor	Effective Date of Evaluation Report	Location of Reserves (Country or Foreign Geographic Area)	Audited	Evaluated	Reviewed	Total
GLJ Ltd.	December 31, 2023	Canada	—	22,962	—	**22,962**

6. In our opinion, the reserves data, evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.

7. We have no responsibility to update our report referred to in paragraph 5 for events and circumstances occurring after the effective date of our reports.

8. Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

GLJ Ltd., Calgary, Alberta, Canada, February 5, 2024.

/s/ Chad P. Lemke

Chad P. Lemke, P. Eng.
Executive Vice President and COO

APPENDIX B

REPORT OF MANAGEMENT AND DIRECTORS ON RESERVES DATA AND OTHER INFORMATION FORM 51-101F3

Management of ARC Resources Ltd. (the “Company”) are responsible for the preparation and disclosure of information with respect to the Company's crude oil and natural gas activities in accordance with securities regulatory requirements. This information includes reserves data.

An independent qualified reserves evaluator has evaluated the Company's reserves data. The report of the independent qualified reserves evaluator is presented below.

The Safety, Reserves and Operational Excellence Committee of the Board of Directors of the Company has

a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluator;

b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and

c) reviewed the reserves data with management and the independent qualified reserves evaluator.

The Safety, Reserves and Operational Excellence Committee of the Board of Directors has reviewed the Company's procedures for assembling and reporting other information associated with crude oil and natural gas activities and has reviewed that information with Management. The Board of Directors has, on the recommendation of the Safety, Reserves and Operational Excellence Committee, approved

a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other crude oil and natural gas information;

b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data; and

c) the content and filing of this report.

Because the reserves data is based on judgments regarding future events, actual results will vary and the variations may be material.

/s/ Terry M. Anderson
Terry M. Anderson
President and Chief Executive Officer

/s/ Larissa M. Conrad
Larissa M. Conrad
Senior Vice President and Chief Development Officer

/s/ Michael G. McAllister
Michael G. McAllister
Director and Chair of the Safety, Reserves and Operational Excellence Committee

/s/ William J. McAdam
William J. McAdam
Director and Member of the Safety, Reserves and Operational Excellence Committee

March 7, 2024

APPENDIX C

MANDATE OF THE AUDIT COMMITTEE

Mandate of the Audit Committee (February 8, 2024)

Role and Objective

The primary responsibility for the financial reporting, information systems and security, risk management and internal and disclosure controls of the Corporation is vested in management and overseen by the Board of Directors (the "Board"). The Audit Committee (the "Committee") is a committee of the Board of ARC Resources Ltd. (the "Corporation") to which the Board has delegated its responsibility for oversight of the nature and scope of the annual audit, management's reporting on internal accounting standards and practices, financial information and accounting systems and procedures, cybersecurity, financial reporting and statements and recommending, for Board approval, the audited financial statements, and other mandatory disclosure releases containing financial information.

The objectives of the Committee are as follows:

- To assist the Board in its oversight of the Corporation's financial reporting and risk associated with financial disclosure, including management's preparation and disclosure of the financial statements.
- To review Management's implementation and maintenance of an effective system of internal controls over financial reporting and disclosure control over financial reporting.
- To review the external auditor's independence, including the facilitation of in-depth discussions between Committee Directors, Management and external auditors and review of the external auditor's compensation and performance.

Mandate and Responsibilities of Committee

Financial Reporting and Related Public Disclosure

1. It is a primary responsibility of the Committee to review and recommend for approval to the Board of Directors the annual and quarterly financial statements of the Corporation. The Committee is also to review and recommend to the Board of Directors for approval the financial statements and related information included in prospectuses, Management Discussion and Analysis, financial news releases, Information Circular-Proxy Statements and Annual Information Forms. The process should include but not be limited to:

   a. reviewing changes in accounting principles, or in their application, which may have a material impact on the current or future years' financial statements;

   b. reviewing significant management judgments and estimates that may be material to financial reporting including alternative treatments and their impacts;

   c. reviewing the presentation and impact of any significant risks and uncertainties that may be material to financial reporting including alternative treatments and their impacts;

   d. reviewing accounting treatment of significant, unusual, or non-recurring transactions;

   e. reviewing adjustments and/or disclosure matters raised by the external auditors, whether or not included in the financial statements;

   f. reviewing unresolved differences between Management and the external auditors;

   g. reviewing the Corporation's public disclosure regarding non-GAAP and other financial measures;

   h. reviewing the Corporation's disclosure contained in the financial statements or other financial reporting documents relating to environmental, social and governance;

   i. determining through inquiry if there are any related party transactions and ensuring the nature and extent of such transactions are properly disclosed; and

   j. reviewing all financial reporting relating to risk exposure including the identification, monitoring, and mitigation of business risks and their disclosure.

2. The Committee shall satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information, including from the Corporation's financial statements and periodically assess the adequacy of those procedures.

Internal Controls over Financial Reporting and Information Systems

3. It is the responsibility of the Committee to satisfy itself on behalf of the Board with respect to the adequacy of the Corporation's internal controls over financial reporting and information systems. The process should include but not be limited to:

   a. inquiring as to the adequacy and effectiveness of the Corporation's system of internal controls over financial reporting, including treasury, hedging and market transactions, and review Management's report on internal controls over financial reporting;

   b. reviewing the existence of procedures for the confidential, anonymous submission by employees of the Corporation of concerns relating to accounting, internal controls over financial reporting, auditing or Code of Business Conduct and Ethics matters and periodically reviewing a summary of complaints and their related resolution; and

   c. establishing procedures for the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters.

External Auditors

4. With respect to the appointment of external auditors by the Board, the Committee shall:

   a. be directly responsible for overseeing the work of the external auditors engaged for the purpose of issuing an auditors' report or performing other audit, review, or attest services for the Corporation, and upon completion of such services, their reports upon the financial statements of the Corporations and its subsidiaries;

   b. addressing, and overseeing the resolution of any disagreements between Management and the external auditor regarding financial reporting;

   c. recommending to the Board a firm of chartered public accountants, and their compensation, to be recommended to the shareholders of the Corporation to be appointed as the external auditors;

   d. reviewing the terms of engagement of the external auditors, including the appropriateness and reasonableness of the auditors' fees;

   e. reviewing and evaluating annually the external auditors' performance, and periodically, (at least every five years) conducting a comprehensive review of the external auditor;

   f. when there is to be a change in auditors, reviewing the issues related to the change and the information to be included in the required notice to securities regulators of such change;

   g. reviewing and approving any non-audit services to be provided by the external auditors' firm and considering the impact on the independence of the auditors in accordance with policies and procedures adopted by the Committee from time to time;

   h. inquiring quarterly as to the independence of the external auditors and obtaining, at least annually, a formal written statement delineating all relationships between the external auditors and the Corporation as contemplated by Independence Standards Board No. 1;

   i. reviewing the Annual Report of the Canadian Public Accountability Board ("CPAB") concerning audit quality in Canada and discussing implications for the Corporation;

   j. reviewing any reports issued by CPAB regarding the audit of the Corporation;

   k. discussing with the external auditors, without the presence of Management, the quality of the Corporation's financial and accounting personnel, and the completeness and accuracy of the Corporation's financial statements; and

   l. annually reviewing the Corporation's hiring policies regarding (former) partners and employees of the external audit firm.

5. The Committee shall review with the external auditors (and the internal auditor if one is appointed by the Corporation) their written report containing recommendations for improvement of internal control over financial reporting and other suggestions as appropriate, and Management's response and follow-up to any identified significant control deficiencies.

6. The Committee shall also review and approve annually, with the external auditors, their audit plan.

Compliance

7. It is the responsibility of the Committee to review Management's process for the certification of annual and interim financial reports in accordance with required securities legislation.

8. It is the responsibility of the Committee to ascertain compliance with covenants under loan agreements.

9. The Committee shall review the Corporation's compliance with all legal and regulatory requirements as it pertains to financial reporting, taxation, internal controls over financial reporting, *Extractive Sector Transparency Measure Act* (Canada) and any other area the Committee considers to be appropriate relative to its mandate or as may be requested by the Board of Directors.

10. Review compliance with the Corporation's Hedging Policy, as approved by the Board of Directors, and review the accounting treatment, financial measurement and disclosure of derivatives and financial instruments.

Other Risk Management

11. Review the accounting treatment, financial measurement, and disclosure of new or amended long-term lease contracts.

12. Monitor ongoing financial risks to the Corporation, including market risk, counterparty risk, credit risk and risk to credit rating.

13. Regularly discuss with Management, their review of information technology, information systems and cybersecurity risks of the Corporation, including business continuity plans and management's risk ranking and plan for mitigation of significant risks.

14. Review management's assessment and mitigation plans as it related to fraud risk within the organization.

15. Annually review the insurance program including coverage for property damage, business interruption and liabilities.

16. Review any other significant financial exposures of the Corporation to the risk of a material financial loss including legal claims or other activities, including appropriate accounting treatment, financial measurement and disclosure, if any.

Other Matters

17. Direct and oversee the work completed by the internal audit function, and if there is no such function, consider periodically the need for such a function and its mandate.

18. The Committee may also review any other matters that the Audit Committee feels are important to its mandate or that the Board chooses to delegate to it.

19. Annual discussion with the CFO regarding the accounting and finance function's technical resourcing and competencies in fulfilling the duties of the functions.

20. The Committee shall undertake annually a review of this mandate and make recommendations to the Policy and Board Governance Committee as to proposed changes.

Composition

21. This Committee shall be composed of at least three individuals appointed by the Board from amongst its members, all of which members will be independent (within the meaning of Section 1.4 and 1.5 of *National Instrument 52-110 Audit Committees* ("NI 52-110")) unless the Board determines to rely on an exemption in NI 52-110. "Independent" generally means free from any business or other direct or indirect material relationship with the Corporation that could, in the view of the Board, be reasonably expected to interfere with the exercise of the member's independent judgment.

22. The Chair of the Committee is appointed by the Board of Directors.

23. The Secretary to the Board or another individual selected by the Committee shall act as the Committee's Secretary.

24. A quorum shall be a majority of the members of the Committee.

25. All of the members must be financially literate within the meaning of NI 52-110 unless the Board has determined to rely on an exemption in NI 52-110. Being "financially literate" means members have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements.

Meetings

26. The Committee shall meet at least four times per year and/or as deemed appropriate by the Committee Chair.

27. At each meeting, the Committee may meet separately with management and will meet in separate, closed session with the external auditors and internal auditors, if relevant, and/or other internal control or information systems advisors, as appropriate, and then with the independent directors in attendance.

28. The Committee shall meet not less than quarterly with the auditors, independent of the presence of Management.

29. Agendas, with input from Management, shall be circulated to Committee members and relevant Management personnel along with background information on a timely basis prior to the Committee meetings.

30. Minutes of the Committee meeting shall be prepared by the Committee's Secretary and distributed on a timely basis.

31. The Chief Executive Officer and the Chief Financial Officer or their designates shall be available to attend at all meetings of the Committee upon the invitation of the Committee.

32. The Vice President, Controller and such other staff as appropriate to provide information to the Committee shall attend meetings upon invitation by the Committee.

Reporting/Authority

33. Following each meeting, in addition to a verbal report, the Committee will report to the Board by way of providing copies of the minutes of such Committee meeting at the next Board meeting after a meeting is held (these may still be in draft form).

34. Supporting schedules and information reviewed by the Committee shall be available for examination by any Director.

35. The Committee shall have the authority to investigate any financial activity of the Corporation and to communicate directly with the internal and external auditors. All employees are to cooperate as requested by the Committee.

36. The Committee may retain, and set and pay the compensation for, persons having special expertise and/or obtain independent professional advice to assist in fulfilling its duties and responsibilities at the expense of the Corporation.

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