ARC RESOURCES LTD.

ARC RESOURCES LTD. REPORTS SECOND QUARTER 2025 RESULTS, PROVIDES 2025 REVISED GUIDANCE, AND ANNOUNCES NEW ATTACHIE LAND ACQUISITION

NEWS RELEASE

Calgary, July 31, 2025 (ARX - TSX) ARC Resources Ltd. ("ARC" or the "Company") today reported its second quarter 2025 financial and operational results and provided 2025 revised guidance.

HIGHLIGHTS

Second Quarter Results

- ARC delivered second quarter 2025 average production of 357,228 boe(1) per day (61 per cent natural gas and 39 per cent crude oil and liquids(2)). Production increased eight per cent year-over-year, and 11 per cent on a per share basis(3).
  - Attachie production averaged 26,833 boe per day including approximately 61 per cent or 16,254 barrels per day of condensate and natural gas liquids. Production emulsion, planned maintenance, and unplanned third-party downtime impacted second quarter production. These were resolved by the end of the second quarter and production is expected to average between 35,000 and 40,000 boe per day during the second half of the year (approximately 60 per cent liquids, 40 per cent natural gas).
  - In response to low natural gas prices in Western Canada, ARC curtailed between 75 and 200 MMcf per day of natural gas production during the second quarter. This effectively eliminated ARC's cash exposure to Western Canadian prices, and preserves resource for periods when prices are higher.
- ARC generated funds from operations of $682 million(4) ($1.17 per share(4)) and recognized cash flow from operating activities of $699 million ($1.19 per share(4)) in the second quarter. Free funds flow was $186 million(4) ($0.32 per share(4)), while capital expenditures totalled $496 million(4). ARC recognized net income of $396 million or $0.68 per share.
  - Market diversification contributed to a realized natural gas price of $3.19 per Mcf(4), $1.12 greater than the average AECO 7A Monthly Index price of $2.07 per Mcf.
- ARC distributed $188 million ($0.32 per share) or approximately 100 per cent of free funds flow to shareholders during the second quarter. ARC is committed to returning essentially all free funds flow to shareholders in 2025 through the base dividend and share repurchases.
  - ARC declared dividends of $111 million ($0.19 per share(4)) and repurchased 2.9 million common shares for $77 million under its normal course issuer bid ("NCIB").
- On July 2, 2025, ARC completed the acquisition of the condensate-rich Montney assets in the Kakwa region in Alberta (the "Kakwa Assets") from Strathcona Resources Ltd. ("Strathcona") in an all-cash transaction valued at approximately $1.6 billion(5) (the "Kakwa Acquisition").

Attachie Development Agreement with Tsaa Dunne Za Energy

- Subsequent to the quarter, ARC executed an agreement for the earning and development of up to 36 new contiguous sections in the Montney with the Tsaa Dunne Za Energy Limited Partnership ("TDZE") – a limited partnership owned by Halfway River First Nation ("HRFN"). The lands, upon development, increase ARC's Attachie position by greater than ten per cent to approximately 360 sections, and are directly adjacent to ARC's existing Attachie asset in the condensate-rich region of the Montney. The resource quality is comparable to ARC's existing Attachie asset, further extending the development runway at one of ARC's most profitable assets.

Revised 2025 Guidance

- ARC revised its 2025 guidance to incorporate the Kakwa Acquisition, and natural gas production curtailments that occurred during the second quarter and extended into the third quarter.
  - ARC plans to invest between $1.85 and $1.95 billion in capital expenditures[6] in 2025. The increase from the original budget reflects the investment into the acquired Kakwa Assets, and additional investment at Attachie, including $50 million towards advancing Attachie Phase II.
  - ARC expects to generate average production in 2025 between 385,000 and 395,000 boe per day (60 per cent natural gas, 40 per cent crude oil and liquids). The increase from original guidance reflects the Kakwa Acquisition, offset by natural gas production curtailments during the second and third quarter, and the delayed production ramp at Attachie during the first half of 2025.
    - Production during the second half of 2025 is expected to average greater than 410,000 boe per day, including approximately 120,000 barrels per day of crude oil and condensate. This assumes additional natural gas curtailments at Sunrise of approximately 200 MMcf per day (33,000 boe per day) anticipated through July and August.

ARC's unaudited condensed interim consolidated financial statements and notes (the "financial statements") and Management's Discussion and Analysis ("MD&A") as at and for the three and six months ended June 30, 2025, are available on ARC's website at www.arcresources.com and under ARC's SEDAR+ profile at www.sedarplus.ca. The disclosure under the section entitled "Non-GAAP and Other Financial Measures" in ARC's MD&A as at and for the three and six months ended June 30, 2025 (the "Q2 2025 MD&A") is incorporated by reference into this news release.

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(1) ARC has adopted the standard six thousand cubic feet ("Mcf") of natural gas to one barrel ("bbl") of crude oil ratio when converting natural gas to barrels of oil equivalent ("boe"). Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent 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.

(2) Throughout this news release, crude oil ("crude oil") refers to light, medium, and heavy crude oil product types as defined by National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"). Condensate is a natural gas liquid as defined by NI 51-101. Throughout this news release, natural gas liquids ("NGLs") comprise all natural gas liquids as defined by NI 51-101 other than condensate, which is disclosed separately. Throughout this news release, crude oil and liquids ("crude oil and liquids") refers to crude oil, condensate, and NGLs.

(3) Represents average daily production divided by the diluted weighted average common shares outstanding for the respective three months ended June 30.

(4) This is a specified financial measure. See *"Non-GAAP and Other Financial Measures"* of this news release and in the Q2 2025 MD&A for additional disclosure, which is incorporated by reference.

(5) The purchase price was approximately $1.6 billion for the Kakwa Assets before purchase price adjustments and unrelated equipment and land.

(6) Refer to the section entitled *"About ARC Resources Ltd."* contained within the Q2 2025 MD&A for historical capital expenditures, which information is incorporated by reference into this news release.

FINANCIAL AND OPERATIONAL RESULTS

(Cdn$ millions, except per share amounts[1], boe amounts, and common shares outstanding)	Three Months Ended			Six Months Ended	
	March 31, 2025	**June 30, 2025**	June 30, 2024	**June 30, 2025**	June 30, 2024
FINANCIAL RESULTS					
Net income	404.7	**396.1**	239.5	**800.8**	424.9
Per share	0.69	**0.68**	0.40	**1.36**	0.71
Cash flow from operating activities	1,013.0	**699.1**	543.0	**1,712.1**	1,179.3
Per share	1.72	**1.19**	0.91	**2.91**	1.97
Funds from operations	857.0	**682.1**	502.8	**1,539.1**	1,109.7
Per share	1.45	**1.17**	0.84	**2.62**	1.85
Free funds flow	399.9	**185.8**	(29.5)	**585.7**	72.8
Per share	0.68	**0.32**	(0.05)	**1.00**	0.12
Dividends declared	111.3	**110.9**	101.6	**222.2**	203.2
Per share	0.19	**0.19**	0.17	**0.38**	0.34
Cash flow used in investing activities	429.3	**471.2**	643.4	**900.5**	1,143.2
Capital expenditures	457.1	**496.3**	532.3	**953.4**	1,036.9
Long-term debt	1,072.0	**1,990.8**	1,379.5	**1,990.8**	1,379.5
Net debt[2]	1,260.5	**1,289.2**	1,477.9	**1,289.2**	1,477.9
Common shares outstanding, weighted average diluted (millions)	589.7	**585.0**	598.2	**587.4**	598.3
Common shares outstanding, end of period (millions)	585.0	**582.5**	596.7	**582.5**	596.7
OPERATIONAL RESULTS					
Production					
Crude oil and condensate (bbl/day)	94,334	**100,399**	74,713	**97,384**	78,693
Natural gas (MMcf/day)	1,411	**1,307**	1,286	**1,359**	1,304
NGLs (bbl/day)	42,821	**38,999**	40,994	**40,899**	45,203
Total (boe/day)	372,265	**357,228**	330,046	**364,705**	341,187
Average realized price					
Crude oil ($/bbl)[2]	87.90	**82.56**	100.28	**85.00**	91.10
Condensate ($/bbl)[2]	99.28	**85.35**	103.73	**92.09**	98.96
Natural gas ($/Mcf)[2]	4.19	**3.19**	1.86	**3.71**	2.53
NGLs ($/bbl)[2]	31.98	**20.39**	21.69	**26.42**	23.85
Average realized price ($/boe)[2]	44.48	**37.81**	33.35	**41.20**	35.49
Netback per boe					
Commodity sales from production ($/boe)[2]	44.48	**37.81**	33.35	**41.20**	35.49
Royalties ($/boe)[2]	(4.86)	**(3.71)**	(4.19)	**(4.29)**	(4.16)
Operating expense ($/boe)[2]	(4.85)	**(5.17)**	(5.51)	**(5.01)**	(4.87)
Transportation expense ($/boe)[2]	(5.55)	**(5.36)**	(5.22)	**(5.46)**	(5.29)
Netback per boe ($/boe)[2]	29.22	**23.57**	18.43	**26.44**	21.17
TRADING STATISTICS[3]					
High price	29.05	**31.56**	26.18	**31.56**	26.18
Low price	23.85	**22.63**	23.45	**22.63**	19.44
Close price	28.93	**28.71**	24.41	**28.71**	24.41
Average daily volume (thousands of shares)	3,674	**3,559**	3,648	**3,616**	3,498

(1) Per share amounts, with the exception of dividends, are based on weighted average diluted common shares.
(2) This is a specified financial measure. See "Non-GAAP and Other Financial Measures" of this news release and in the Q2 2025 MD&A for additional disclosure, which information is incorporated by reference.
(3) Trading prices are stated in Canadian dollars on a per share basis and are based on intra-day trading on the Toronto Stock Exchange.

OUTLOOK

ARC remains committed to executing on its strategy to grow free funds flow per share through profitable Montney investments. In the near-term, ARC is focused on operational execution at Attachie Phase I, and optimizing the recently acquired Kakwa Assets and capital efficiencies across its remaining assets. This is expected to drive record production and condensate volumes in the second half of the year, and at strip prices(1), generate between $1.3 and $1.5 billion of free funds flow in 2025. For the third consecutive year, ARC is committed to returning essentially all free funds flow to shareholders through the base dividend and share repurchases.

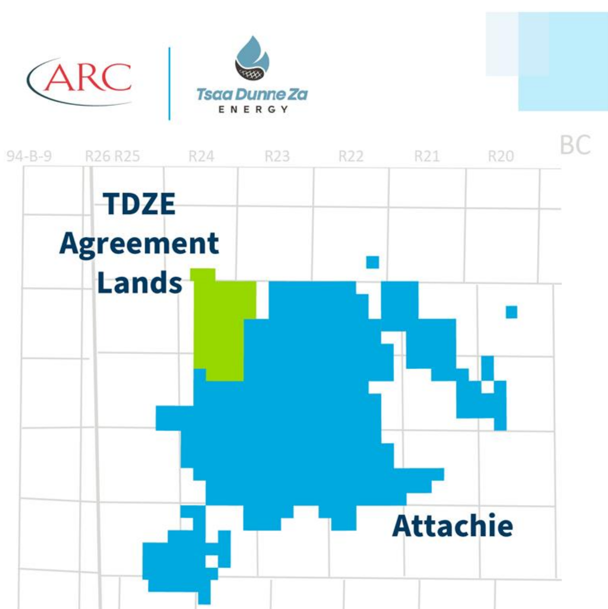
ARC continues to execute its long-term strategy as evidenced through the strategic consolidation at Kakwa, and by advancing its second phase at Attachie. At its base price deck (US$70 per barrel WTI; US$3.75 per Mcf NYMEX), the long-term plan through 2028 is expected to deliver a five per cent production CAGR(2), re-investing approximately 50 per cent of funds from operations, and generating a 20 per cent return on average capital employed(3). ARC remains committed to its long-standing principles of safety, capital discipline, and financial strength to ensure long-term profitability.

Corporate Update

Attachie Development Agreement with Tsaa Dunne Za Energy

ARC executed an agreement with TDZE, a limited partnership owned by HRFN, for the earning and development of mineral tenure in northeast BC. The new lands encompass 36 contiguous sections in the condensate-rich region of the Montney, directly adjacent to ARC's Attachie development.

These lands are initially considered to be integrated into ARC's long-term development strategy at Attachie. Upon development, the agreement increases ARC's Attachie position by greater than ten per cent to a total of approximately 360 sections, bringing even greater scale to one of ARC's most profitable Montney assets.



(1) Based on forward pricing as of July 10, 2025 of US$66 per barrel WTI; C$1.90 per Mcf AECO.
(2) Production CAGR defined as the production compounded annual growth rate.
(3) This is a specified financial measure. See "Non-GAAP and Other Financial Measures" of this news release and in the Q2 2025 MD&A for additional disclosure, which information is incorporated by reference.

Operations Update

Attachie

Attachie production during the second quarter averaged 26,833 boe per day including approximately 61 per cent or 16,254 barrels per day of condensate and natural gas liquids. Production emulsion, planned maintenance, and unplanned third-party downtime contributed to lower than anticipated production in the second quarter.

ARC has resolved the production emulsion issue, and the facility is operating as expected. Attachie production reached 39,000 boe per day at a point in June, including strong condensate production of approximately 21,000 barrels per day, and ARC's three most recent pads have been successfully drilled and completed as planned. This is expected to support average production between 35,000 and 40,000 boe per day during the second half of 2025 (approximately 60 per cent condensate and liquids, and 40 per cent natural gas).

ARC continues to optimize the well design to maximize capital efficiencies. At one of its recent trial pads, the average well produced approximately 107,000 barrels of condensate over the initial six months on production (approximately 580 barrels per day) exceeding expectations of ARC's original well design.

ARC is investing approximately $50 million in 2025 towards site clearance and long-lead items in preparation for a positive investment decision on Attachie Phase II. ARC intends to formalize this decision with the release of its 2026 capital budget in November.

Kakwa

Kakwa production averaged 169,622 boe per day (54 per cent crude oil and liquids) during the second quarter, including approximately 65,500 barrels per day of condensate (exclusive of the acquired Kakwa Assets).

Inclusive of the acquired Kakwa Assets, ARC expects Kakwa production to average between 205,000 and 210,000 boe per day (approximately 57 per cent crude oil and liquids, 43 per cent natural gas) during the second half of the year.

Sunrise

During the second quarter, ARC elected to curtail between 75 and 200 MMcf per day of natural gas production at Sunrise in response to low natural gas prices in Western Canada. Production is currently curtailed by approximately 360 MMcf per day, and will be fully restored when natural gas prices recover to levels that support ARC's return requirements.

2025 Guidance

ARC has revised 2025 guidance to incorporate the Kakwa Acquisition, and adjust for natural gas curtailments that occurred throughout the second quarter and continued in the third quarter.

- ARC intends to invest between $1.85 and $1.95 billion in capital expenditures(1) (previously $1.6 to $1.7 billion).
    - The increase includes approximately $150 million on the newly acquired Kakwa Assets, and approximately $50 million towards advancing Attachie Phase II.
- Production guidance for 2025 increased to between 385,000 and 395,000 boe per day (60 per cent natural gas and 40 per cent crude oil and liquids). The increase reflects the additional production as a result of the Kakwa Acquisition, which closed on July 2, 2025, partially offset by production curtailments at Sunrise and the slower than planned ramp in production at Attachie.
    - The Kakwa Assets are expected to add between 35,000 and 40,000 boe per day during the second half of the year (approximately 50 per cent crude oil and liquids, 50 per cent natural gas). This represents approximately 18,000 boe per day on an annual basis in 2025.
    - Production guidance was reduced by approximately 50 MMcf per day (8,000 boe per day) to reflect the natural gas production curtailments at Sunrise that occurred in the second quarter, and additional natural gas curtailments of approximately 200 MMcf per day (approximately 33,000 boe per day) anticipated through July and August.
    - The full-year production forecast at Attachie was reduced by approximately 5,000 boe per day to reflect the slower than anticipated ramp in production in the first half of 2025. The production forecast in the second half of 2025 is unchanged, and expected to average between 35,000 and 40,000 boe per day (60 per cent condensate and liquids, and 40 per cent natural gas).
- Operating expense per boe increased to range between $5.00 and $5.50 per boe. The increase reflects higher water-handling costs at Kakwa, the Kakwa Acquisition, and the reduction in Sunrise production which represents a lower operating cost on a boe basis than the corporate average.

ARC's 2025 original and revised guidance are based on various commodity price scenarios and economic conditions. Certain guidance estimates may fluctuate with commodity price changes and regulatory changes. ARC’s guidance provides readers with the information relevant to Management's expectations for financial and operational results for 2025. Readers are cautioned that the guidance estimates may not be appropriate for any other purpose.

(1) Refer to the section entitled *"About ARC Resources Ltd."* contained within the Q2 2025 MD&A for historical capital expenditures, which information is incorporated by reference into this news release.

ARC's 2025 original and revised guidance and a review of 2025 year-to-date results are outlined below:

	2025 Guidance	2025 Revised Guidance	2025 YTD Actual	% Variance from YTD Actual to 2025 Revised Guidance
Production				
Crude oil and condensate (bbl/day)	104,000 - 110,000	107,000 - 112,000	97,384	(8)
Natural gas (MMcf/day)	1,400 - 1,420	1,390 - 1,420	1,359	(2)
NGLs (bbl/day)	42,000 - 48,000	43,000 - 48,000	40,899	(5)
Total (boe/day)	380,000 - 395,000	385,000 - 395,000	364,705	(5)
Expenses ($/boe)(1)(2)				
Operating	4.50 - 4.90	5.00 - 5.50	5.01	—
Transportation	5.00 - 5.50	5.00 - 5.50	5.46	—
General and administrative ("G&A") expense before share-based compensation expense	0.90 - 1.10	1.00 - 1.10	1.17	6
G&A - share-based compensation expense	0.25 - 0.35	0.30 - 0.40	0.40	—
Interest and financing(3)	0.70 - 0.80	0.90 - 1.00	0.75	(17)
Current income tax expense as a per cent of funds from operations(1)	10 - 15	5 - 10	11	10
Capital expenditures ($ billions)(4)	1.6 - 1.7	1.85 - 1.95	1.0	n/a

(1) This is a specified financial measure. See "Non-GAAP and Other Financial Measures" of this news release and in the Q2 2025 MD&A for additional disclosure, which information is incorporated by reference.
(2) 2025 annual guidance excludes potential impact from tariffs.
(3) Excludes accretion of ARC's asset retirement obligation.
(4) Refer to the section entitled *"About ARC Resources Ltd."* contained within the Q2 2025 MD&A for historical capital expenditures, which information is incorporated by reference into this news release. Guidance for capital expenditures does not include any potential impact from tariffs.

FINANCIAL AND OPERATIONAL RESULTS

Production

- ARC's production averaged 357,228 boe per day during the second quarter of 2025 (61 per cent natural gas and 39 per cent crude oil and liquids). Production increased eight per cent compared to the same quarter of the prior year, and 11 per cent on a per share basis.
    - The increase was driven primarily by production from Attachie, which contributed an average of 26,833 boe per day (61 per cent condensate and natural gas liquids) in the second quarter.
    - In response to weak Western Canadian natural gas prices, ARC elected to curtail between 75 and 200 MMcf per day of natural gas production at Sunrise during the second quarter. This effectively eliminated ARC's exposure to Station 2 where natural gas prices were especially weak, thereby preserving resource for periods when prices are higher.
- Production at Kakwa in the second quarter averaged 169,622 boe per day, which included 92,289 barrels per day of condensate and natural gas liquids. Full-year 2025 production is expected to average between 185,000 and 190,000 boe per day, reflecting contribution from the acquired Kakwa Assets.
- Production during the second half of the year is forecast to average greater than 410,000 boe per day, including greater than 120,000 barrels per day of crude oil and condensate. The production forecast during the second half of the year includes the estimated production impact from curtailments at Sunrise in July through August.

Funds from Operations, Cash Flow from Operating Activities, and Free Funds Flow

- ARC generated $682 million ($1.17 per share) of funds from operations in the second quarter of 2025. This represents an increase of $179 million ($0.33 per share) compared to the same quarter of the prior year. This increase was driven primarily by production at Attachie and higher average realized natural gas prices, partially offset by lower average realized crude oil and liquids prices.
- Cash flow from operating activities was $699 million ($1.19 per share) and free funds flow was $186 million ($0.32 per share) for the quarter.

The following table details the change in funds from operations for the second quarter of 2025 relative to the first quarter of 2025.

Funds from Operations Reconciliation	**$ millions**	**$/share(1)**
Funds from operations for the three months ended March 31, 2025	**857.0**	**1.45**
Production volumes		
Crude oil and liquids	**52.8**	**0.09**
Natural gas	**(33.6)**	**(0.06)**
Commodity prices		
Crude oil and liquids	**(161.0)**	**(0.28)**
Natural gas	**(119.2)**	**(0.20)**
Sales from third-party purchases	**2.0**	**—**
Other income	**(8.6)**	**(0.01)**
Realized gain on risk management contracts	**9.9**	**0.02**
Royalties	**42.1**	**0.07**
Expenses		
Third-party purchases	**(11.8)**	**(0.02)**
Operating	**(5.6)**	**(0.01)**
Transportation	**11.9**	**0.02**
G&A	**10.8**	**0.02**
Interest and financing	**0.8**	**0.01**
Current income tax	**45.0**	**0.08**
Realized loss on foreign exchange	**(10.6)**	**(0.02)**
Other	**0.2**	**—**
Weighted average shares, diluted	**—**	**0.01**
Funds from operations for the three months ended June 30, 2025	**682.1**	**1.17**

(1) Per share amounts are based on weighted average diluted common shares.

The following table details the change in funds from operations for the second quarter of 2025 relative to the second quarter of 2024.

Funds from Operations Reconciliation	$ millions	$/share[1]
Funds from operations for the three months ended June 30, 2024	502.8	0.84
Production volumes		
Crude oil and liquids	237.6	0.39
Natural gas	3.6	0.01
Commodity prices		
Crude oil and liquids	(172.2)	(0.28)
Natural gas	158.5	0.26
Sales from third-party purchases	29.9	0.05
Other income	(0.9)	—
Realized gain on risk management contracts	(3.9)	(0.01)
Royalties	5.1	0.01
Expenses		
Third-party purchases	(33.5)	(0.06)
Operating	(2.5)	—
Transportation	(17.4)	(0.03)
G&A	9.2	0.02
Interest and financing	4.7	0.01
Current income tax	(27.4)	(0.05)
Realized loss on foreign exchange	(12.7)	(0.02)
Other	1.2	—
Weighted average shares, diluted	—	0.03
Funds from operations for the three months ended June 30, 2025	682.1	1.17

(1) Per share amounts are based on weighted average diluted common shares.

Shareholder Returns

- During the second quarter, ARC distributed 100 per cent of free funds flow or $188 million ($0.32 per share) to shareholders through a combination of dividends and share repurchases under its NCIB.
    - During the second quarter 2025, ARC declared dividends of $111 million ($0.19 per share) and repurchased 2.9 million common shares under its NCIB at a weighted average price of $26.41 per share.
- Since commencing its initial NCIB in September 2021, ARC has repurchased approximately 20 per cent of total its outstanding shares or 148 million common shares, at a weighted average price of $17.16 per share.
- ARC intends to renew its NCIB on or about September 4, 2025 for an additional ten per cent of the public float, subject to review and approval by the TSX.
- Through the first six months of 2025, ARC distributed $430 million to shareholders, or 73 per cent of free funds flow. ARC intends to distribute essentially all of its free funds flow in 2025 to shareholders.

Operating, Transportation, and General and Administrative Expense

Operating Expense

- ARC's second quarter 2025 operating expense of $5.17 per boe was six per cent or $0.34 per boe lower than the second quarter of 2024. The decrease year over year is primarily due to increased production at Attachie.
- Operating costs are expected to increase during the second half of the year, reflecting the Kakwa Assets and higher water-handling costs at Kakwa.

Transportation Expense

- ARC's second quarter 2025 transportation expense per boe of $5.36 was in line with ARC's guidance range of $5.00 to $5.50 per boe.
- Transportation expense per boe is expected to decrease over the remainder of 2025 with the anticipated increase in production volumes.

General and Administrative Expense

- ARC's second quarter 2025 general and administrative expense per boe of $1.43 decreased 23 per cent or $0.42 per boe from the same period of the prior year primarily due to the revaluation of the liability associated with ARC's share-based compensation plans.

Cash Flow Used in Investing Activities and Capital Expenditures

- Cash flow used in investing activities was $471 million during the second quarter of 2025. ARC invested $496 million into capital expenditures to drill 32 wells and complete 45 wells. Drilling was focused primarily at Kakwa and Attachie.
- During the six months ended June 30, 2025, cash flow from investing activities was $901 million and capital expenditures were $953 million. ARC drilled 55 wells and completed 89 wells across its asset base.

The following table details ARC's first six months of 2025 drilling and completions activities by area.

	Six months ended June 30, 2025	
Area	**Wells Drilled**	**Wells Completed**
Kakwa	**34**	**41**
Greater Dawson	**6**	**18**
Attachie	**14**	**19**
Ante Creek	**—**	**5**
Sunrise	**1**	**6**
Total	**55**	**89**

Physical Natural Gas Marketing

- ARC's infrastructure ownership and committed takeaway capacity to U.S. markets played a critical role in capturing higher realized natural gas prices in the quarter relative to local benchmarks.
- In the second quarter, ARC realized an average natural gas price of $3.19 per Mcf, $1.12 per Mcf or 54 per cent greater than the average AECO 7A Monthly Index price of $2.07 per Mcf for the period.

Net Debt

- In June 2025, ARC closed its offering of $1.0 billion aggregate principal amount of senior unsecured notes, consisting of $550 million aggregate principal amount of 3.577% Senior Unsecured Notes, Series 3 due 2028 and $450 million aggregate principal amount of 4.409% Senior Unsecured Notes, Series 4 due 2032. DBRS Morningstar assigned a rating of BBB with a Stable trend to the notes.
- Subsequent to June 30, 2025, ARC obtained a new $500 million two-year term loan and increased the borrowing capacity under its existing credit facility to $2.0 billion.
    - The proceeds from the 2025 notes, together with drawings under credit facilities, were used to fund the Kakwa Acquisition which closed July 2, 2025.
- As at June 30, 2025, ARC's long-term debt balance was $2.0 billion, and its net debt balance was $1.3 billion, or 0.4 times funds from operations(1).
    - ARC targets its net debt to be less than 1.5 times funds from operations and manages its capital structure to achieve that target over the long-term.
- ARC holds an investment-grade credit rating, which allows the Company to access capital and manage a low-cost capital structure. ARC is committed to maintaining its strong financial position.

Net Income

- ARC recognized net income of $396 million ($0.68 per share) during the second quarter of 2025, a 65 per cent or $156 million increase compared to the same quarter in the prior year. The increase was primarily due to an increase in production year over year.

CONFERENCE CALL

ARC's senior leadership team will be hosting a conference call to discuss the Company's second quarter 2025 results on Friday, August 1, 2025, at 8:00 a.m. Mountain Time ("MT").

Date	Friday, August 1, 2025
Time	8:00 a.m. MT
Dial-in Numbers	
Calgary	403-910-0389
Toronto	437-900-0527
Toll-free	1-888-510-2154
Conference ID	99652
Webcast URL	https://app.webinar.net/rDavVMBxQlj

Callers are encouraged to dial in 15 minutes before the start time to register for the event. A replay will be available on ARC's website at www.arcresources.com following the conference call.

(1) This is a specified financial measure. See *"Non-GAAP and Other Financial Measures"* of this news release and in the Q1 2025 MD&A for additional disclosure, which is incorporated by reference.

NON-GAAP AND OTHER FINANCIAL MEASURES

Throughout this news release and in other materials disclosed by the Company, ARC employs certain measures to analyze its financial performance, financial position, and cash flow. These non-GAAP and other financial measures are not standardized financial measures under IFRS 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 generally accepted accounting principles ("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.

Non-GAAP Financial Measures

Capital Expenditures

ARC uses capital expenditures to monitor its capital investments relative to those budgeted by the Company on an annual basis. ARC's capital budget excludes acquisition or disposition activities as well as the accounting impact of any accrual changes and payments under certain lease arrangements. The most directly comparable GAAP measure to capital expenditures is cash flow used in investing activities. The following table details the composition of capital expenditures and its reconciliation to cash flow used in investing activities.

	Three Months Ended			**Six Months Ended**	
Capital Expenditures ($ millions)	March 31, 2025	**June 30, 2025**	June 30, 2024	**June 30, 2025**	June 30, 2024
Cash flow used in investing activities	429.3	**471.2**	643.4	**900.5**	1,143.2
Acquisition of crude oil and natural gas assets	(4.0)	**(0.8)**	(5.0)	**(4.8)**	(5.1)
Disposal of crude oil and natural gas assets	—	**4.0**	—	**4.0**	—
Long-term investments	(0.3)	**(0.9)**	(1.3)	**(1.2)**	(4.1)
Change in non-cash investing working capital	23.6	**14.7**	(109.6)	**38.3**	(106.6)
Non-cash capitalized right-of-use asset depreciation	8.5	**8.1**	4.8	**16.6**	9.5
Capital expenditures	457.1	**496.3**	532.3	**953.4**	1,036.9

Free Funds Flow

ARC uses free funds flow as an indicator of the efficiency and liquidity of ARC's business, measuring its funds after capital investment available to manage debt levels, pay dividends, and return capital to shareholders through share repurchases. ARC computes free funds flow as funds from operations generated during the period less capital expenditures. Capital expenditures is a non-GAAP financial measure. By removing the impact of current period capital expenditures from funds from operations, Management monitors its free funds flow to inform its capital allocation decisions. The most directly comparable GAAP measure to free funds flow is cash flow from operating activities. The following table details the calculation of free funds flow and its reconciliation to cash flow from operating activities.

Free Funds Flow ($ millions)	Three Months Ended March 31, 2025	 **June 30, 2025**	 June 30, 2024	Six Months Ended **June 30, 2025**	 June 30, 2024
Cash flow from operating activities	1,013.0	**699.1**	543.0	**1,712.1**	1,179.3
Net change in other liabilities	47.4	**7.7**	(1.5)	**55.1**	5.2
Change in non-cash operating working capital	(203.4)	**(24.7)**	(38.7)	**(228.1)**	(74.8)
Funds from operations	857.0	**682.1**	502.8	**1,539.1**	1,109.7
Capital expenditures(1)	(457.1)	**(496.3)**	(532.3)	**(953.4)**	(1,036.9)
Free funds flow	399.9	**185.8**	(29.5)	**585.7**	72.8

(1) Certain additional disclosures for these specified financial measures have been incorporated by reference. See *"Cash Flow used in Investing Activities, Capital Expenditures, Acquisitions and Dispositions"* in the Q2 2025 MD&A.

Non-GAAP Ratios

Free Funds Flow per Share

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

Return on Average Capital Employed

ARC calculates ROACE, expressed as a percentage, as adjusted EBIT divided by the average capital employed. The components adjusted EBIT and average capital employed are non-GAAP financial measures. ARC uses ROACE as a measure of long-term financial performance, to measure how effectively Management utilizes the capital it has been provided and to demonstrate to shareholders the returns generated over the long term. See "Non-GAAP and Other Financial Measures" in the Q2 2025 MD&A for information on additional disclosures, which information is incorporated by reference into this news release.

Capital Management Measures

Funds from operations, net debt, and net debt to funds from operations are capital management measures. See Note 8 "Capital Management" in the financial statements and "Non-GAAP and Other Financial Measures" in the Q2 2025 MD&A for information additional disclosures, which information is incorporated by reference into this news release.

FORWARD-LOOKING INFORMATION AND STATEMENTS

This news release contains certain forward-looking statements and forward-looking information (collectively referred to as "forward-looking information") within the meaning of applicable securities legislation about current expectations regarding the future based on certain assumptions made by ARC. Although ARC believes that the expectations represented by such forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. Forward-looking information in this news release is identified by words such as "anticipate", "believe", "ongoing", "may", "expect", "estimate", "plan", "will", "project", "continue", "target", "strategy", "upholding", or similar expressions, and includes suggestions of future outcomes. In particular, but without limiting the foregoing, this news release contains forward-looking information with respect to: ARC's intentions to return essentially all free funds flow to shareholders through the base dividend and share repurchases; ARC's 2025 capital budget and guidance including, among others, planned capital expenditures, anticipated free funds flow, anticipated average annual production and the components thereof, anticipated operating expenses, transportation expenses, G&A expenses before share-based compensation expense, G&A expenses, interest and financing expenses and current income tax as a per cent of funds from operations; expectations regarding base dividends and share repurchases; expectations with respect to investment in

Attachie Phase II, including the timing of an investment decision and the anticipated capital expenditures related thereto and the benefits therefrom; ARC's commitment to executing on its strategy to grow free funds flow per share through Montney investments; ARC's focus on operational execution at Attachie Phase I, and optimizing the Kakwa Assets and capital efficiencies across its remaining assets and the results therefrom; ARC's long-term plan through 2028 and the expected results therefrom; that ARC will remain committed to safety, capital discipline and financial strength; the anticipated increases to ARC's Attachie position upon development in connection with the agreement with TDZE; anticipated production in the second half of 2025 and the components thereof; ARC's continued evaluation and optimization of well design to maximize capital efficiencies; ARC’s intention regarding investments towards site clearance and long-lead items and the expected timing with respect to formalizing such investment decision; anticipated Kakwa production during the second half of the year; plans to further implement the use of dual frac spreads and the benefits thereof; expectations regarding production curtailment at Sunrise and the timing of restoration; anticipated production and capital expenditures related to the acquired Kakwa Assets; the updated full-year production forecast and production forecast for the second half of 2025 at Attachie; expectations in respect of operating expenses per boe; estimated production for the full-year, and the second half of 2025 and the components thereof; ARC’s intentions to renew its NCIB and the timing thereof; expectations regarding increased operating costs and the reasons therefor; expectations regarding decreased transportation expense per boe; net debt targets; and other statements. There can be no assurance that the plans, intentions, or expectations upon which these forward-looking statements are based will occur.

Readers are cautioned not to place undue reliance on forward-looking information as ARC's actual results may differ materially from those expressed or implied. ARC undertakes no obligation to update or revise any forward-looking information except as required by law. Developing forward-looking information involves reliance on a number of assumptions and consideration of certain risks and uncertainties, some of which are specific to ARC and others that apply to the industry generally. The material assumptions on which the forward-looking information in this news release are based, and the material risks and uncertainties underlying such forward-looking information, include: ARC's ability to successfully integrate the Kakwa Assets on a timely basis; assumptions with respect to natural gas curtailments at Sunrise; volatility of commodity prices; adverse economic conditions; political uncertainty; lack of capacity in, and/or regulatory constraints and uncertainty regarding, gathering and processing facilities, pipeline systems, and railway lines; indigenous land and rights claims; compliance with environmental regulations; risks relating to climate change, including transition and physical risks; ARC's ability to recruit and retain a skilled workforce and key personnel; development and production risks; project risks; risks relating to failure to obtain regulatory approvals; reputational risks; risks relating to a changing investor sentiment; asset concentration; risks relating to information technology systems and cyber security; risks related to hydraulic fracturing; liquidity; inflation, cost management and interest rates; third-party credit risks; variations in foreign exchange rates; risks relating to royalty regimes; the impact of competitors; lack of adequate insurance coverage; inaccurate estimation of ARC's reserve volumes; limited, unfavorable or a lack of access to capital markets; market access constraints or transportation interruptions, unanticipated operating results or production declines; increased debt levels or debt service requirements; increased costs; potential regulatory and industry changes stemming from the results of court actions affecting regions in which ARC holds assets; ARC's ability to successfully integrate and realize the anticipated benefits of completed or future acquisitions and divestitures; access to sufficient capital to pursue any development plans; the risk that (i) the tariffs that are currently in effect on goods exported from or imported into Canada continue in effect for an extended period of time, the tariffs that have been threatened are implemented, that tariffs that are currently suspended are reactivated, the rate or scope of tariffs are increased, or new tariffs are imposed, including on oil and natural gas, (ii) the U.S. and/or Canada imposes any other form of tax, restriction or prohibition on the import or export of products from one country to the other, including on oil and natural gas, and (iii) the tariffs imposed or threatened to be imposed by the U.S. on other countries and retaliatory tariffs imposed or threatened to be imposed by other countries on the U.S., will trigger a broader global trade war which could have a material adverse effect on the Canadian, U.S. and global economies, and by extension the Canadian oil and natural gas industry and the Company, including by decreasing demand for (and the price of) oil and natural gas, disrupting supply chains, increasing costs, causing volatility in global financial markets, and limiting access to financing; forecast commodity prices and other pricing assumptions with respect to ARC's 2025 capital expenditure budget; assumptions with respect to ARC's revised 2025 guidance; ARC's ability to repurchase its securities under the NCIB and its ability to renew its NCIB; that the previously announced LNG agreements will commence on the timelines anticipated; that counterparties to ARC's various agreements will comply with their contractual obligations; expectations and projections made in light of ARC's historical experience; data contained in key modeling statistics; assumptions with respect to global economic conditions and the accuracy of ARC's market outlook expectations for 2025; suspension of or changes to guidance, and the associated impact to production; forecast production volumes based on business and market conditions; the accuracy of outlooks and projections contained herein; that future business, regulatory, and industry conditions will be within the parameters expected by ARC, including with respect to prices, margins, demand, supply, product availability, supplier agreements, availability, and cost of labour and interest, exchange, and effective tax rates; projected capital investment levels, the flexibility of capital spending plans, and associated sources of funding; the ability of ARC to complete capital programs and the flexibility of ARC's capital structure; opportunity for ARC to pay dividends and the approval and declaration of such dividends by ARC's board of directors; the existence of alternative uses for ARC's cash resources which may be superior to payment of dividends or effecting repurchases of outstanding common shares; cash flows, cash balances on hand, and access to ARC's credit facility and other long-term debt being sufficient to fund capital investments; the ability of ARC's existing pipeline commitments and financial risk management transactions to partially mitigate a portion of ARC's risks against wider price differentials; business interruption, property and casualty losses, or unexpected technical difficulties; estimates of quantities of crude oil, natural gas, and liquids from properties and other sources not currently classified as proved; future use and development of technology and associated expected future results; the successful and timely implementation of capital projects or stages thereof; the ability to generate sufficient cash flow to meet current and future obligations; estimated abandonment and reclamation costs, including associated levies and regulations applicable thereto; the retention of key assets; the continuance of existing tax, royalty, and regulatory regimes; estimates with respect to commodity pricing; and other assumptions, risks, and uncertainties described from time to time in the filings made by ARC with securities regulatory authorities, including those risks contained under the heading "Risk Factors" in ARC's management's discussion and analysis for the year ended December 31, 2024.

ARC's future shareholder distributions, including but not limited to the payment of dividends, if any, and the level thereof is uncertain. Any decision to pay dividends on ARC's shares (including the actual amount, the declaration date, the record date and the payment date in connection therewith and any special dividends) will be subject to the discretion of ARC's board of directors and may depend on a variety of factors, including, without limitation, ARC's business performance, financial condition, financial requirements, growth plans, expected capital requirements and other conditions existing at such future time including, without limitation, contractual restrictions and satisfaction of the solvency tests imposed on ARC under applicable corporate law. Further, the actual amount, the declaration date, the record date and the payment date of any dividend are subject to the discretion of ARC's board of directors. There can be no assurance that ARC will pay dividends in the future.

The forward-looking information in this news release also includes financial outlooks and other related forward-looking information (including production and financial-related metrics) relating to ARC, including, but not limited to: production, capital expenditures, operating expenses, transportation expenses, G&A expenses before share-based compensation expense, G&A expenses – share based compensation expense, interest and financing expenses, and current income tax as a per cent of funds from operations. The internal projections, expectations, or beliefs are based on the 2025 capital budget, which is subject to change in light of ongoing results, prevailing economic conditions, commodity prices, and industry conditions and regulations. These financial outlook and other related forward-looking statements are also subject to the same assumptions, risk factors, limitations, and qualifications as set forth above. Any financial outlook and forward-looking information implied by such forward-looking statements are described in the Q2 2025 MD&A, and ARC's most recent annual information form, which are available on ARC's website at www.arcresources.com and under ARC's SEDAR+ profile at www.sedarplus.ca and are incorporated by reference herein.

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

About ARC

ARC Resources Ltd. is a pure-play Montney producer and one of Canada's largest dividend-paying energy companies, featuring low-cost operations. ARC's investment-grade credit profile is supported by commodity and geographic diversity and robust risk management practices around all aspects of the business. ARC's common shares trade on the Toronto Stock Exchange under the symbol ARX.

ARC RESOURCES LTD.

Please visit ARC's website at www.arcresources.com or contact Investor Relations:
E-mail: IR@arcresources.com
Telephone: (403) 503-8600
Fax: (403) 509-6427
Toll Free: 1-888-272-4900
ARC Resources Ltd.
Suite 1500, 308 - 4 Avenue SW
Calgary, AB T2P 0H7