

Q3

2025

THIRD QUARTER REPORT

For the Three Months Ended September 30, 2025

ARX



Corporate Profile

ARC Resources Ltd. is the largest 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.

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ARC RESOURCES LTD. REPORTS THIRD QUARTER 2025 RESULTS, ANNOUNCES 2026 BUDGET AND 11 PER CENT DIVIDEND INCREASE

NEWS RELEASE

Calgary, November 6, 2025 (ARX - TSX) ARC Resources Ltd. ("ARC" or the "Company") today reported its third quarter 2025 financial and operational results and announced its 2026 budget.

CORPORATE HIGHLIGHTS

Third Quarter Results

- ARC delivered third quarter 2025 average production of 359,236 boe⁽¹⁾ per day (54 per cent natural gas and 46 per cent crude oil and liquids⁽²⁾), and record crude oil and condensate production of 113,959 barrels per day. Production increased 10 per cent year-over-year, and 13 per cent on a per share basis⁽³⁾.
- ARC generated funds from operations of \$779 million⁽⁴⁾ (\$1.34 per share⁽⁴⁾) and cash flow from operating activities of \$713 million (\$1.23 per share⁽⁴⁾).
 - ARC realized a natural gas price of \$2.75 per Mcf⁽⁴⁾, which is \$1.75 greater than the average AECO 7A Monthly Index price. ARC limited its exposure to low natural gas prices in Canada by utilizing its transportation portfolio to U.S. markets and by curtailing volumes at its Sunrise asset. This allowed ARC to conserve capital and increase margins across its natural gas portfolio.
- Free funds flow was recorded at \$283 million⁽⁴⁾ (\$0.49 per share⁽⁴⁾), and capital expenditures totalled \$496 million⁽⁴⁾. ARC recognized net income of \$214 million or \$0.37 per share.
- ARC's Board of Directors (the "Board") has approved an 11 per cent increase to the quarterly dividend, from \$0.19 to \$0.21 per share (\$0.76 per share to \$0.84 per share, per annum). This reflects ARC's commitment to grow the dividend with the profitability of the business, and on a per share basis as the share count is reduced.
- ARC distributed \$279 million (\$0.48 per share) or approximately 100 per cent of free funds flow to shareholders during the third quarter. Year-to-date, ARC has distributed \$709 million, or 82 per cent of free funds flow to shareholders. ARC plans to return essentially all free funds flow to shareholders in 2025.
 - During the third quarter, ARC declared dividends of \$110 million (\$0.19 per share⁽⁴⁾) and repurchased 6.8 million common shares for \$169 million under its normal course issuer bid ("NCIB").
 - ARC has increased its base dividend five consecutive years, and since introducing its NCIB in 2021, has reduced its share count by 21 per cent through consistent share repurchases.

2026 Capital Budget

- ARC's Board has approved a 2026 capital budget of \$1.8 to \$1.9 billion⁽⁵⁾. This is expected to deliver record annual average production of between 405,000 and 420,000 boe per day (61 per cent natural gas and 39 per cent crude oil and liquids), including record crude oil and condensate production of 105,000 to 115,000 barrels per day.

- Based on forward pricing⁽⁶⁾ assumptions, ARC projects the 2026 capital budget to generate approximately \$1.5 billion of free funds flow. For the fourth consecutive year, ARC plans to return essentially all free funds flow to shareholders through a combination of a growing base dividend and share repurchases below intrinsic value.

ARC's unaudited condensed interim consolidated financial statements and notes thereto (the "financial statements") and Management's Discussion and Analysis ("MD&A") as at and for the three and nine months ended September 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 nine months ended September 30, 2025 (the "Q3 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 three months ended September 30.
 - (4) This is a specified financial measure. See "Non-GAAP and Other Financial Measures" of this news release and in the Q3 2025 MD&A for additional disclosure, which is incorporated by reference.
 - (5) Refer to the section entitled "About ARC Resources Ltd." contained within the Q3 2025 MD&A for historical capital expenditures, which information is incorporated by reference into this news release.
 - (6) Based on forward curve as at October 23, 2025 (US\$WTI \$59.80 per barrel; C\$3.20/Mcf AECO; US\$4.00/MMBtu Henry Hub).

FINANCIAL AND OPERATIONAL RESULTS

(Cdn\$ millions, except per share amounts ⁽¹⁾ , boe amounts, and common shares outstanding)	Three Months Ended			Nine Months Ended	
	June 30, 2025	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
FINANCIAL RESULTS					
Net income	396.1	214.4	328.9	1,015.2	753.8
Per share	0.68	0.37	0.55	1.73	1.26
Cash flow from operating activities	699.1	713.3	518.4	2,425.4	1,697.7
Per share	1.19	1.23	0.87	4.14	2.84
Funds from operations	682.1	779.0	592.4	2,318.1	1,702.1
Per share	1.17	1.34	0.99	3.96	2.85
Free funds flow	185.8	282.6	133.8	868.3	206.6
Per share	0.32	0.49	0.22	1.48	0.35
Dividends declared	110.9	109.6	100.8	331.8	304.0
Per share	0.19	0.19	0.17	0.57	0.51
Cash flow used in investing activities	471.2	2,160.0	339.7	3,060.5	1,482.9
Capital expenditures ⁽²⁾	496.3	496.4	458.6	1,449.8	1,495.5
Long-term debt	1,990.8	2,784.8	1,440.1	2,784.8	1,440.1
Net debt ⁽³⁾	1,289.2	3,056.6	1,560.6	3,056.6	1,560.6
Common shares outstanding, weighted average diluted (millions)	585.0	581.5	596.4	585.4	597.8
Common shares outstanding, end of period (millions)	582.5	575.7	591.7	575.7	591.7
OPERATIONAL RESULTS					
Production					
Crude oil and condensate (bbl/day)	100,399	113,959	88,517	102,969	81,991
Natural gas (MMcf/day)	1,307	1,172	1,203	1,296	1,270
NGLs (bbl/day)	38,999	50,014	37,797	43,971	42,716
Total (boe/day)	357,228	359,236	326,768	362,862	336,346
Average realized price					
Crude oil (\$/bbl) ⁽³⁾	82.56	82.75	92.22	84.29	91.46
Condensate (\$/bbl) ⁽³⁾	85.35	84.66	95.38	89.28	97.64
Natural gas (\$/Mcf) ⁽³⁾	3.19	2.75	1.78	3.42	2.29
NGLs (\$/bbl) ⁽³⁾	20.39	17.47	23.77	22.99	23.83
Average realized price (\$/boe) ⁽³⁾	37.81	38.23	35.07	40.21	35.35
Netback per boe					
Commodity sales from production (\$/boe) ⁽³⁾	37.81	38.23	35.07	40.21	35.35
Royalties (\$/boe) ⁽³⁾	(3.71)	(4.18)	(4.09)	(4.25)	(4.14)
Operating expense (\$/boe) ⁽³⁾	(5.17)	(6.36)	(4.90)	(5.46)	(4.88)
Transportation expense (\$/boe) ⁽³⁾	(5.36)	(4.46)	(5.25)	(5.12)	(5.27)
Netback per boe (\$/boe) ⁽³⁾	23.57	23.23	20.83	25.38	21.06
TRADING STATISTICS⁽⁴⁾					
High price	31.56	29.27	26.45	31.56	26.45
Low price	22.63	23.67	21.44	22.63	19.44
Close price	28.71	25.38	22.86	25.38	22.86
Average daily volume (thousands of shares)	3,559	5,046	3,696	4,095	3,564

(1) Per share amounts, with the exception of dividends, are based on weighted average diluted common shares.

(2) Refer to the section entitled "About ARC Resources Ltd." contained within the 2024 Annual MD&A for historical capital expenditures, which information is incorporated by reference into this news release.

(3) This is a specified financial measure. See "Non-GAAP and Other Financial Measures" of this news release and in the Q3 2025 MD&A for additional disclosure, which information is incorporated by reference.

(4) Trading prices are stated in Canadian dollars on a per share basis and are based on intra-day trading on the Toronto Stock Exchange.

2026 CAPITAL BUDGET

The 2026 capital budget delivers on ARC's long-term strategy to grow free funds flow per share and provide shareholders with a durable and attractive total return. To accomplish this, ARC will execute a disciplined capital program, and return a meaningful portion of capital to shareholders in the form of a growing base dividend and share repurchases. Consistent with previous years, safety, capital discipline, and preserving a strong balance sheet underpin ARC's strategy.

The capital budget centres on delivering modest production growth while expanding margins, with less capital investment than 2025 to drive free funds flow growth.

Highlights

- The 2026 capital budget of \$1.8 to \$1.9 billion is expected to deliver record condensate and natural gas production, while investing approximately \$100 million less than the previous year.
- ARC expects to produce between 405,000 and 420,000 boe per day (61 per cent natural gas and 39 per cent crude oil and liquids).
- Based on forward pricing⁽¹⁾ assumptions, ARC projects the 2026 capital budget to generate approximately \$1.5 billion of free funds flow. This will provide the flexibility to continue to return meaningful capital to shareholders in the current commodity price environment.
- Well-related capital investment accounts for approximately 80 per cent of total planned capital expenditures. The remainder is to be invested primarily towards facility infrastructure and maintenance, water infrastructure to reduce operating costs, and includes corporate capital.

Alberta

Kakwa

The focus for 2026 at Kakwa will be to maintain stable production and increase margins by identifying and executing on cost reduction opportunities.

- ARC plans to invest approximately \$1.1 billion at Kakwa in 2026, to sustain production at between 200,000 and 210,000 boe per day, including approximately 80,000 barrels per day of condensate.
- ARC plans to invest approximately \$40 million in water infrastructure and disposal. This is expected to lower operating costs by reducing the reliance on water trucking and third party disposal. ARC estimates that the capital investment will payout in less than 12 months.

Ante Creek

- ARC plans to invest approximately \$70 million to maintain production in the range of 18,000 to 20,000 boe per day (45 per cent crude oil and liquids and 55 per cent natural gas).

(1) Based on forward curve as at October 23, 2025 (US\$WTI \$59.80 per barrel; C\$3.20/Mcf AECO; US\$4.00/MMBtu Henry Hub).

Northeast BC

Attachie

The objective at Attachie in 2026 is to execute a disciplined capital program that focuses on implementing key learnings identified in 2025. This is expected to result in higher returns at Phase I through improved capital efficiencies, while determining the optimal development plan for Phase II.

- In 2026, ARC plans to invest between \$250 million and \$300 million at Attachie Phase I. ARC plans to complete 14 wells at Attachie in 2026, with additional investment including seismic activity and long-lead items related to Phase II.
- ARC anticipates average production in the range of 30,000 to 35,000 boe per day in 2026. This includes between 13,000 and 17,000 barrels per day of condensate, which is in line with ARC's original Phase I expectations. This represents approximately 10 per cent growth in condensate production year-over-year.
- Several learnings from the 2025 program will inform the 2026 development plan:
 - ARC began executing a series of trials in 2025 that will be incorporated into the 2026 program, including optimizing the completion design and well spacing.
 - In addition, ARC has planned additional development in the Lower Montney in 2026 following the success from its first Lower Montney well at Attachie. Positive results are expected to increase Phase I returns and inform the development plan for Phase II.
- Operational results along with the prevailing commodity price environment will determine the timing of Phase II development.

Greater Dawson

- Similar to 2025, ARC plans to invest capital to maintain stable production, preserve high sales margins, and optimize free funds flow.
- ARC plans to invest approximately \$190 million to maintain average production of between 90,000 to 95,000 boe per day (80 per cent natural gas and 20 per cent crude oil and liquids).

Sunrise

- ARC plans to invest approximately \$105 million in 2026, and deliver average production between 360 and 380 MMcf per day (approximately 60,000 boe per day).
- Sunrise is ARC's sole dry natural gas producing property and is direct-connected to supply LNG Canada with 150 MMcf per day of natural gas. ARC will realize a fixed, nominal premium to the AECO benchmark price.

2026 Guidance

ARC's 2026 corporate guidance is based on various commodity price scenarios and economic conditions. Production guidance does not include any assumption for possible natural gas production curtailments due to low natural gas prices. 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 2026.

	2026 Guidance
Crude oil and condensate (bbl/day)	105,000 - 115,000
Natural gas (MMcf/day)	1,500 - 1,520
NGLs (bbl/day)	48,000 - 52,000
Total (boe/day)	405,000 - 420,000
Expenses (\$/boe) ⁽¹⁾⁽²⁾	
Operating	5.40 - 5.90
Transportation	5.25 - 5.75
General and administrative ("G&A") expense before share-based compensation expense	1.00 - 1.10
G&A - share-based compensation expense	0.25 - 0.35
Interest and financing ⁽³⁾	1.10 - 1.20
Current income tax expense as a per cent of funds from operations ⁽¹⁾	5 - 10
Capital expenditures (\$ billions) ⁽⁴⁾	1.8 - 1.9

(1) This is a specified financial measure. See "Non-GAAP and Other Financial Measures" of this news release and in the Q3 2025 MD&A for additional disclosure, which information is incorporated by reference.

(2) 2026 annual guidance excludes potential impact from tariffs.

(3) Excludes accretion expense.

(4) Guidance for capital expenditures does not include any potential impact from tariffs.

2025 Guidance

Full-year 2025 guidance was updated to reflect natural gas production curtailments at ARC's Sunrise asset throughout the third quarter, which extended into the fourth quarter.

ARC's 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)	107,000 - 112,000	107,000 - 112,000	102,969	(4)
Natural gas (MMcf/day)	1,390 - 1,420	1,290 - 1,310	1,296	—
NGLs (bbl/day)	43,000 - 48,000	43,000 - 45,000	43,971	—
Total (boe/day)	385,000 - 395,000	365,000 - 375,000	362,862	(1)
Expenses (\$/boe) ⁽¹⁾⁽²⁾				
Operating	5.00 - 5.50	5.00 - 5.50	5.46	—
Transportation	5.00 - 5.50	5.00 - 5.50	5.12	—
General and administrative ("G&A") expense before share-based compensation expense	1.00 - 1.10	1.00 - 1.10	1.10	—
G&A - share-based compensation expense	0.30 - 0.40	0.30 - 0.40	0.19	(37)
Interest and financing ⁽³⁾	0.90 - 1.00	0.90 - 1.00	0.92	—
Current income tax expense as a per cent of funds from operations ⁽¹⁾	5 - 10	5 - 10	8	—
Capital expenditures (\$ billions) ⁽⁴⁾	1.85 - 1.95	1.85 - 1.95	1.45	n/a

(1) This is a specified financial measure. See "Non-GAAP and Other Financial Measures" of this news release and in the Q3 2025 MD&A for additional disclosure, which information is incorporated by reference.

(2) 2025 annual guidance excludes potential impact from tariffs.

(3) Excludes accretion expense.

(4) Guidance for capital expenditures does not include any potential impact from tariffs.

Refer to the section entitled "Annual Guidance" in ARC's Q3 2025 MD&A available on ARC's website at www.arcresources.com and under ARC's SEDAR+ profile at www.sedarplus.ca.

FINANCIAL AND OPERATIONAL RESULTS

Production

- ARC's production averaged 359,236 boe per day during the third quarter of 2025 (54 per cent natural gas and 46 per cent crude oil and liquids). Production increased 10 per cent year-over-year and 13 per cent on a per share basis.
- ARC delivered record average crude oil and condensate production of 113,959 barrels per day in the third quarter. The increase was driven primarily by Attachie and the previously announced Kakwa acquisition ("the Kakwa Acquisition") which closed on July 2, 2025.
- Production at Kakwa during the third quarter averaged 206,140 boe per day (43 per cent natural gas and 57 per cent crude oil and liquids), which included 116,697 barrels per day of condensate and natural gas liquids. This represents a 14 per cent increase year-over-year driven primarily by assets acquired in the Kakwa Acquisition.
- Attachie production averaged 27,318 boe per day during the third quarter (41 per cent natural gas and 59 per cent crude oil and liquids), and included 12,752 barrels per day of condensate. This was below ARC's expectations due to lower well productivity from certain wells.
 - October production at Attachie was approximately 29,000 boe per day, including approximately 13,000 barrels per day of condensate. ARC successfully drilled and completed its latest pad applying learnings from earlier in the year, which will be placed on production late in the fourth quarter of 2025.
- In response to weak Western Canadian natural gas prices, ARC elected to curtail approximately 360 MMcf per day of natural gas production at Sunrise for the majority of the third quarter. This eliminated ARC's cash exposure to AECO and Station 2 pricing, and preserved capital and resource for periods when natural gas prices are higher.
 - Production at Sunrise remained curtailed during most of October, and was brought back in late October in response to higher natural gas prices.

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

- ARC generated \$779 million (\$1.34 per share) of funds from operations in the third quarter of 2025. This represents a 31 per cent increase (\$187 million or \$0.35 per share) compared to the same quarter of the prior year, driven primarily by a higher condensate-weighted production mix and stronger production year-over-year at Kakwa and Attachie.
- Cash flow from operating activities was \$713 million (\$1.23 per share) and free funds flow was \$283 million (\$0.49 per share) for the quarter.

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

Funds from Operations Reconciliation	\$ millions	\$/share⁽¹⁾
Funds from operations for the three months ended June 30, 2025	682.1	1.17
Production volumes		
Crude oil and liquids	137.0	0.22
Natural gas	(35.6)	(0.06)
Commodity prices		
Crude oil and liquids	(20.0)	(0.03)
Natural gas	(47.1)	(0.08)
Sales of third-party purchases	(51.1)	(0.09)
Interest and other income	0.6	—
Realized gain on risk management contracts	22.7	0.04
Royalties	(17.3)	(0.03)
Expenses		
Third-party purchases	59.3	0.10
Operating	(42.3)	(0.07)
Transportation	26.7	0.05
G&A	22.1	0.04
Interest and financing	(17.4)	(0.03)
Current income tax	46.0	0.08
Realized gain on foreign exchange	12.8	0.02
Other	0.5	—
Weighted average shares, diluted	—	0.01
Funds from operations for the three months ended September 30, 2025	779.0	1.34

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

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

Funds from Operations Reconciliation	\$ millions	\$/share⁽¹⁾
Funds from operations for the three months ended September 30, 2024	592.4	0.99
Production volumes		
Crude oil and liquids	249.8	0.43
Natural gas	(5.0)	(0.01)
Commodity prices		
Crude oil and liquids	(140.4)	(0.24)
Natural gas	104.7	0.18
Sales of third-party purchases	(27.2)	(0.05)
Interest and other income	(6.4)	(0.01)
Realized gain on risk management contracts	22.7	0.04
Royalties	(15.0)	(0.03)
Expenses		
Third-party purchases	30.2	0.05
Operating	(63.1)	(0.11)
Transportation	10.3	0.02
G&A	20.7	0.04
Interest and financing	(11.4)	(0.02)
Current income tax	11.4	0.02
Realized gain on foreign exchange	3.0	0.01
Other	2.3	—
Weighted average shares, diluted	—	0.03
Funds from operations for the three months ended September 30, 2025	779.0	1.34

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

Shareholder Returns

- During the third quarter, ARC distributed approximately 100 per cent of free funds flow or \$279 million (\$0.48 per share) to shareholders through a combination of dividends and share repurchases under its NCIB.
 - During the third quarter 2025, ARC declared dividends of \$110 million (\$0.19 per share) and repurchased 6.8 million common shares under its NCIB at a weighted average price of \$24.96 per share.
- Since commencing its initial NCIB in September 2021, ARC has repurchased approximately 21 per cent of total its outstanding shares or 155 million common shares, at a weighted average price of \$17.53 per share.
- Through the first nine months of 2025, ARC distributed \$709 million to shareholders, or 82 per cent of free funds flow. ARC intends to distribute essentially all of its free funds flow in 2025 to shareholders, implying an increase in share repurchases during the fourth quarter based on forward pricing⁽¹⁾ and ARC's 2025 guidance.

(1) Based on forward curve as at October 23, 2025 (US\$WTI \$59.80 per barrel; C\$3.20/Mcf AECO; US\$4.00/MMBtu Henry Hub).

Operating, Transportation, and General and Administrative Expense

Operating Expense

- ARC's third quarter 2025 operating expense of \$6.36 per boe was 30 per cent or \$1.46 per boe higher than the third quarter of 2024. The increase in operating costs per boe is primarily due to the curtailment of low operating cost volumes at Sunrise (thereby increasing corporate unit costs), the Kakwa Acquisition, and overall higher water-handling costs at Kakwa.
- ARC's operating expense per boe is expected to decrease in the fourth quarter of 2025 with Sunrise volumes restored and planned maintenance activity largely complete. Full-year 2025 operating expense is expected to be at the top end, or slightly above the guidance range reflecting the extension of the natural gas curtailments at Sunrise into the fourth quarter.

Transportation Expense

- ARC's third quarter 2025 transportation expense per boe of \$4.46 was lower than ARC's guidance range of \$5.00 to \$5.50 per boe, primarily due to recognizing a reimbursement of natural gas transportation costs as the result of a regulatory settlement.
- ARC's full-year transportation expense per boe is expected to be within the Company's guidance range.

General and Administrative Expense

- ARC's third quarter 2025 general and administrative expense per boe of \$0.74 decreased 51 per cent 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 \$2.2 billion during the third quarter of 2025. ARC invested \$496 million into capital expenditures to drill 50 wells and complete 36 wells. Drilling activity was focused primarily at Kakwa, Greater Dawson, and Attachie.
 - ARC completed the Kakwa Acquisition during the third quarter, as previously announced on July 2, 2025.
- During the first nine months of 2025, cash flow from investing activities was \$3.1 billion and capital expenditures were \$1.4 billion. ARC drilled 105 wells and completed 125 wells across its asset base.

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 third quarter relative to local benchmarks.
- In the third quarter, ARC realized an average natural gas price of \$2.75 per Mcf, which was \$1.75 per Mcf, or 175 per cent, greater than the average AECO 7A Monthly Index price of \$1.00 per Mcf for the period.

Net Debt

- As at September 30, 2025, ARC's long-term debt balance was \$2.8 billion, and its net debt balance was \$3.1 billion, or 1.0 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.
- In conjunction with the Kakwa Acquisition, ARC obtained a new \$500 million two-year term loan and increased the borrowing capacity under its existing credit facility to \$2.0 billion.
- 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 \$214 million (\$0.37 per share) during the third quarter of 2025, a 35 per cent, or \$115 million decrease compared to the same quarter in the prior year. The decrease in net income compared to the prior year was primarily due to unrealized losses on risk management contracts in the third quarter of 2025, and a gain on disposal of assets recognized in the third quarter of 2024.

CONFERENCE CALL

ARC's senior leadership team will be hosting a conference call to discuss the Company's third quarter 2025 results on Friday, November 7, 2025, at 8:00 a.m. Mountain Time ("MT").

Date	Friday, November 7, 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	50939
Webcast URL	https://app.webinar.net/RogQ0eKj8n9

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 Q3 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.

Capital Expenditures (\$ millions)	Three Months Ended			Nine Months Ended	
	June 30, 2025	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Cash flow used in investing activities	471.2	2,160.0	339.7	3,060.5	1,482.9
Business combination	—	(1,672.1)	—	(1,672.1)	—
Acquisition of assets	(0.8)	(10.6)	—	(15.4)	(5.1)
Disposal of assets	4.0	—	80.0	4.0	80.0
Long-term investments	(0.9)	(0.8)	(0.6)	(2.0)	(4.7)
Change in non-cash investing working capital	14.7	9.6	31.0	47.9	(75.6)
Non-cash capitalized right-of-use asset depreciation	8.1	10.3	8.5	26.9	18.0
Capital expenditures	496.3	496.4	458.6	1,449.8	1,495.5

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, and return capital to shareholders through dividends and 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			Nine Months Ended	
	June 30, 2025	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Cash flow from operating activities	699.1	713.3	518.4	2,425.4	1,697.7
Net change in other liabilities	7.7	32.5	17.9	87.6	23.1
Change in non-cash operating working capital	(24.7)	33.2	56.1	(194.9)	(18.7)
Funds from operations	682.1	779.0	592.4	2,318.1	1,702.1
Capital expenditures ⁽¹⁾	(496.3)	(496.4)	(458.6)	(1,449.8)	(1,495.5)
Free funds flow	185.8	282.6	133.8	868.3	206.6

(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 Q3 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.

Capital Management Measures

Funds from operations, net debt, and net debt to funds from operations are capital management measures. See Note 10 "Capital Management" in the financial statements and "Non-GAAP and Other Financial Measures" in the Q3 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 plans to return essentially all free funds flow to shareholders through a combination of a growing base dividend and share repurchases and the anticipated amounts thereof; ARC's 2026 capital budget and guidance including, among others, planned capital expenditures, anticipated average annual production and the components thereof, operating expenses, transportation expenses, G&A expenses before share-based compensation expense, G&A expenses – share-based compensation expenses, interest and financing expenses and current income tax as a per cent of funds from operations; expectations that the capital budget will deliver on ARC's long-term strategy to grow free funds flow per share and provide shareholders with a durable attractive total return; expectations that ARC will execute a disciplined capital program; that safety, capital discipline and preserving a strong balance sheet underpin ARC's strategy; expectations that the 2026 capital budget will deliver modest production growth while expanding margins with less capital investment than 2025 to drive free funds flow growth; that ARC will focus on improving capital efficiencies at Attachie and its related strategies and result thereof; projected free funds flow and its ability to provide flexibility to continue to return meaningful capital to shareholders; that preserving ARC's strong balance sheet through the commodity cycle remains a priority; that well-related capital investment will account for approximately

80 per cent of total planned capital expenditures with the remainder invested towards facility infrastructure and maintenance, water infrastructure and the anticipated results thereof; planned well activity by area in 2026; ARC's goals at Attachie to execute a capital efficient program by drawing on key learnings in 2025 and expected results; investment plans at Attachie Phase I, Sunrise, Greater Dawson, Kakwa and Ante Creek and anticipated benefits therefrom; anticipated average production at Attachie, Sunrise and Greater Dawson; planned development at Attachie; that operational results in late 2025 and throughout 2026 along with the prevailing commodity price environment will determine the timing of the Attachie Phase II development which will ensure optimal capital efficiencies and profitability; expectations that ARC will curtail natural gas production at Sunrise in response to low natural gas prices to preserve capital and resources; that the focus at Kakwa is to maintain stable production and increase margins by identifying and executing on cost reduction opportunities; expected production at Kakwa and Ante Creek in 2026 and the composition thereof; the expected focus of development activity at Kakwa and anticipated results; ARC's plans to invest approximately \$40 million in water infrastructure and disposal and the anticipated results thereof; ARC's revised 2025 guidance including, among others, planned capital expenditures, anticipated average annual production and the components thereof, anticipated operating expenses, transportation expenses, G&A expenses before share-based compensation expense, G&A – share-based compensation expenses, interest and financing expenses and current income tax as a per cent of funds from operations; expectations for Attachie's fourth quarter production and the composition thereof; expectations that there will be an increase in share repurchases during the fourth quarter; ARC's expectations regarding full-year 2025 operating expenses and transportations expenses; net debt targets; ARC's commitment to maintaining a strong financial position; and other similar statements.

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: assumptions with respect to natural gas curtailments at Sunrise; forward pricing assumptions; 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; 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 the Board; the existence of alternative uses for ARC's cash resources which may be superior to payment of dividends or effecting repurchases of outstanding common shares; cash flows, cash balances on hand, and access to ARC's credit facility 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 the Board 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 the Board. 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, current income tax as a per cent of funds from operations and free funds flow. The internal projections, expectations, or beliefs are based on the 2025 and 2026 capital budget, as applicable, which are 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 Q3 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.

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ARC Resources Ltd.

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Calgary, AB T2P 0H7

Q32025

Management's
Discussion & Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") of ARC Resources Ltd. ("ARC" or the "Company") is Management's analysis of the financial performance and significant trends and external factors that may affect future performance. It is dated November 6, 2025, and should be read in conjunction with the unaudited condensed interim consolidated financial statements (the "financial statements") as at and for the three and nine months ended September 30, 2025, and the MD&A and audited consolidated financial statements for the year ended December 31, 2024, as well as ARC's 2024 Annual Information Form ("AIF"), each of which is available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca. All financial information is reported in Canadian dollars and all per share information is based on diluted weighted average common shares, unless otherwise noted.

Throughout this MD&A, crude oil ("crude oil") refers to light crude oil, medium crude oil, and heavy crude oil 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 MD&A, natural gas liquids ("NGLs") comprise all NGLs as defined by NI 51-101 other than condensate, which is disclosed separately. Crude oil and liquids ("crude oil and liquids") refers to crude oil, condensate, and NGLs.

Throughout this MD&A and in other materials disclosed by the Company, ARC presents financial measures that adhere to Canadian generally accepted accounting principles ("GAAP") and International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), however the Company also employs certain non-GAAP financial measures to analyze financial performance, financial position, and cash flow including, "netback", "capital expenditures", "free funds flow", "adjusted earnings before interest and taxes" ("adjusted EBIT"), and "average capital employed". Additionally, other financial measures are also used to analyze performance including, but not limited to, "funds from operations" and "net debt". These non-GAAP and other financial measures do not have any standardized meaning prescribed under IFRS Accounting Standards and therefore may not be comparable to similar measures presented by other entities. The non-GAAP and other financial measures should not be considered to be more meaningful indicators of ARC's performance 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.

Readers are cautioned that the MD&A should be read in conjunction with the sections entitled "Non-GAAP and Other Financial Measures", "Forward-looking Information and Statements", and "Glossary" at the end of this MD&A.

ABOUT ARC RESOURCES LTD.

ARC is a dividend-paying, Canadian energy company headquartered in Calgary, Alberta. ARC's activities focus on the exploration, development, and production of unconventional natural gas, condensate, NGLs, and crude oil in western Canada with an emphasis on the development of assets with a large volume of hydrocarbons in-place, commonly referred to as "resource plays".

The guiding principles upon which ARC conducts its business have created a strong foundation for the Company's performance. ARC's standard of operational excellence, robust risk management program, and strong balance sheet have positioned the Company to effectively manage volatile market conditions. The Company's concentrated asset base, located in premier positions within the Montney fairway and network of owned-and-operated infrastructure, allows ARC to deliver strong capital and operating efficiencies. The commodity and geographic optionality within the asset base allows ARC to manage risk. ARC exercises capital discipline and maintains a deliberate pace of development to manage its corporate decline rate. ARC's business model is focused on a strong balance sheet, with ample liquidity, social and governance leadership, long-term corporate profitability, free funds flow generation, and paying a dividend to shareholders. Together with the Company's premier land position in the Montney, significant resource in-place, large inventory of future drilling locations, and high-performance people and culture, these principles make ARC a differentiated company.

Highlights

Corporate highlights for the annual periods of 2021 through 2024 and the nine months ended September 30, 2025 are shown in Table 1:

Table 1

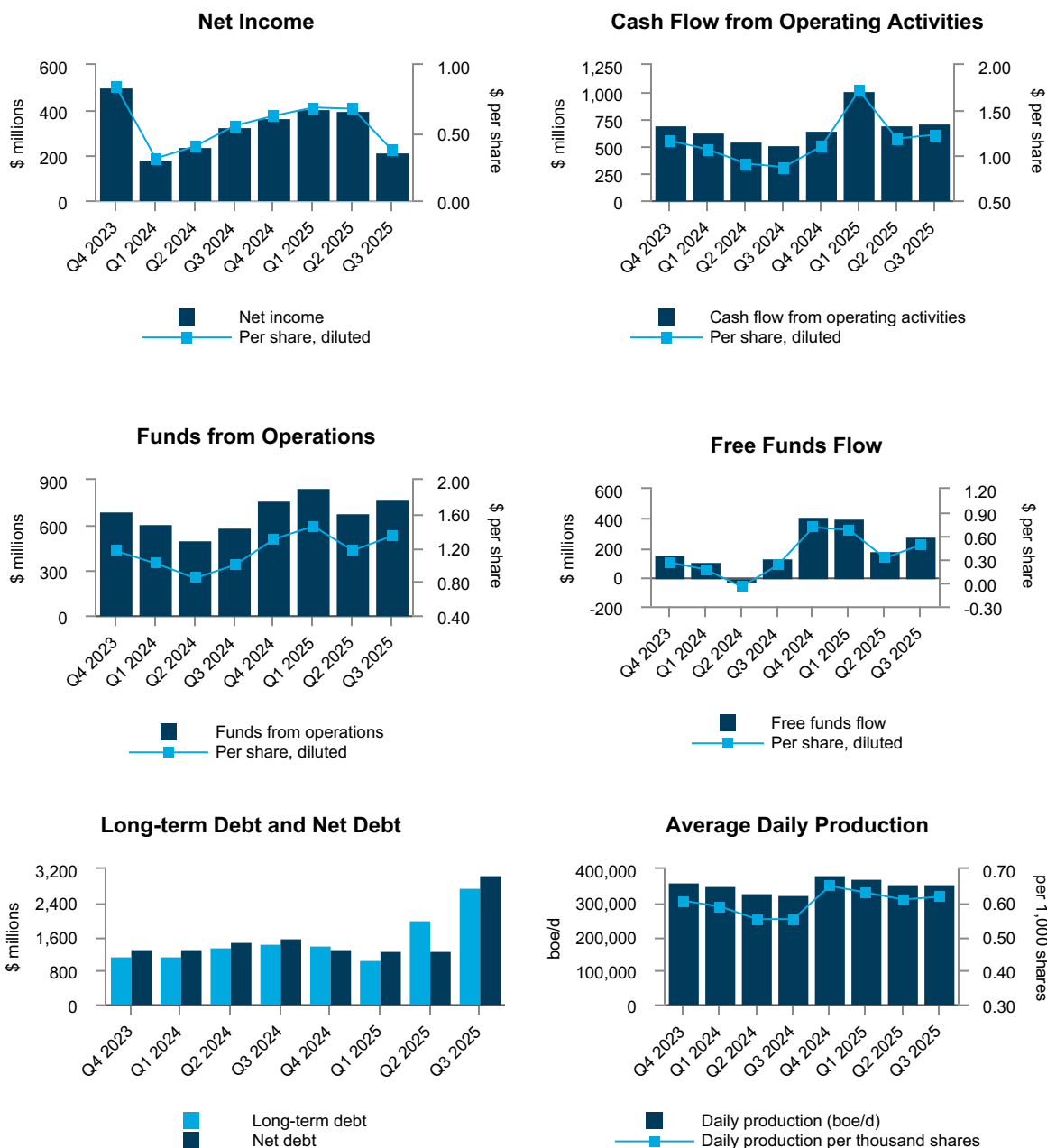
(\$ millions, except per share amounts, or unless otherwise noted)	2025 YTD	2024	2023	2022	2021
Production ⁽¹⁾					
Crude oil and condensate (bbl/d)	102,969	87,266	83,880	86,393	70,393
Natural gas (MMcf/d)	1,296	1,307	1,322	1,259	1,149
NGLs (bbl/d)	43,971	42,787	47,760	49,385	40,084
Total production (boe/d)	362,862	347,908	351,954	345,613	302,003
Average daily production per thousand shares ⁽²⁾	0.62	0.58	0.58	0.52	0.48
Net income	1,015.2	1,124.1	1,596.5	2,302.3	786.6
Net income per share	1.73	1.88	2.61	3.47	1.25
Cash flow from operating activities	2,425.4	2,348.6	2,394.3	3,833.3	2,006.5
Cash flow from operating activities per share ⁽³⁾	4.14	3.94	3.92	5.78	3.20
Funds from operations ⁽⁴⁾	2,318.1	2,472.5	2,639.6	3,712.5	2,415.4
Funds from operations per share ⁽³⁾	3.96	4.15	4.32	5.60	3.85
Free funds flow ⁽⁵⁾	868.3	627.0	789.8	2,270.6	1,353.6
Free funds flow per share ⁽⁶⁾	1.48	1.05	1.29	3.42	2.16
Cash flow used in investing activities	3,060.5	1,906.2	1,690.7	1,413.2	808.1
Capital expenditures ⁽⁷⁾	1,449.8	1,845.5	1,849.8	1,441.9	1,061.8
Long-term debt ⁽⁸⁾	2,784.8	1,387.4	1,148.9	990.0	1,705.3
Net debt ⁽⁴⁾	3,056.6	1,335.6	1,317.1	1,301.5	1,828.7
Net debt to funds from operations (ratio) ⁽⁴⁾	1.0	0.5	0.5	0.4	0.8
Return on average capital employed ("ROACE") (%) ⁽⁹⁾	17	16	23	35	18
Proved plus probable reserves (MMboe) ⁽¹⁰⁾⁽¹¹⁾	n/a	2,098.2	1,994.3	1,828.6	1,760.6
Proved plus probable reserves per share (boe) ⁽¹⁰⁾⁽¹¹⁾	n/a	3.5	3.3	2.8	2.8

- (1) Reported production amount is based on Company's interest before royalty burdens.
- (2) Represents average daily production divided by the diluted weighted average common shares outstanding for the nine months ended September 30, 2025, and for the respective years ended December 31, 2024, 2023, 2022, and 2021.
- (3) Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.
- (4) Refer to Note 10 "Capital Management" in the financial statements and to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A.
- (5) Non-GAAP financial measure that does not have any standardized meaning under IFRS Accounting Standards and therefore may not be comparable to similar measures presented by other entities. The most directly comparable GAAP measure for free funds flow is cash flow from operating activities. Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A.
- (6) Non-GAAP ratio that does not have any standardized meaning under IFRS Accounting Standards and therefore may not be comparable to similar ratios presented by other entities. Includes the non-GAAP financial measure component of free funds flow. Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.
- (7) Non-GAAP financial measure that does not have any standardized meaning under IFRS Accounting Standards and therefore may not be comparable to similar measures presented by other entities. The most directly comparable GAAP measure for capital expenditures is cash flow used in investing activities. Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A.
- (8) Refer to Note 8 "Long-term Debt" in the financial statements. Long-term debt includes current and long-term portions.
- (9) Non-GAAP ratio that does not have any standardized meaning under IFRS Accounting Standards and therefore may not be comparable to similar ratios presented by other entities. Includes non-GAAP financial measure components of adjusted EBIT and average capital employed. Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.
- (10) Crude oil, condensate, natural gas, and NGLs reserves ("reserves") as determined by ARC's independent qualified reserve evaluator with an effective date of December 31 for the years shown in accordance with the Canadian Oil and Gas Evaluation Handbook and NI 51-101.
- (11) Reserves are the gross interest reserves before deduction of royalties and without including any royalty interests. For more information, see ARC's AIF and the news release entitled "ARC Resources Ltd. Reports Year-end 2024 Results and Reserves" dated February 6, 2025, available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

QUARTERLY RESULTS ⁽¹⁾

Trends in net income, cash flow from operating activities, and funds from operations are primarily associated with fluctuations in commodity sales from production which reflect changes in production levels and commodity prices. Net income is also impacted by changes in the value of risk management contracts and impairment or reversal of impairment of property, plant and equipment ("PP&E").

Exhibit 1



(1) The details contained in the graphs above are included in the section entitled "Quarterly Historical Review" contained within this MD&A.

ANNUAL GUIDANCE

Full-year 2025 guidance was updated to reflect natural gas production curtailments at ARC's Sunrise asset throughout the third quarter, which extended into the fourth quarter and was partially restored in late October.

ARC's 2025 guidance, 2025 revised guidance, and a review of 2025 year-to-date results are outlined in Table 2:

Table 2

	2025 Guidance	2025 Revised Guidance	2025 YTD Actual	% Variance from 2025 Revised Guidance
Production				
Crude oil and condensate (bbl/d)	107,000 - 112,000	107,000 - 112,000	102,969	(4)
Natural gas (MMcf/d)	1,390 - 1,420	1,290 - 1,310	1,296	—
NGLs (bbl/d)	43,000 - 48,000	43,000 - 45,000	43,971	—
Total (boe/d)	385,000 - 395,000	365,000 - 375,000	362,862	(1)
Expenses (\$/boe) ⁽¹⁾⁽²⁾				
Operating	5.00 - 5.50	5.00 - 5.50	5.46	—
Transportation	5.00 - 5.50	5.00 - 5.50	5.12	—
General and administrative ("G&A") expense before share-based compensation expense	1.00 - 1.10	1.00 - 1.10	1.10	—
G&A - share-based compensation expense	0.30 - 0.40	0.30 - 0.40	0.19	(37)
Interest and financing ⁽³⁾	0.90 - 1.00	0.90 - 1.00	0.92	—
Current income tax expense, as a per cent of funds from operations ⁽¹⁾	5 - 10	5 - 10	8	—
Capital expenditures (\$ billions) ⁽²⁾⁽⁴⁾	1.85 - 1.95	1.85 - 1.95	1.45	n/a

(1) Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.

(2) Excludes potential impact from tariffs.

(3) Excludes accretion expense.

(4) Refer to the section entitled "About ARC Resources Ltd." contained within this MD&A for historical capital expenditures.

Crude oil and condensate production is currently below the guidance range, but expected to trend toward the guidance range through the remainder of the year.

G&A - share-based compensation expense is currently below the guidance range, but expected to trend toward the low end of the guidance range through the remainder of the year.

ARC's board of directors (the "Board") has approved a 2026 capital budget of between \$1.8 and \$1.9 billion, which is expected to deliver record average annual production of between 405,000 to 420,000 boe per day (61 per cent natural gas and 39 per cent crude oil and liquids), including record crude oil and condensate production of 105,000 to 115,000 barrels per day. For more information regarding the 2026 capital budget and ARC's 2026 guidance, refer to the news release dated November 6, 2025, entitled "ARC Resources Ltd. Reports Third Quarter 2025 Results, Announces 2026 Budget and 11 per cent Dividend Increase", available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

Exhibit 2

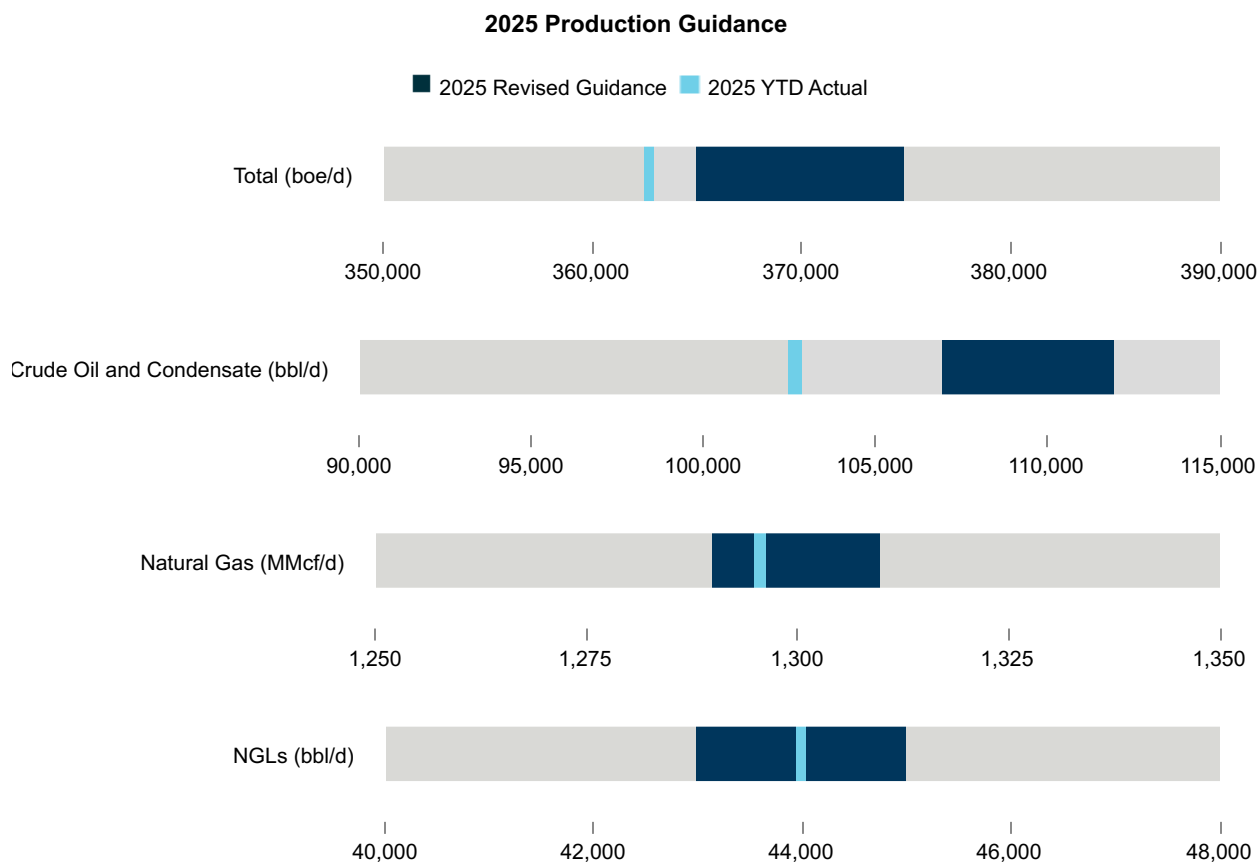
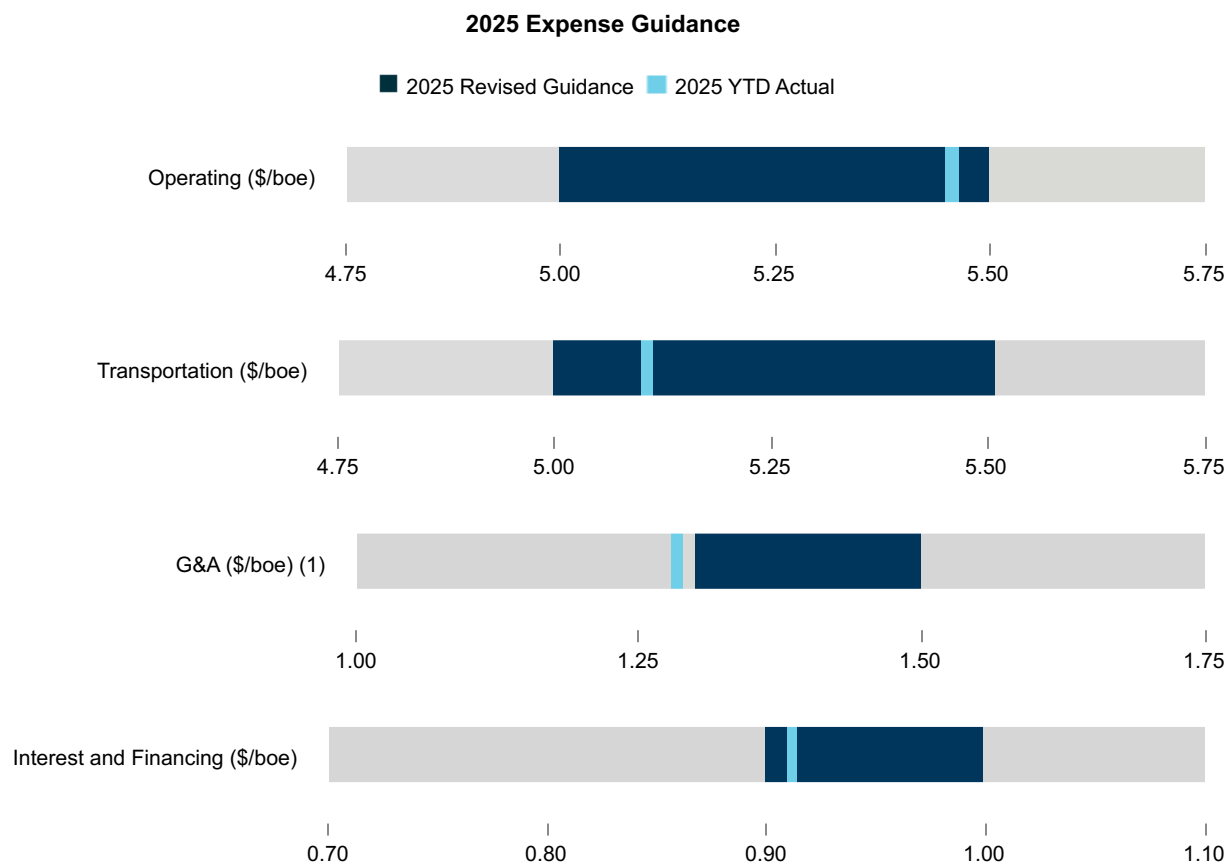


Exhibit 2a



(1) Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.

2025 THIRD QUARTER FINANCIAL AND OPERATIONAL RESULTS

During the three and nine months ended September 30, 2025, ARC completed an acquisition of condensate-rich Montney assets in the Kakwa region in Alberta (the "Kakwa Assets") from Strathcona Resources Ltd. For more information refer to Note 3 "Business Combination" in the financial statements.

The Transaction expands ARC's holdings in its core Kakwa region, increases its drilling inventory in the area, increases ARC's owned-and-operated infrastructure which reinforces a low cost structure and operational flexibility, and presents operational and financial synergies with ARC's contiguous operations. The Transaction reinforces ARC's position as Canada's largest Montney and condensate producer.

Financial Highlights

Table 3

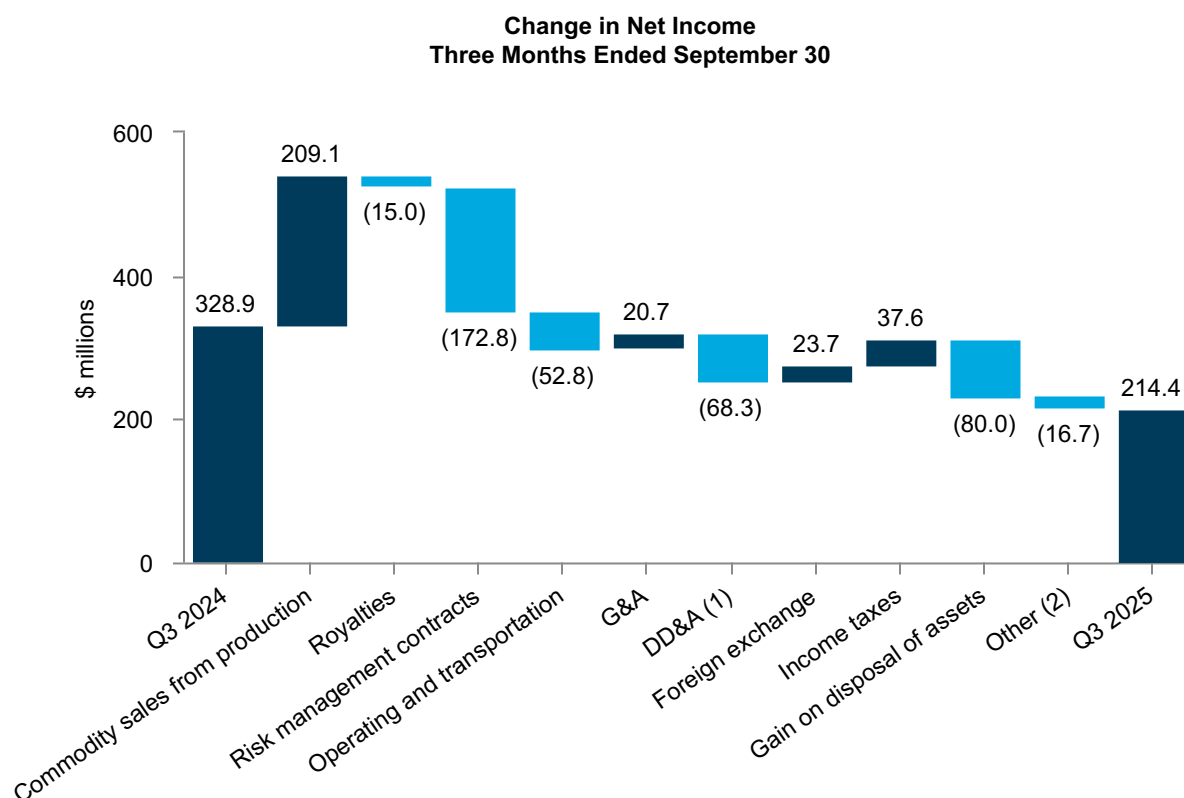
(\$ millions, except per share and production data)	Three Months Ended				Nine Months Ended		
	June 30, 2025	September 30, 2025	September 30, 2024	% Change	September 30, 2025	September 30, 2024	% Change
Net income	396.1	214.4	328.9	(35)	1,015.2	753.8	35
Net income per share	0.68	0.37	0.55	(33)	1.73	1.26	37
Cash flow from operating activities	699.1	713.3	518.4	38	2,425.4	1,697.7	43
Cash flow from operating activities per share	1.19	1.23	0.87	41	4.14	2.84	46
Funds from operations	682.1	779.0	592.4	31	2,318.1	1,702.1	36
Funds from operations per share	1.17	1.34	0.99	35	3.96	2.85	39
Free funds flow	185.8	282.6	133.8	111	868.3	206.6	320
Free funds flow per share	0.32	0.49	0.22	123	1.48	0.35	323
Dividends declared per share ⁽¹⁾	0.19	0.19	0.17	12	0.57	0.51	12
Average daily production (boe/d)	357,228	359,236	326,768	10	362,862	336,346	8

(1) Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.

Net Income

In the third quarter of 2025, ARC recognized net income of \$214.4 million (\$0.37 per share), a decrease of \$114.5 million from ARC's third quarter 2024 net income of \$328.9 million (\$0.55 per share). The decrease in net income is primarily attributed to a loss on risk management contracts of \$28.4 million, as compared to a gain of \$144.4 million in the same period of the prior year, and a gain on disposal of assets of \$80.0 million recognized in the prior year. This was partially offset by an increase in commodity sales from production of \$209.1 million, driven by an increase in production.

Exhibit 3

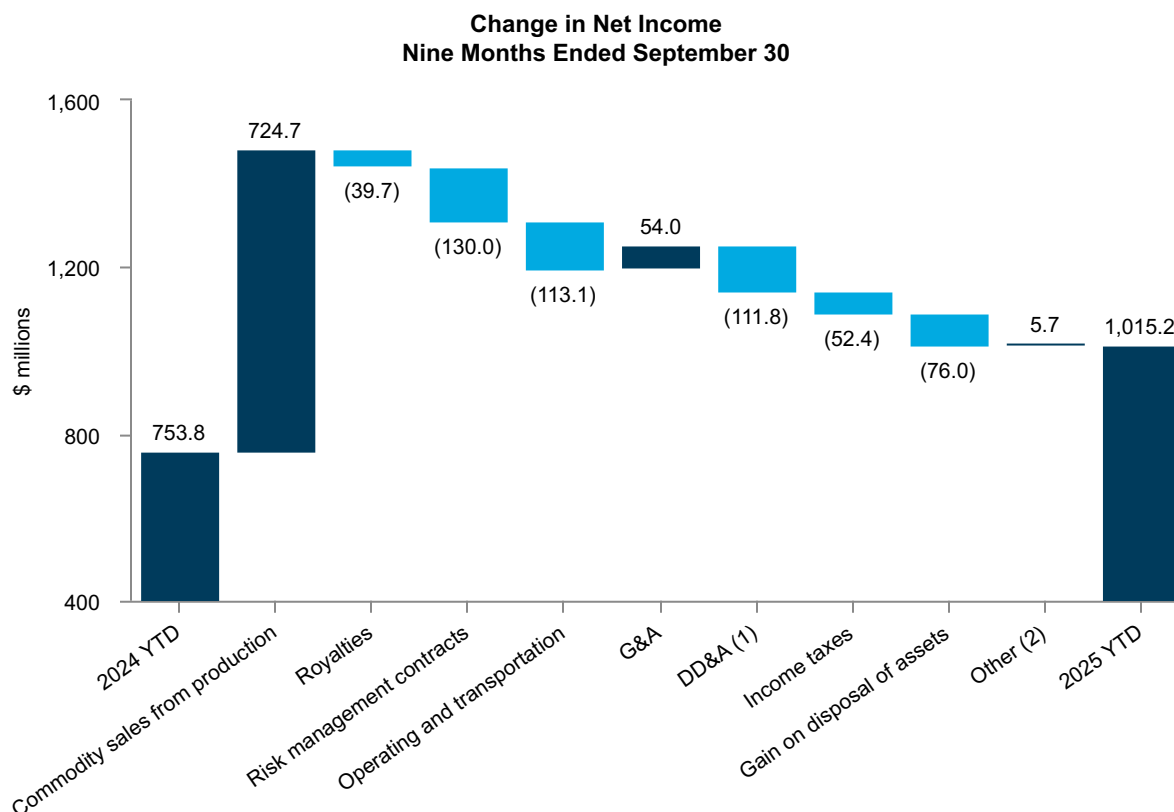


(1) Depletion, depreciation, and amortization ("DD&A") and impairment of PP&E.

(2) Includes sales of third-party purchases, interest and other income, third-party purchases, interest and financing, and impairment (reversal of impairment) of financial assets.

For the nine months ended September 30, 2025, ARC recognized net income of \$1.0 billion (\$1.73 per share) compared to \$753.8 million (\$1.26 per share) for the same period of the prior year. The \$261.4 million increase in net income is primarily attributed to an increase in commodity sales from production of \$724.7 million, driven by increased production and a higher average realized commodity price. This was partially offset by a decreased gain on risk management contracts of \$130.0 million, increased operating and transportation expense of \$113.1 million, increased DD&A of \$111.8 million, and a lower gain on disposal of assets of \$76.0 million.

Exhibit 3a



(1) Includes DD&A and impairment of PP&E.

(2) Includes sales of third-party purchases, interest and other income, third-party purchases, interest and financing, impairment (reversal of impairment) of financial assets, and foreign exchange.

Cash Flow from Operating Activities and Funds from Operations

Cash flow from operating activities for the three months ended September 30, 2025, was \$713.3 million, an increase of \$194.9 million from ARC's third quarter 2024 cash flow from operating activities of \$518.4 million. For the nine months ended September 30, 2025, cash flow from operating activities increased to \$2.4 billion from \$1.7 billion for the same period in 2024. The increase in cash flow from operating activities for the three and nine months ended September 30, 2025, compared to the same periods in the prior year, primarily reflects higher funds from operations.

ARC considers funds from operations to be a key measure of financial performance as it demonstrates ARC's ability to generate the necessary funds to maintain production at current levels and fund future growth through capital investment. Management believes that such a measure provides an insightful assessment of financial performance on a continuing basis by eliminating certain non-cash charges and actual settlements of ARO, of which the nature and timing of expenditures are discretionary. Funds from operations is a capital management measure, which is not a standardized measure and therefore may not be comparable with the calculation of similar measures by other entities.

Refer to Note 10 "Capital Management" in the financial statements and to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A. Table 4 is a reconciliation of ARC's net income to funds from operations and its most directly comparable GAAP measure, cash flow from operating activities:

Table 4

(\$ millions)	Three Months Ended			Nine Months Ended	
	June 30, 2025	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Net income	396.1	214.4	328.9	1,015.2	753.8
Adjusted for the following non-cash items:					
Unrealized loss (gain) on risk management contracts	(86.8)	111.0	(84.5)	109.0	(72.9)
DD&A and impairment of PP&E	349.0	401.8	333.5	1,100.1	988.3
Unrealized loss on foreign exchange	2.3	0.3	21.0	3.3	7.8
Gain on disposal of assets	(4.0)	—	(80.0)	(4.0)	(80.0)
Deferred taxes	24.2	43.5	69.7	80.6	94.2
Other	1.3	8.0	3.8	13.9	10.9
Funds from operations	682.1	779.0	592.4	2,318.1	1,702.1
Net change in other liabilities	(7.7)	(32.5)	(17.9)	(87.6)	(23.1)
Change in non-cash operating working capital	24.7	(33.2)	(56.1)	194.9	18.7
Cash flow from operating activities	699.1	713.3	518.4	2,425.4	1,697.7

Details of the change in funds from operations from the three and nine months ended September 30, 2024 to the three and nine months ended September 30, 2025 are included in Table 5 below:

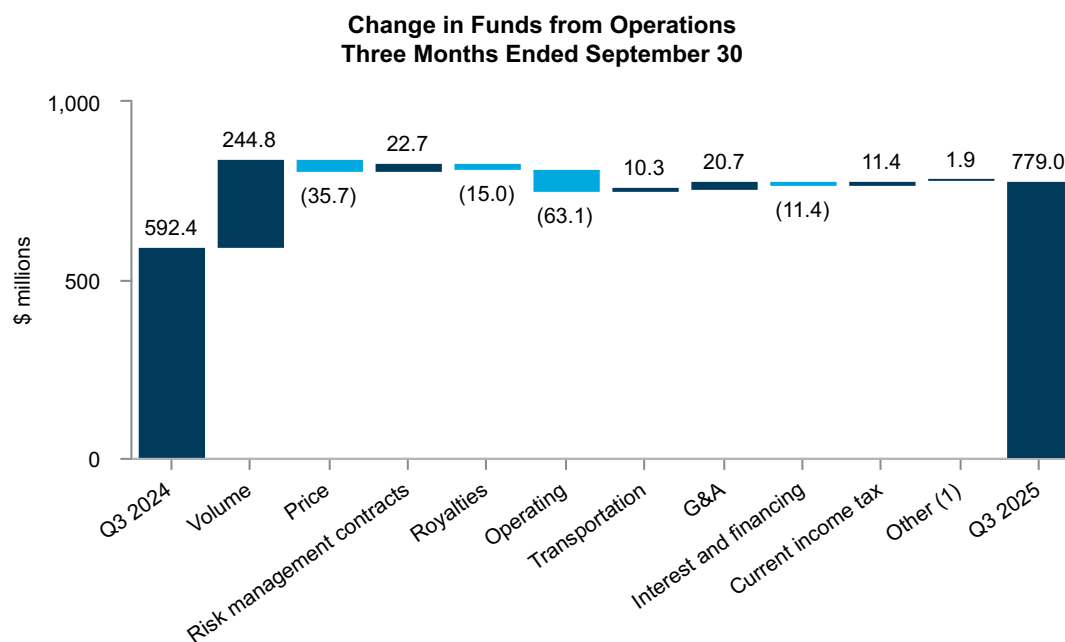
Table 5

	Three Months Ended September 30		Nine Months Ended September 30	
	\$ millions	\$/share	\$ millions	\$/share
Funds from operations – 2024	592.4	0.99	1,702.1	2.85
Production volume variance				
Crude oil and liquids	249.8	0.43	556.2	0.94
Natural gas	(5.0)	(0.01)	13.5	0.02
Commodity price variance				
Crude oil and liquids	(140.4)	(0.24)	(242.4)	(0.41)
Natural gas	104.7	0.18	397.4	0.66
Sales of third-party purchases	(27.2)	(0.05)	70.2	0.12
Interest and other income	(6.4)	(0.01)	1.7	—
Realized gain on risk management contracts	22.7	0.04	51.9	0.09
Royalties	(15.0)	(0.03)	(39.7)	(0.07)
Expenses				
Operating	(63.1)	(0.11)	(91.5)	(0.15)
Transportation	10.3	0.02	(21.6)	(0.03)
Third-party purchases	30.2	0.05	(57.5)	(0.10)
G&A	20.7	0.04	54.0	0.09
Interest and financing	(11.4)	(0.02)	(4.0)	(0.01)
Realized gain (loss) on foreign exchange	3.0	0.01	(10.8)	(0.02)
Current income tax	11.4	0.02	(66.0)	(0.11)
Other	2.3	—	4.6	0.01
Weighted average shares, diluted	—	0.03	—	0.08
Funds from operations – 2025	779.0	1.34	2,318.1	3.96

Funds from operations for the three months ended September 30, 2025, was \$779.0 million (\$1.34 per share), an increase of \$186.6 million from \$592.4 million (\$0.99 per share) for the three months ended September 30, 2024. For the nine months ended September 30, 2025, funds from operations was \$2.3 billion (\$3.96 per share) an increase of \$616.0 million from \$1.7 billion (\$2.85 per share) for the nine months ended September 30, 2024.

The increase in funds from operations for the three months ended September 30, 2025, is primarily due to an increase in production, partially offset by an increase in operating expenses, both as a result of the acquisition of the Kakwa Assets.

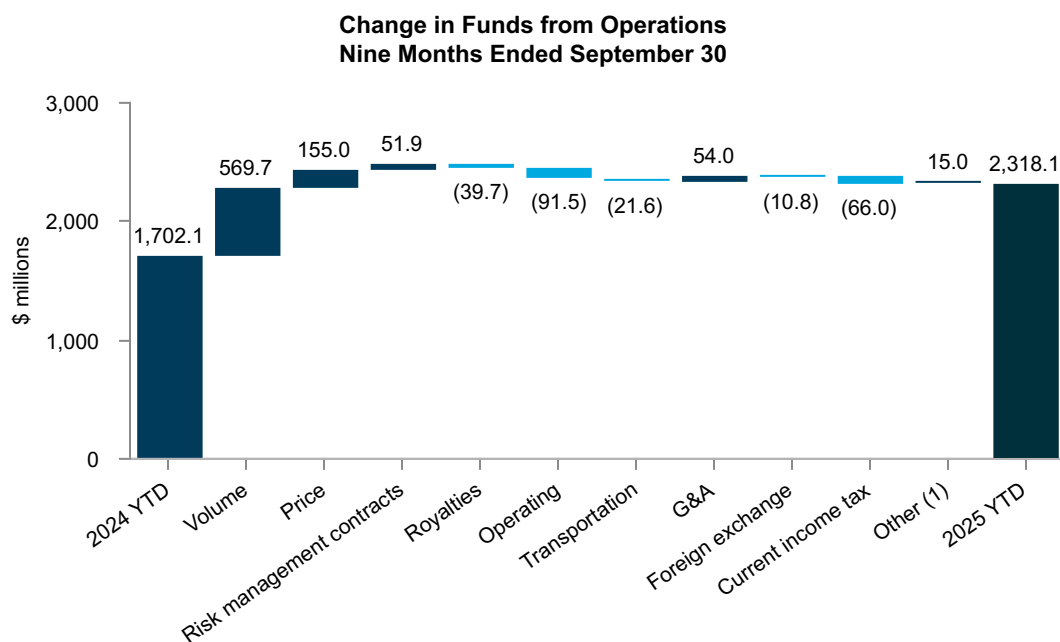
Exhibit 4



(1) Includes sales of third-party purchases, interest and other income, third-party purchases, foreign exchange, and other non-cash items.

The increase in funds from operations for the nine months ended September 30, 2025, is primarily due to an increase in production and an increase in average realized natural gas prices, partially offset by an increase in operating expense.

Exhibit 4a



(1) Includes sales of third-party purchases, interest and other income, third-party purchases, interest and financing, and other non-cash items.

Net Income Sensitivity

Table 6 illustrates sensitivities of operating items to business environment and operational changes and the resulting impact on net income:

Table 6

			Impact on Annual Net Income	
	Assumption	Change	Notional Amount (\$ millions)	\$/share
Business Environment ⁽¹⁾				
Crude oil price (\$/bbl)	84.29	10 %	350.6	0.60
Natural gas price (\$/Mcf)	3.42	10 %	216.9	0.37
Cdn\$/US\$ exchange rate	1.40	5 %	193.5	0.33
Interest rate on floating-rate debt (%)	4.67	1 %	3.4	0.01
Operational ⁽⁵⁾				
Crude oil and liquids production (bbl/d)	146,940	5 %	143.3	0.24
Natural gas production (MMcf/d)	1,296	5 %	7.6	0.01
Royalties (\$/boe)	4.25	5 %	21.6	0.04
Operating (\$/boe)	5.46	5 %	27.7	0.05
Transportation (\$/boe)	5.12	5 %	26.0	0.04
G&A (\$/boe)	1.29	5 %	6.6	0.01

(1) Calculations are performed independently and may not be indicative of actual results that would occur when multiple variables change at the same time. The subsequent impact on risk management contracts is not included.

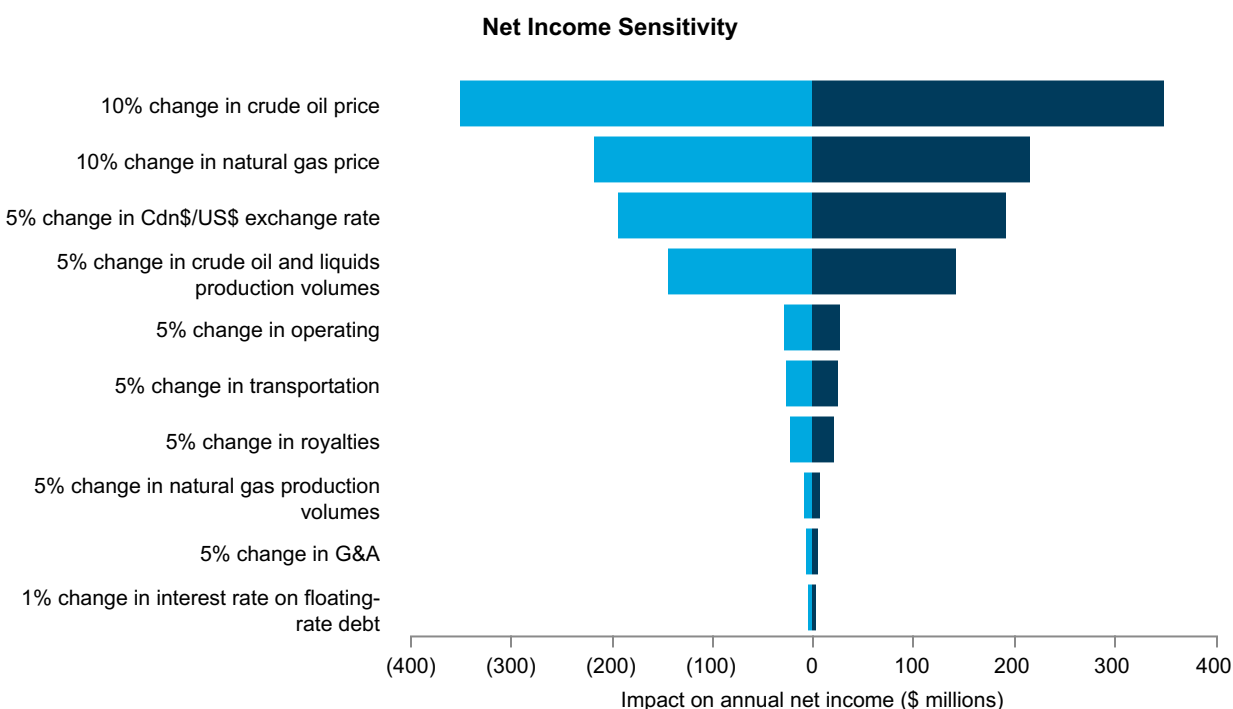
(2) Prices and rates are indicative of ARC's average realized commodity prices for the nine months ended September 30, 2025. Refer to Table 10 contained within this MD&A for additional details. The calculated impact on net income is indicative of changes in the underlying benchmark prices and differentials and would only be applicable within a limited range of these amounts.

(3) Includes the impact on crude oil, condensate, and NGLs prices.

(4) Includes impact of foreign exchange on crude oil, condensate, natural gas, and NGLs prices that are realized in US dollars.

(5) Operational assumptions are based upon results for the nine months ended September 30, 2025 and the calculated impact on net income would only be applicable within a limited range of these amounts.

Exhibit 5



Production

A breakdown of production by product type and percentage of production by product type is outlined in Table 7:

Table 7

Production	Three Months Ended				Nine Months Ended		
	June 30, 2025	September 30, 2025	September 30, 2024	% Change	September 30, 2025	September 30, 2024	% Change
Crude oil (bbl/d)	9,405	7,977	6,827	17	8,473	7,101	19
Condensate (bbl/d)	90,994	105,982	81,690	30	94,496	74,890	26
NGLs (bbl/d)	38,999	50,014	37,797	32	43,971	42,716	3
Crude oil and liquids (bbl/d)	139,398	163,973	126,314	30	146,940	124,707	18
Natural gas (MMcf/d)	1,307	1,172	1,203	(3)	1,296	1,270	2
Total production (boe/d)	357,228	359,236	326,768	10	362,862	336,346	8
Natural gas production (%)	61	54	61	(7)	60	63	(3)
Crude oil and liquids production (%)	39	46	39	7	40	37	3

For the three and nine months ended September 30, 2025, total production increased 10 per cent and eight per cent, respectively, as compared to the same periods of the prior year.

For the three and nine months ended September 30, 2025, crude oil and liquids production increased 30 per cent and 18 per cent, respectively, as compared to the same periods in the prior year. The increase for the three and nine months ended September 30, 2025, was primarily due to new production from ARC's Attachie Phase I facility and incremental production in the Kakwa area as a result of acquiring the Kakwa Assets.

For the three months ended September 30, 2025, natural gas production decreased three per cent as compared to the same period in the prior year. The decrease for the three months ended September 30, 2025, was primarily due to the deliberate curtailment of production from the Sunrise area in response to low western Canadian natural gas prices.

For the nine months ended September 30, 2025, natural gas production increased two per cent, as compared to the same period in the prior year. The increase for the nine months ended September 30, 2025, was due to new production from ARC's Attachie Phase 1 facility and incremental production in the Kakwa area as a result of acquiring the Kakwa Assets, partially offset by the curtailment of production in the Sunrise area.

Exhibit 6

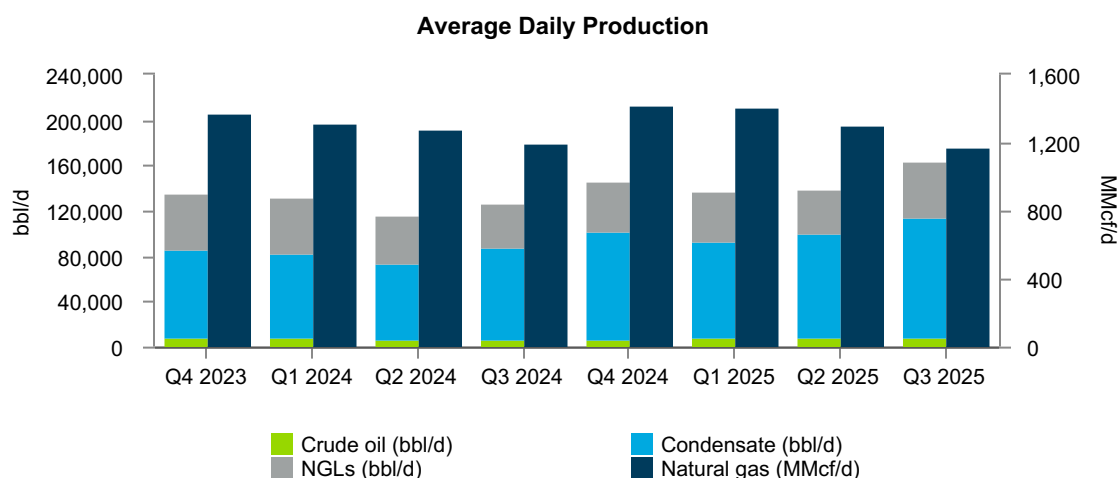


Table 8 summarizes ARC's production by core area for the three months ended September 30, 2025 and September 30, 2024:

Table 8

Three Months Ended September 30, 2025					
Production	Total	Crude Oil	Condensate	Natural Gas	NGLs
Core Area	(boe/d)	(bbl/d)	(bbl/d)	(MMcf/d)	(bbl/d)
Kakwa	206,140	229	79,379	535.3	37,318
Greater Dawson	96,119	497	13,146	445.5	8,244
Sunrise	10,994	—	108	65.1	42
Attachie	27,318	—	12,752	66.8	3,420
Ante Creek	19,369	7,250	597	58.9	1,713
All other	(704)	1	—	—	(723)
Total	359,236	7,977	105,982	1,171.6	50,014

Three Months Ended September 30, 2024					
Production	Total	Crude Oil	Condensate	Natural Gas	NGLs
Core Area	(boe/d)	(bbl/d)	(bbl/d)	(MMcf/d)	(bbl/d)
Kakwa	180,239	17	67,050	510.8	28,040
Greater Dawson	96,215	499	11,354	458.2	7,994
Sunrise	26,717	—	408	157.1	121
Attachie	4,207	—	2,235	11.0	132
Ante Creek	19,683	6,352	641	65.4	1,786
All other	(293)	(41)	2	0.2	(276)
Total	326,768	6,827	81,690	1,202.7	37,797

Exhibit 7

**Average Daily Production by Core Area
Three Months Ended September 30, 2025**

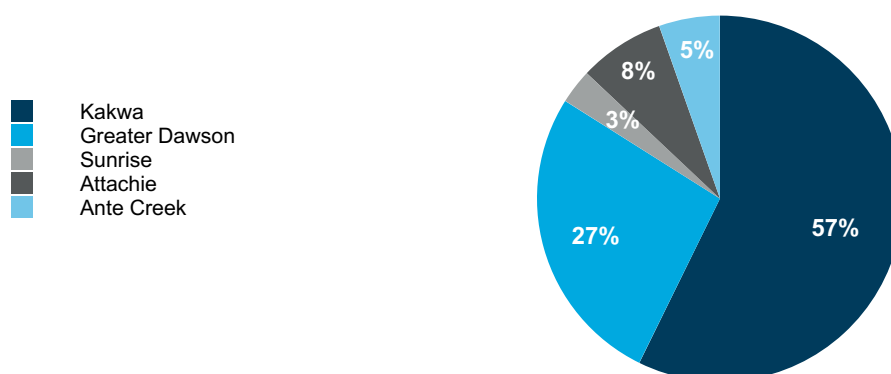


Table 8a summarizes ARC's production by core area for the nine months ended September 30, 2025 and September 30, 2024:

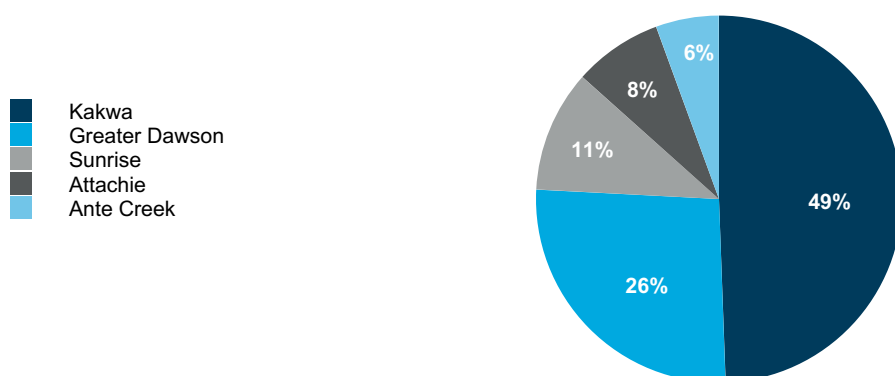
Table 8a

Nine Months Ended September 30, 2025					
Production	Total	Crude Oil	Condensate	Natural Gas	NGLs
Core Area	(boe/d)	(bbl/d)	(bbl/d)	(MMcf/d)	(bbl/d)
Kakwa	179,560	90	68,222	483.1	30,737
Greater Dawson	95,901	584	11,897	450.4	8,352
Sunrise	39,122	—	209	233.1	69
Attachie	28,398	—	13,557	68.3	3,450
Ante Creek	20,268	7,799	610	60.6	1,767
All other	(387)	—	1	—	(404)
Total	362,862	8,473	94,496	1,295.5	43,971

Nine Months Ended September 30, 2024					
Production	Total	Crude Oil	Condensate	Natural Gas	NGLs
Core Area	(boe/d)	(bbl/d)	(bbl/d)	(MMcf/d)	(bbl/d)
Kakwa	171,973	19	61,217	467.1	32,883
Greater Dawson	92,014	551	11,111	435.4	7,783
Sunrise	49,142	—	293	292.5	95
Attachie	3,203	—	1,656	8.7	90
Ante Creek	19,750	6,426	612	65.5	1,802
All other	264	105	1	0.6	63
Total	336,346	7,101	74,890	1,269.8	42,716

Exhibit 7a

**Average Daily Production by Core Area
Nine Months Ended September 30, 2025**



Commodity Sales from Production

For the three and nine months ended September 30, 2025, commodity sales from production increased by 20 per cent and 22 per cent, respectively, as compared to the same periods in 2024. The increase for the three months ended September 30, 2025 is due to an increase in production volumes. The increase for the nine months ended September 30, 2025 is due to an increase in production volumes and a higher average realized commodity price, driven by an increase in natural gas prices.

A breakdown of commodity sales from production by product type and percentage of commodity sales from production by product type is outlined in Tables 9 and 9a:

Table 9

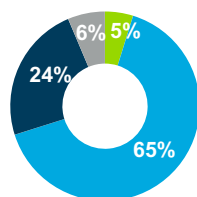
Commodity Sales from Production, by Product Type (\$ millions)	Three Months Ended				Nine Months Ended		
	June 30, 2025	September 30, 2025	September 30, 2024	% Change	September 30, 2025	September 30, 2024	% Change
Crude oil	70.6	60.8	57.9	5	195.0	177.9	10
Condensate	706.7	825.5	716.7	15	2,303.3	2,003.7	15
Natural gas	379.5	296.8	197.1	51	1,208.6	797.7	52
NGLs	72.4	80.4	82.7	(3)	276.0	278.9	(1)
Commodity sales from production	1,229.2	1,263.5	1,054.4	20	3,982.9	3,258.2	22

Table 9a

% of Commodity Sales from Production by Product Type	Three Months Ended				Nine Months Ended		
	June 30, 2025	September 30, 2025	September 30, 2024	% Change	September 30, 2025	September 30, 2024	% Change
Crude oil and liquids	69	77	81	(4)	70	76	(6)
Natural gas	31	23	19	4	30	24	6
Commodity sales from production	100	100	100	—	100	100	—

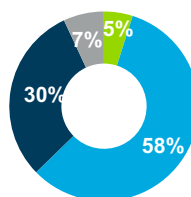
Exhibit 8

**Commodity Sales from Production by Product
Three Months Ended
September 30, 2025**



■ Crude oil
 ■ Condensate
 ■ Natural gas
 ■ NGLs

**Commodity Sales from Production by Product
Nine Months Ended
September 30, 2025**



■ Crude oil
 ■ Condensate
 ■ Natural gas
 ■ NGLs

Commodity Prices

A listing of benchmark commodity prices and ARC's average realized commodity prices are outlined in Table 10:

Table 10

	Three Months Ended				Nine Months Ended		
	June 30, 2025	September 30, 2025	September 30, 2024	% Change	September 30, 2025	September 30, 2024	% Change
Average Benchmark Prices							
WTI crude oil (US\$/bbl)	63.68	64.97	75.27	(14)	66.65	77.61	(14)
Cdn\$/US\$ exchange rate	1.38	1.38	1.36	1	1.40	1.36	3
WTI crude oil (Cdn\$/bbl)	87.88	89.66	102.37	(12)	93.31	105.55	(12)
Peace Sour Price at Edmonton (Cdn\$/bbl)	82.06	83.20	94.09	(12)	85.71	93.48	(8)
Condensate Stream Price at Edmonton (Cdn\$/bbl)	88.05	87.16	97.59	(11)	91.79	100.70	(9)
NYMEX Henry Hub Last Day Settlement (US\$/MMBtu)	3.44	3.07	2.16	42	3.39	2.10	61
Chicago Citygate Monthly Index (US\$/MMBtu)	2.99	2.70	1.76	53	3.21	1.95	65
AECO 7A Monthly Index (Cdn\$/Mcf)	2.07	1.00	0.81	23	1.70	1.43	19
ARC Average Realized Commodity Prices ⁽¹⁾							
Crude oil (\$/bbl)	82.56	82.75	92.22	(10)	84.29	91.46	(8)
Condensate (\$/bbl)	85.35	84.66	95.38	(11)	89.28	97.64	(9)
Natural gas (\$/Mcf)	3.19	2.75	1.78	54	3.42	2.29	49
NGLs (\$/bbl)	20.39	17.47	23.77	(27)	22.99	23.83	(4)
Average realized commodity price (\$/boe)	37.81	38.23	35.07	9	40.21	35.35	14

(1) Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.

Benchmark Commodity Prices

Average WTI crude oil prices increased two per cent in the third quarter of 2025 compared to the prior quarter and decreased 14 per cent compared to the third quarter of 2024. Crude oil prices were relatively stable during the quarter as strong global demand and inventory builds helped to absorb increased supply from the reversal of coordinated production curtailments.

The Edmonton condensate benchmark price decreased one per cent in the third quarter of 2025 compared to the prior quarter and 11 per cent compared to the third quarter of 2024. With limited change in local market fundamentals and pricing differentials, western Canadian condensate pricing remained aligned with WTI crude oil pricing in the quarter.

Average NYMEX Henry Hub natural gas prices decreased 11 per cent in the third quarter of 2025 compared to the prior quarter and increased 42 per cent compared to the third quarter of 2024. Natural gas prices declined during the quarter due to record levels of US production and reduced seasonal demand from the power generation sector.

The AECO 7A Monthly Index decreased 52 per cent in the third quarter of 2025 compared to the prior quarter and increased 23 per cent compared to the third quarter of 2024. Prices decreased during the quarter as elevated regional production and pipeline maintenance led to further builds in already high local inventory levels.

ARC's Average Realized Commodity Prices

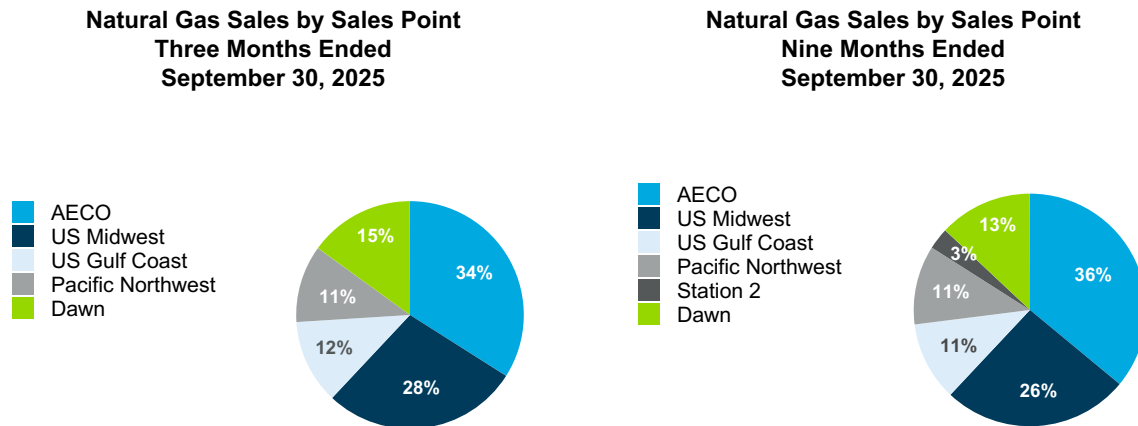
For the three and nine months ended September 30, 2025, ARC's average realized crude oil price decreased 10 per cent and eight per cent, respectively, compared to the same periods of the prior year. The decreases for the three and nine months ended September 30, 2025, primarily reflect a weaker WTI benchmark price, partially offset by narrower differentials between WTI and Peace Sour benchmark prices.

For the three and nine months ended September 30, 2025, ARC's average realized condensate price decreased 11 per cent and nine per cent, respectively, compared to the same periods of the prior year. The decreases for the three and nine months ended September 30, 2025, primarily reflect a weaker WTI benchmark price, partially offset by narrower differentials between WTI and Edmonton condensate benchmark prices.

ARC's natural gas sales are physically diversified to multiple sales points within North America, each with different index-based pricing. All of ARC's natural gas sold in the United States complies with the rules of origin under the Canada-United States-Mexico Agreement.

ARC's average realized natural gas price increased 54 per cent and 49 per cent for the three and nine months ended September 30, 2025, respectively, compared to the same periods of the prior year. The increases are primarily due to stronger benchmark prices in most North American markets.

Exhibit 9

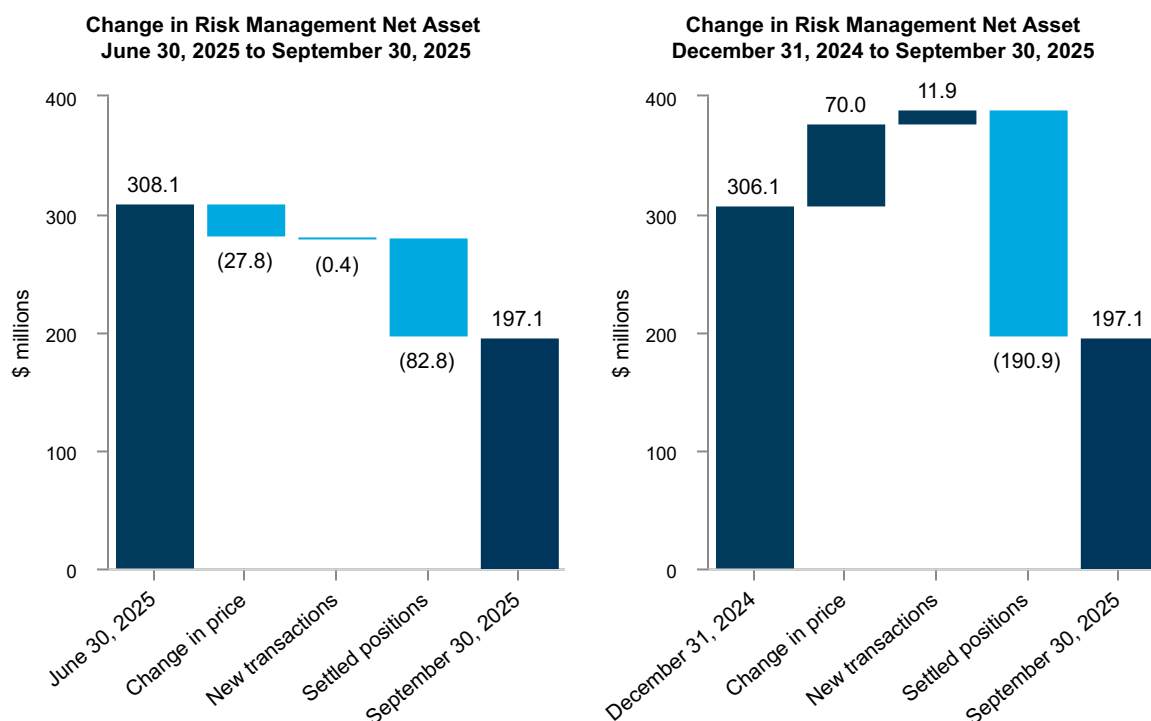


During the nine months ended September 30, 2025, ARC entered into a long-term LNG sale and purchase agreement (the "Agreement") with ExxonMobil LNG Asia Pacific ("EMLAP"). Under the Agreement, EMLAP will purchase all of ARC's LNG offtake from the Cedar LNG Project, approximately 1.5 million tonnes per annum, at international LNG pricing. For additional information, refer to the news release dated March 11, 2025, entitled "*ARC Resources Ltd. Announces Long-Term Sale and Purchase Agreement with ExxonMobil*", available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

Risk Management Contracts

The fair value of ARC's risk management contracts at September 30, 2025 was a net asset of \$197.1 million, representing the expected value of settlement of ARC's contracts at the balance sheet date after adjustments for credit risk. This comprises a net asset of \$45.3 million from crude oil contracts, a net asset of \$149.5 million from natural gas contracts, and a net asset of \$2.3 million from foreign currency contracts.

Exhibit 10



Tables 11 and 11a summarize the gain or loss on risk management contracts for the three and nine months ended September 30, 2025 compared to the same periods in 2024:

Table 11

Risk Management Contracts (\$ millions)	Crude Oil & Condensate	Natural Gas	Embedded Derivative ⁽¹⁾	Foreign Currency	Q3 2025 Total	Q3 2024 Total
Realized gain on risk management contracts ⁽²⁾	15.0	67.4	—	0.2	82.6	59.9
Unrealized gain (loss) on risk management contracts ⁽³⁾	(11.8)	(65.6)	(27.3)	(6.3)	(111.0)	84.5
Gain (loss) on risk management contracts	3.2	1.8	(27.3)	(6.1)	(28.4)	144.4

(1) Represents the change in fair value of embedded derivatives contained within certain natural gas sales contracts.

(2) Represents actual cash settlements under the respective contracts recognized in net income during the period.

(3) Represents the change in fair value of the contracts recognized in net income during the period.

Table 11a

Risk Management Contracts (\$ millions)	Crude Oil & Condensate	Natural Gas	Embedded Derivative ⁽¹⁾	Foreign Currency	2025 YTD Total	2024 YTD Total
Realized gain (loss) on risk management contracts ⁽²⁾	35.4	160.1	—	(3.0)	192.5	140.6
Unrealized gain (loss) on risk management contracts ⁽³⁾	7.9	(132.4)	(3.3)	18.8	(109.0)	72.9
Gain (loss) on risk management contracts	43.3	27.7	(3.3)	15.8	83.5	213.5

(1) Represents the change in fair value of embedded derivatives contained within certain natural gas sales contracts.

(2) Represents actual cash settlements under the respective contracts recognized in net income during the period.

(3) Represents the change in fair value of the contracts recognized in net income during the period.

ARC's realized gain on risk management contracts for the three and nine months ended September 30, 2025, primarily reflects cash settlements received on WTI crude oil, AECO, and AECO basis natural gas contracts. As compared to the same periods of the prior year, the increase in realized gain on risk management contracts for the three and nine months ended September 30, 2025, is primarily the result of lower WTI crude oil prices relative to contract prices.

ARC's unrealized loss on risk management contracts for the three months ended September 30, 2025, compares to an unrealized gain for the same period of the prior year and primarily reflects settlements received throughout the period, as well as narrower differentials between North American and international gas prices. ARC's unrealized loss for the nine months ended September 30, 2025, compares to an unrealized gain for the same period of the prior year and primarily reflects settlements received throughout the period, partially offset by the revaluation of WTI crude oil, AECO, AECO basis natural gas, and foreign exchange contracts.

Embedded Derivatives

ARC is party to two separate long-term natural gas supply agreements whereby ARC will deliver natural gas to specified North American delivery points and receive international pricing in exchange. These contracts have been determined to contain embedded derivatives that are required by IFRS Accounting Standards to be valued separately from their host contracts. Table 12 summarizes the details of the agreements:

Table 12

	Volume (MMBtu/d)	Term	Delivery Point	Pricing Formula	Anticipated Commencement
JKM Agreement	140,000	15 years	Chicago	JKM less transport and liquefaction	2027
TTF Agreement	140,000	15 years	Gulf Coast	TTF less transport, liquefaction and regasification	2029

In respect of these contracts, ARC recognized an unrealized loss on risk management contracts of \$27.3 million and \$3.3 million for the three and nine months ended September 30, 2025 (unrealized gain of \$8.6 million and \$26.0 million for the three and nine months ended September 30, 2024), respectively. At September 30, 2025, the fair value of the embedded derivatives was an asset of \$21.9 million (\$25.2 million at December 31, 2024). The fair value reflects the estimated differentials between forward pricing at the respective delivery points and those contained in the pricing formulas. Due to the long-term nature of these agreements and multiple variables impacting the estimated valuations, it is anticipated that the estimated fair value of the embedded derivatives will fluctuate over time as the agreements mature. For further information, refer to Note 11 "Financial Instruments and Market Risk Management" in the financial statements.

Netback and Netback per boe

The components of ARC's netback and netback per boe for the three and nine months ended September 30, 2025 compared to the same periods in 2024 are summarized in Tables 13 and 13a:

Table 13

	Three Months Ended				Nine Months Ended		
	June 30, 2025	September 30, 2025	September 30, 2024	% Change	September 30, 2025	September 30, 2024	% Change
Netback (\$ millions) ⁽¹⁾							
Commodity sales from production	1,229.2	1,263.5	1,054.4	20	3,982.9	3,258.2	22
Royalties	(120.7)	(138.0)	(123.0)	12	(421.5)	(381.8)	10
Operating	(168.1)	(210.4)	(147.3)	43	(541.0)	(449.5)	20
Transportation	(174.1)	(147.4)	(157.7)	(7)	(507.5)	(485.9)	4
Netback	766.3	767.7	626.4	23	2,512.9	1,941.0	29

(1) Non-GAAP financial measure that does not have any standardized meaning under IFRS Accounting Standards and therefore may not be comparable to similar measures presented by other entities. Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A.

Table 13a

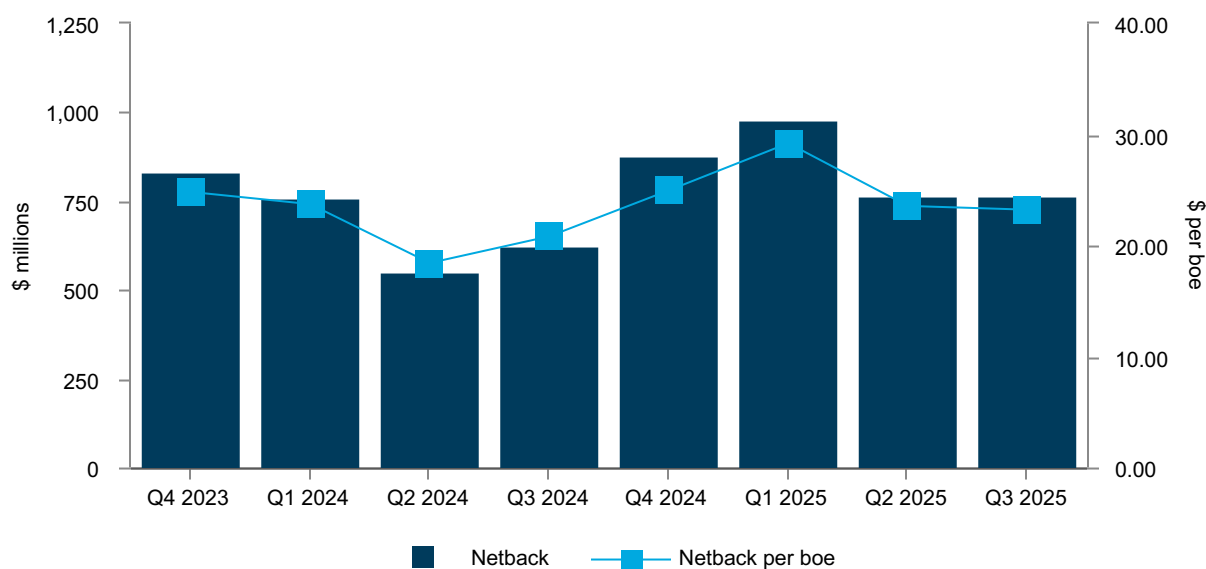
	Three Months Ended				Nine Months Ended		
	June 30, 2025	September 30, 2025	September 30, 2024	% Change	September 30, 2025	September 30, 2024	% Change
Netback per boe (\$ per boe) ⁽¹⁾							
Commodity sales from production ⁽²⁾	37.81	38.23	35.07	9	40.21	35.35	14
Royalties ⁽²⁾	(3.71)	(4.18)	(4.09)	2	(4.25)	(4.14)	3
Operating	(5.17)	(6.36)	(4.90)	30	(5.46)	(4.88)	12
Transportation	(5.36)	(4.46)	(5.25)	(15)	(5.12)	(5.27)	(3)
Netback per boe	23.57	23.23	20.83	12	25.38	21.06	21

(1) Non-GAAP ratio that does not have any standardized meaning under IFRS Accounting Standards and therefore may not be comparable to similar ratios presented by other entities. Includes a non-GAAP financial measure component of netback. Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A.

(2) Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.

Exhibit 11

Netback and Netback per boe



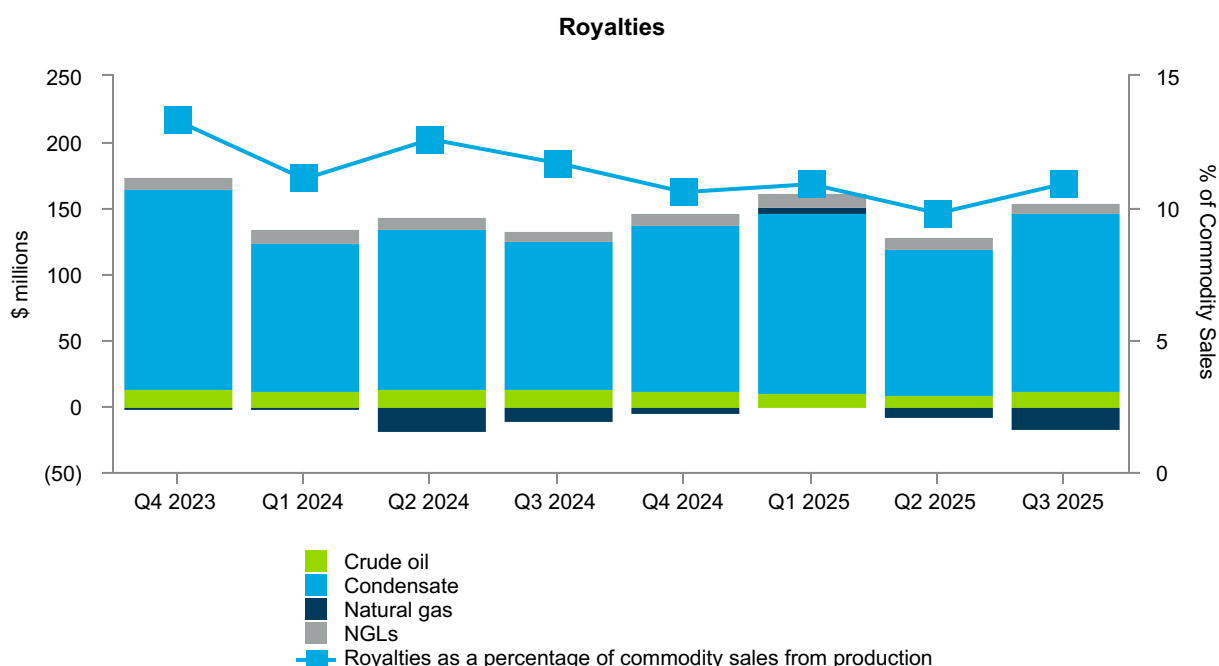
Royalties

Royalties for the three months ended September 30, 2025 increased 12 per cent to \$138.0 million from \$123.0 million for the same period in 2024. Royalties for the nine months ended September 30, 2025 increased 10 per cent to \$421.5 million from \$381.8 million for the same period in 2024. The increase in royalties for the three and nine months ended September 30, 2025, as compared to the same periods of the prior year, is primarily due to an increase in production, partially offset by a decrease in average realized commodity prices for crude oil and liquids.

For both the three and nine months ended September 30, 2025, royalties as a percentage of commodity sales from production⁽¹⁾ decreased to 11 per cent (\$4.18 per boe and \$4.25 per boe, respectively) from 12 per cent (\$4.09 per boe and \$4.14 per boe, respectively), as compared to the same periods of the prior year. The decrease in royalties as a percentage of commodity sales from production for the three and nine months ended September 30, 2025, primarily reflects lower average royalty rates due to decreased average realized crude oil and liquids prices, as compared to the same periods in 2024.

(1) Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.

Exhibit 12



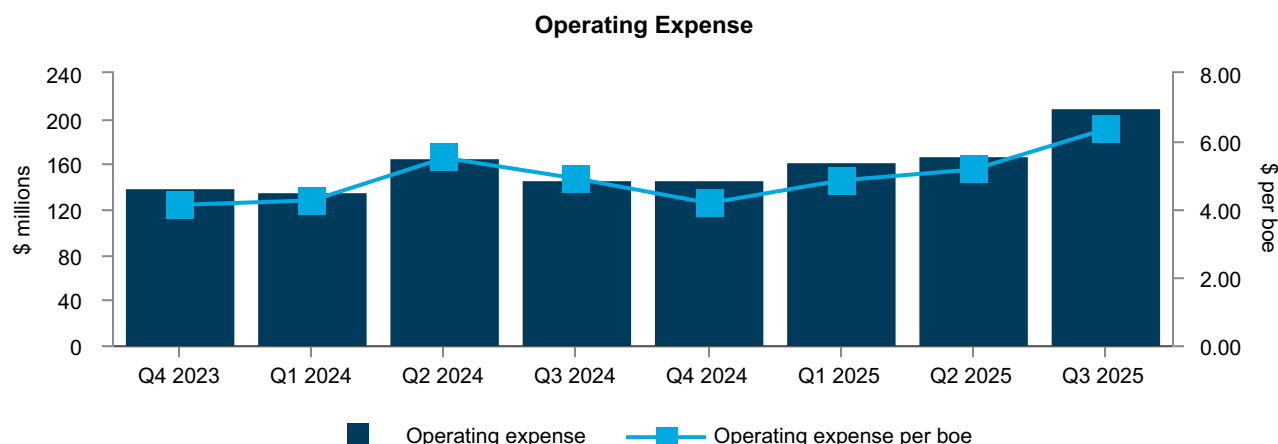
Operating

Operating expense for the three months ended September 30, 2025 was \$210.4 million, an increase of 43 per cent from \$147.3 million for the three months ended September 30, 2024. For the nine months ended September 30, 2025, operating expense was \$541.0 million, an increase of 20 per cent from \$449.5 million in the same period of the prior year.

Operating expense for the three and nine months ended September 30, 2025 increased compared to the same periods of the prior year with the addition of ARC's Attachie Phase I facility, the acquisition of the Kakwa Assets, and increased water-handling costs in the Kakwa area. For the nine months ended September 30, 2025, the increase in operating expense was partially offset by a decrease in maintenance costs, with less scheduled maintenance required compared to the same period of the prior year.

Operating expense per boe for the three months ended September 30, 2025 was \$6.36 per boe, an increase of 30 per cent from \$4.90 per boe for the three months ended September 30, 2024. For the nine months ended September 30, 2025, operating expense was \$5.46 per boe, an increase of 12 per cent from \$4.88 per boe in the same period of the prior year.

Exhibit 13



Transportation

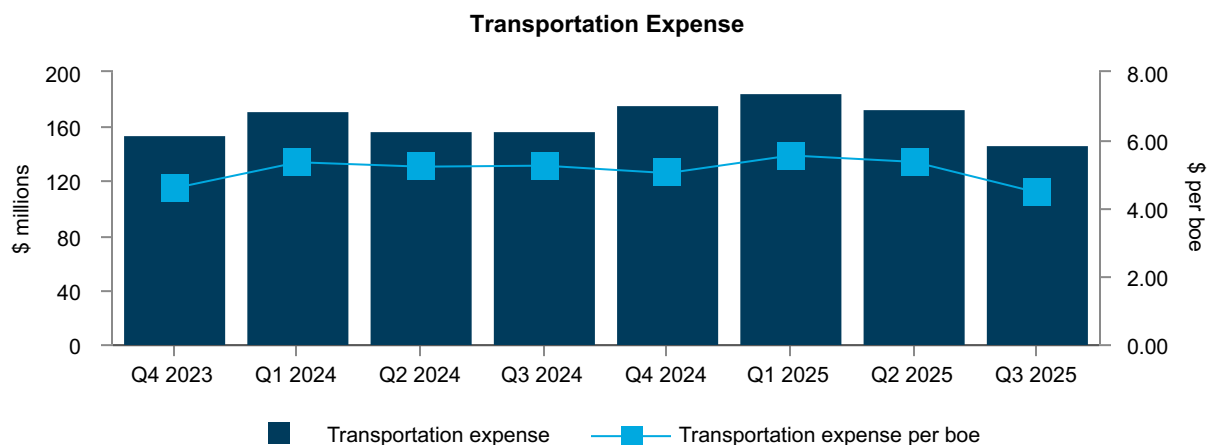
Transportation expense for the three months ended September 30, 2025 was \$147.4 million, a decrease of seven per cent from \$157.7 million for the three months ended September 30, 2024. Transportation expense for the nine months ended September 30, 2025 was \$507.5 million, an increase of four per cent from \$485.9 million for the nine months ended September 30, 2024.

The decrease in transportation expense for the three months ended September 30, 2025, relative to the same period in 2024, is primarily due to recognizing a reimbursement of natural gas transportation costs as the result of a regulatory settlement. This was partially offset by an increase in crude oil and liquids transportation costs, reflecting the increase in crude oil and liquids production.

The increase in transportation expense for the nine months ended September 30, 2025, relative to the same period in 2024, is primarily due to increased crude oil and liquids transportation costs, reflecting the increase in crude oil and liquids production, and higher fuel gas charges. This was partially offset by the aforementioned reimbursement of natural gas transportation costs.

Transportation expense per boe for the three and nine months ended September 30, 2025 was \$4.46 per boe and \$5.12 per boe, respectively, a decrease of 15 per cent and three per cent from \$5.25 per boe and \$5.27 per boe for the three and nine months ended September 30, 2024.

Exhibit 14



G&A

G&A expense before share-based compensation expense for the three months ended September 30, 2025 was \$32.3 million, a 10 per cent decrease from \$35.8 million for the three months ended September 30, 2024. For the nine months ended September 30, 2025, ARC's G&A expense before share-based compensation expense was \$109.4 million, a nine per cent decrease from \$120.0 million for the same period of the prior year. The decrease for the three and nine months ended September 30, 2025, is primarily due to a decrease in consulting and information technology costs associated with an enterprise system implementation project that concluded in 2024.

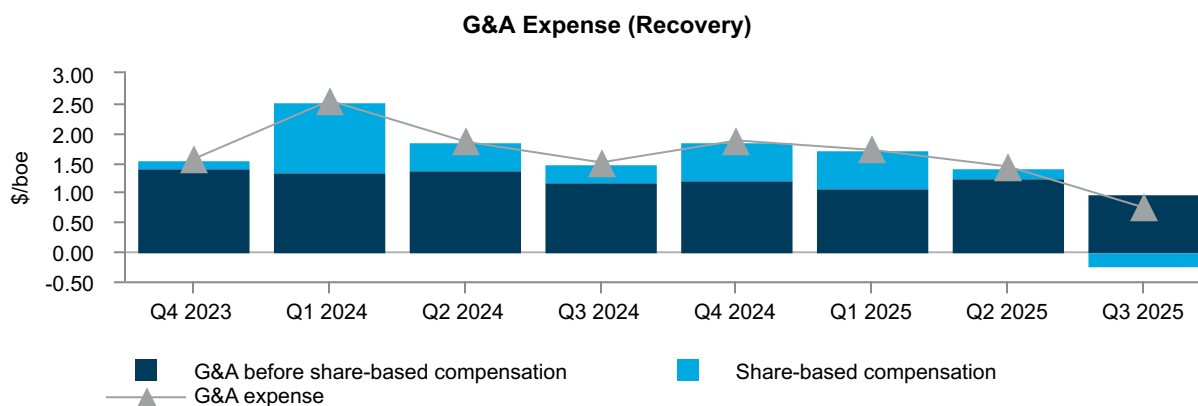
During the three and nine months ended September 30, 2025, ARC recognized a G&A recovery of \$7.9 million and G&A expense of \$18.8 million, respectively, associated with its share-based compensation plans, compared to G&A expense of \$9.3 million and \$62.2 million during the same periods of the prior year. The change for the three and nine months ended September 30, 2025, compared to the same periods of the prior year, reflects the revaluation of the liability associated with ARC's share-based compensation plans, based on the movement of ARC's share price and the average performance multiplier associated with certain of its plans.

Table 14 is a breakdown of G&A expense:

Table 14

G&A Expense (\$ millions, except per boe)	Three Months Ended				Nine Months Ended		
	June 30, 2025	September 30, 2025	September 30, 2024	% Change	September 30, 2025	September 30, 2024	% Change
G&A expense before share-based compensation expense	41.1	32.3	35.8	(10)	109.4	120.0	(9)
G&A – share-based compensation expense (recovery)	5.4	(7.9)	9.3	(185)	18.8	62.2	(70)
G&A expense	46.5	24.4	45.1	(46)	128.2	182.2	(30)
G&A expense before share-based compensation expense per boe	1.26	0.98	1.19	(18)	1.10	1.30	(15)
G&A – share-based compensation expense (recovery) per boe	0.17	(0.24)	0.31	(177)	0.19	0.68	(72)
G&A expense per boe	1.43	0.74	1.50	(51)	1.29	1.98	(35)

Exhibit 15



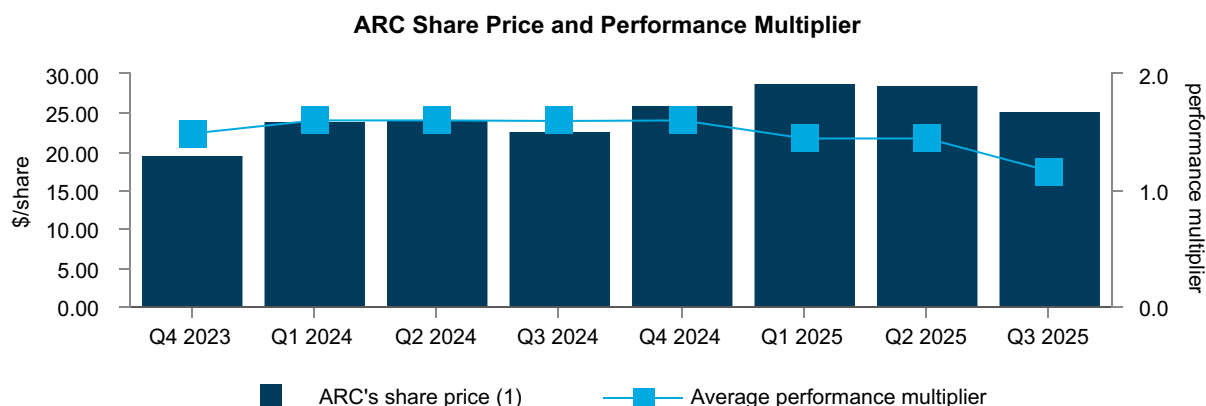
Share-based Compensation Plans

For a description of ARC's various share-based compensation plans and related accounting policies, refer to Note 3 "Summary of Material Accounting Policies" and Note 20 "Share-based Compensation Plans" of ARC's audited consolidated financial statements as at and for the year ended December 31, 2024.

Restricted Share Unit ("RSU") and Performance Share Unit ("PSU") Plans

At September 30, 2025, ARC had 1.3 million RSUs and 2.7 million PSUs outstanding under these plans. For the three and nine months ended September 30, 2025, G&A recovery of \$5.1 million and G&A expense of \$16.9 million was recognized in relation to the RSU and PSU Plans (G&A expense of \$9.9 million and \$55.3 million for the three and nine months ended September 30, 2024), respectively. The change in expense recognized for the three and nine months ended September 30, 2025 reflects the change in valuation of awards outstanding throughout the respective periods.

Exhibit 16



(1) Denotes ARC's closing share price on the Toronto Stock Exchange ("TSX") on the last trading day of each respective quarter.

Table 15 shows the changes to the outstanding RSU and PSU awards during the nine months ended September 30, 2025:

Table 15

RSU and PSU Plans (number of awards, thousands)	RSUs	PSUs ⁽¹⁾	Total RSUs and PSUs
Balance, December 31, 2024	1,557	2,862	4,419
Granted	674	1,715	2,389
Distributed	(855)	(1,771)	(2,626)
Forfeited	(45)	(142)	(187)
Balance, September 30, 2025	1,331	2,664	3,995

(1) Based on underlying awards before any effect of the performance multiplier.

Due to the variability in the expected future payments under the plans, ARC estimates that between \$33.8 million and \$169.0 million could be paid out in 2026 through 2028 based on possible future changes to ARC's period-end share price, accrued dividends, market performance relative to peers, and corporate scorecard results. Table 16 is a summary of the range of future expected payments under the RSU and PSU Plans based on variability of the performance multiplier and awards outstanding under the RSU and PSU Plans as at September 30, 2025:

Table 16

Value of RSU and PSU Awards as at September 30, 2025 (awards thousands and \$ millions, except per share)	Performance Multiplier		
	—	1.0	2.0
Estimated awards to vest ⁽¹⁾			
RSUs	1,331	1,331	1,331
PSUs	—	2,664	5,328
Total awards	1,331	3,995	6,659
Share price ⁽²⁾	25.38	25.38	25.38
Value of RSU and PSU awards upon vesting	33.8	101.4	169.0
2026	17.4	42.5	67.6
2027	11.0	32.3	53.6
2028	5.4	26.6	47.8

(1) Includes additional estimated awards to be issued under the RSU and PSU Plans for dividends accrued to-date.

(2) Per share outstanding. Values will fluctuate over the vesting period based on the volatility of the underlying share price. Assumes a future share price equal to the TSX closing price at September 30, 2025.

Share Option Plans

At September 30, 2025, ARC had 0.5 million share options outstanding with a weighted average exercise price of \$20.52. All share options were exercisable at September 30, 2025.

Long-term Restricted Share Award ("LTRSA") Plan

At September 30, 2025, ARC had 0.7 million restricted shares outstanding under the LTRSA Plan. ARC recognized G&A of \$0.1 million and \$0.5 million relating to the LTRSA Plan during the three and nine months ended September 30, 2025 (\$0.3 million and \$0.8 million for the three and nine months ended September 30, 2024), respectively.

Deferred Share Unit ("DSU") Plans

At September 30, 2025, ARC had 1.2 million DSUs outstanding. For the three and nine months ended September 30, 2025, G&A recovery of \$2.9 million and G&A expense of \$1.4 million was recognized in relation to the DSU Plans (G&A recovery of \$0.9 million and G&A expense of \$6.1 million for the three and nine months ended September 30, 2024), respectively.

Interest and Financing

Interest and financing expense for the three and nine months ended September 30, 2025 was \$46.5 million and \$103.0 million (\$1.41 per boe and \$1.04 per boe), respectively, compared to \$33.8 million and \$97.6 million (\$1.12 per boe and \$1.06 per boe) for the same periods of the prior year. The increase for the three and nine months ended September 30, 2025, as compared to the same periods of the prior year, is primarily due to an increase in long-term debt, in conjunction with the acquisition of the Kakwa Assets. For additional information, refer to Note 3 "Business Combination" and Note 8 "Long-term Debt" in the financial statements.

A breakdown of interest and financing expense is shown in Table 17:

Table 17

Interest and Financing (\$ millions, except per boe amounts)	Three Months Ended				Nine Months Ended		
	June 30, 2025	September 30, 2025	September 30, 2024	% Change	September 30, 2025	September 30, 2024	% Change
Bank debt and long-term notes	11.9	28.7	16.7	72	53.2	46.2	15
Lease obligations	12.4	13.0	13.6	(4)	37.9	40.9	(7)
Accretion expense	3.5	4.8	3.5	37	11.9	10.5	13
Interest and financing	27.8	46.5	33.8	38	103.0	97.6	6
Interest and financing per boe	0.86	1.41	1.12	26	1.04	1.06	(2)

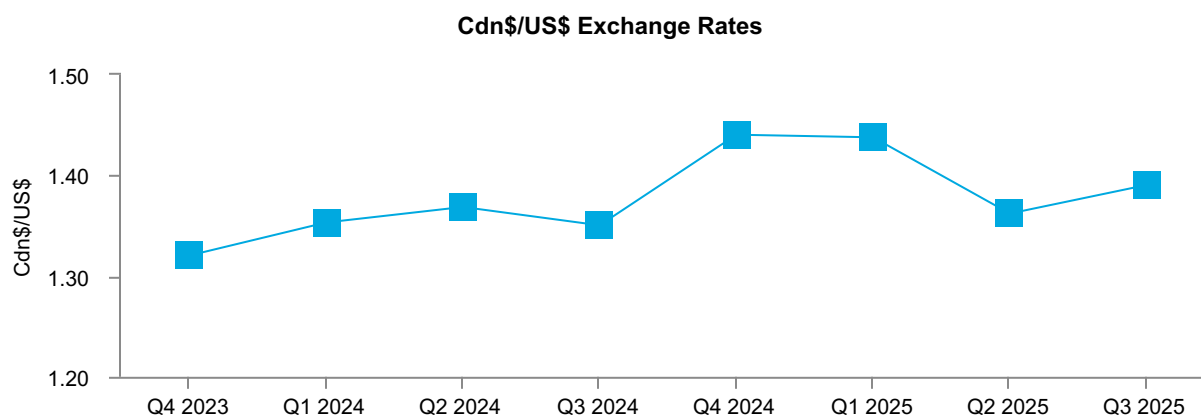
Foreign Exchange Gain and Loss

Table 18 details the realized and unrealized components of ARC's foreign exchange gain and loss:

Table 18

Foreign Exchange Gain and Loss (\$ millions)	Three Months Ended				Nine Months Ended		
	June 30, 2025	September 30, 2025	September 30, 2024	% Change	September 30, 2025	September 30, 2024	% Change
Unrealized loss on US dollar-denominated balances	(2.3)	(0.3)	(21.0)	99	(3.3)	(7.8)	58
Realized gain (loss) on US dollar-denominated transactions	(11.3)	1.5	(1.5)	200	(10.5)	0.3	(100)
Foreign exchange gain (loss)	(13.6)	1.2	(22.5)	105	(13.8)	(7.5)	(84)

Exhibit 17



For the three and nine months ended September 30, 2025, ARC recognized an unrealized loss on foreign currency translation adjustment in other comprehensive income of \$1.0 million and an unrealized gain of \$4.0 million (unrealized gain of \$18.6 million and \$12.2 million for the three and nine months ended September 30, 2024), respectively.

Taxes

ARC recognized current income tax of \$19.0 million for the three months ended September 30, 2025, compared to \$30.4 million for the same period in 2024. The decrease for the three months ended September 30, 2025, as compared to the same period of the prior year, is primarily due to additional tax pool claims available to offset taxable income from the acquisition of the Kakwa Assets.

ARC recognized current income tax of \$194.0 million for the nine months ended September 30, 2025, compared to \$128.0 million for the same period in 2024. The increase for the nine months ended September 30, 2025, reflects higher expected taxable income as a result of increased production volumes and higher average realized natural gas prices.

For the three and nine months September 30, 2025, ARC recognized deferred income tax of \$43.5 million and \$80.6 million, compared to \$69.7 million and \$94.2 million for the same periods in 2024. The decrease for the three and nine months ended September 30, 2025, primarily relates to an unrealized loss on risk management contracts as compared to an unrealized gain on risk management contracts for the same periods in 2024.

The income tax pools, which are detailed in Table 19, are deductible at various rates and annual deductions associated with the initial tax pools will decline over time.

Table 19

Income Tax Pool Type (\$ millions)	September 30, 2025	Annual Deductibility
Canadian oil and gas property expense	1,951.7	10% declining balance
Canadian development expense	2,097.4	30% declining balance
Undepreciated capital cost	2,087.4	Primarily 25% declining balance
Other	28.8	Various rates, 5% declining balance to 20%
Total federal tax pools	6,165.3	

Depletion, Depreciation and Amortization

For the three and nine months ended September 30, 2025, ARC recognized DD&A of \$401.8 million and \$1.1 billion, respectively, compared to \$333.5 million and \$985.1 million for the three and nine months ended September 30, 2024. The increase in DD&A for the three and nine months ended September 30, 2025, compared to the same periods in the prior year, is due to increased production volumes and a higher DD&A rate reflecting updated reserves and future development costs associated with the acquisition of the Kakwa Assets.

A breakdown of DD&A expense is summarized in Table 20:

Table 20

DD&A Expense (\$ millions, except per boe amounts)	Three Months Ended				Nine Months Ended		
	June 30, 2025	September 30, 2025	September 30, 2024	% Change	September 30, 2025	September 30, 2024	% Change
Depletion of crude oil and natural gas assets	325.2	376.3	310.7	21	1,027.5	913.7	12
Depreciation of corporate assets	2.2	2.6	1.3	100	6.7	7.4	(9)
Depreciation of right-of-use ("ROU") assets	21.6	22.9	21.5	7	65.9	64.0	3
DD&A expense	349.0	401.8	333.5	20	1,100.1	985.1	12
DD&A expense per boe ⁽¹⁾	10.74	12.16	11.09	10	11.11	10.69	4

(1) Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.

Cash Flow used in Investing Activities, Capital Expenditures, Acquisitions and Dispositions

ARC's cash flow used in investing activities was \$2.2 billion and \$3.1 billion during the three and nine months ended September 30, 2025, respectively, compared to \$339.7 million and \$1.5 billion for the three and nine months ended September 30, 2024. In addition to cash flow used in investing activities, Management uses the non-GAAP financial measure of capital expenditures to monitor its capital investments relative to those budgeted by the Company on an annual basis. ARC excludes acquisition and disposition activities from its annual capital expenditure budget, as well as the accounting impact of any accrual changes or payments under certain lease arrangements. Refer to Table 24 in the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for a reconciliation of ARC's capital expenditures to its most directly comparable GAAP measure, cash flow used in investing activities.

Capital expenditures were \$496.4 million and \$1.4 billion for the three and nine months ended September 30, 2025, respectively, compared to \$458.6 million and \$1.5 billion for the three and nine months ended September 30, 2024. Capital expenditures for the three and nine months ended September 30, 2025, primarily pertain to ARC's drilling and completions activities, which included the drilling of 50 and 105 crude oil and natural gas wells and the completion of 36 and 125 crude oil and natural gas wells, respectively, primarily in the Kakwa and Attachie areas.

During the three and nine months ended September 30, 2025, ARC executed an agreement for the earning and development of land in the Attachie area, for which the consideration has been recognized as exploration and evaluation ("E&E").

During the three and nine months ended September 30, 2025, ARC completed an acquisition of additional assets in the Kakwa area. This has been accounted for as a business combination. For additional information, refer to Note 3 "Business Combination" in the financial statements and the news release dated July 2, 2025 entitled "ARC Resources Ltd. Announces the Closing of its Montney Acquisition", available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

For information regarding ARC's planned capital expenditures for 2026, refer to the news release dated November 6, 2025, entitled "ARC Resources Ltd. Reports Third Quarter 2025 Results, Announces 2026 Budget and 11 per cent Dividend Increase", available on ARC's website at www.arcresources.com and on SEDAR+ at www.sedarplus.ca.

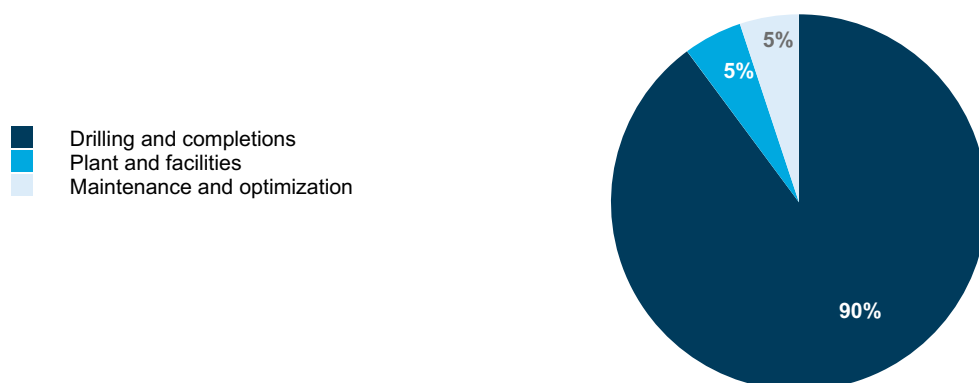
A breakdown of capital expenditures, acquisitions, and dispositions for the three months ended September 30, 2025 and September 30, 2024 is shown in Table 21:

Table 21

Three Months Ended September 30							
2025			2024				
Capital Expenditures (\$ millions)	E&E	PP&E	Total	E&E	PP&E	Total	% Change
Geological and geophysical	—	3.2	3.2	—	4.6	4.6	(30)
Drilling and completions	—	445.5	445.5	5.8	384.5	390.3	14
Plant and facilities	13.9	11.2	25.1	4.4	48.3	52.7	(52)
Maintenance and optimization	—	25.2	25.2	—	17.0	17.0	48
Corporate	—	(2.6)	(2.6)	—	(6.0)	(6.0)	57
Capital expenditures	13.9	482.5	496.4	10.2	448.4	458.6	8
Acquisitions	49.6	—	49.6	—	—	—	100
Dispositions	—	—	—	—	(80.0)	(80.0)	(100)
Capital expenditures and net acquisitions and dispositions	63.5	482.5	546.0	10.2	368.4	378.6	44

Exhibit 18

Capital Expenditures by Classification
Three Months Ended September 30, 2025



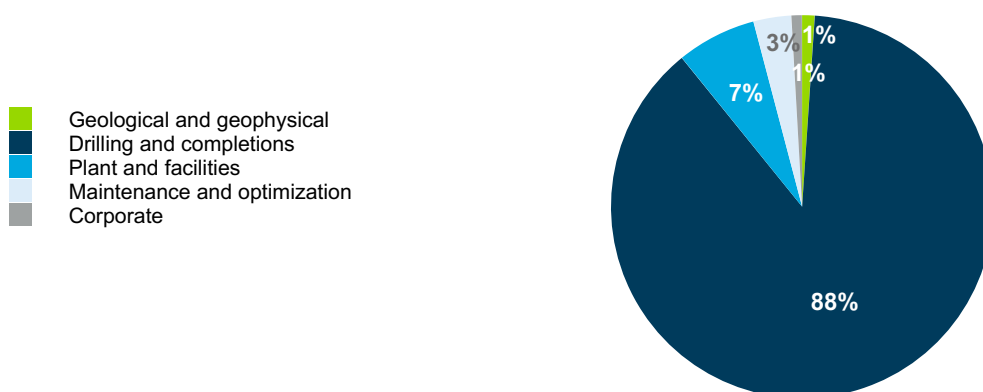
A breakdown of capital expenditures, acquisitions, and dispositions for the nine months ended September 30, 2025 and September 30, 2024 is shown in Table 21a:

Table 21a

	Nine Months Ended September 30						
	2025			2024			% Change
Capital Expenditures (\$ millions)	E&E	PP&E	Total	E&E	PP&E	Total	
Geological and geophysical	—	15.5	15.5	0.1	8.7	8.8	76
Drilling and completions	—	1,277.3	1,277.3	7.5	1,233.1	1,240.6	3
Plant and facilities	42.6	55.1	97.7	12.4	153.6	166.0	(41)
Maintenance and optimization	—	46.2	46.2	—	66.8	66.8	(31)
Corporate	—	13.1	13.1	—	13.3	13.3	(2)
Capital expenditures	42.6	1,407.2	1,449.8	20.0	1,475.5	1,495.5	(3)
Acquisitions	49.6	4.8	54.4	—	5.1	5.1	967
Dispositions	—	(4.0)	(4.0)	—	(80.0)	(80.0)	(95)
Capital expenditures and net acquisitions and dispositions	92.2	1,408.0	1,500.2	20.0	1,400.6	1,420.6	6

Exhibit 18a

**Capital Expenditures by Classification
Nine Months Ended September 30, 2025**



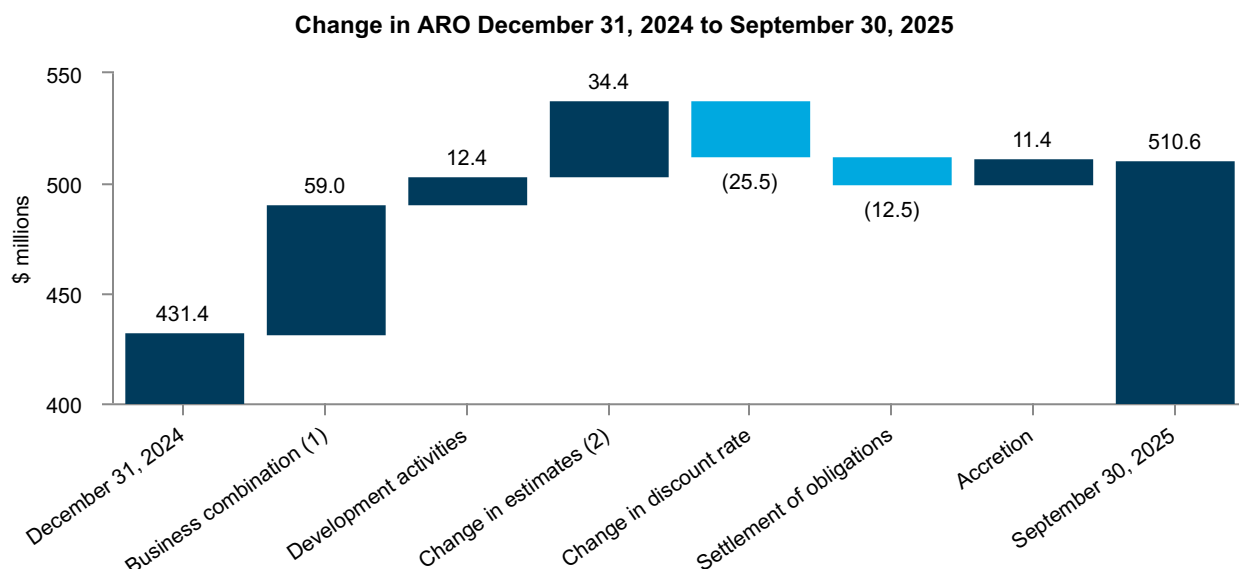
Asset Retirement Obligation ("ARO")

ARC maintains a planned and scheduled approach to its abandonment and reclamation activities. At September 30, 2025, ARC recognized ARO of \$510.6 million (\$431.4 million at December 31, 2024), for the future abandonment and reclamation of its crude oil and natural gas assets, of which \$17.0 million is classified as current and \$493.6 million is classified as long-term (\$17.0 million and \$414.4 million at December 31, 2024, respectively). During the three and nine months ended September 30, 2025, ARC's ARO increased \$59.0 million with the acquisition of the Kakwa Assets. For more information, refer to Note 3 "Business Combination" in the financial statements.

The estimated ARO includes assumptions in respect of actual future costs to abandon wells and decommission and reclaim assets, the time frame in which such costs will be incurred, and annual inflation factors. The future liability has been discounted at a liability-specific risk-free rate of 3.6 per cent (3.3 per cent at December 31, 2024).

Accretion charges of \$4.3 million and \$11.4 million for the three and nine months ended September 30, 2025 (\$3.5 million and \$10.5 million for the same periods in 2024), respectively, have been recognized in interest and financing in the unaudited condensed interim consolidated statements of comprehensive income to reflect the increase in ARO associated with the passage of time. Actual spending under ARC's program for the three and nine months ended September 30, 2025 was \$4.4 million and \$12.5 million (\$4.5 million and \$14.4 million for the same periods in 2024), respectively.

Exhibit 19



(1) For additional information, refer to Note 3 "Business Combination" in the financial statements.

(2) Relates to changes in cost estimates of future obligations and anticipated settlement dates of ARO.

Capitalization, Financial Resources and Liquidity

Capital Management

ARC's capital management objective is to fund dividend payments, lease payments, current period abandonment and reclamation expenditures, and capital expenditures necessary for the replacement of production declines using only funds from operations. Profitable growth activities will be financed with a combination of funds from operations and other sources of capital. ARC believes that investing in development activities that prioritize profitability over production growth creates significant long-term shareholder value.

Maintaining targeted debt levels, paying a sustainable dividend, and exercising capital discipline to manage a moderate pace of development and control its corporate decline rate are the basis for ARC's current capital allocation framework. ARC takes a portfolio approach by periodically evaluating its capital allocation priorities, considering returns to shareholders through sustainable dividend increases and/or share repurchases, and long-term development investments.

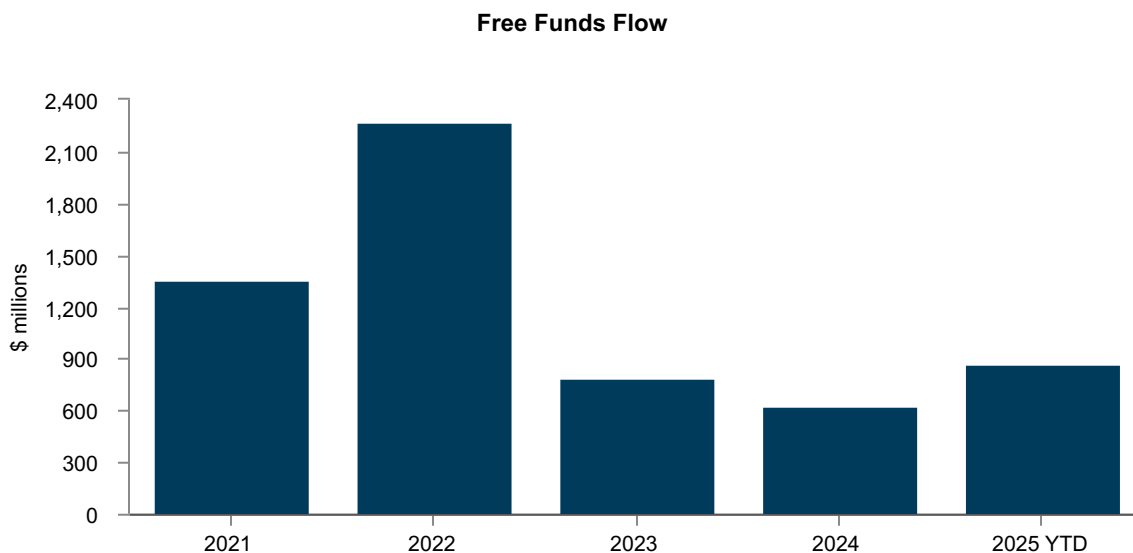
ARC uses free funds flow, defined as funds from operations less capital expenditures, as an indicator of the funds available for capital allocation. For the three and nine months ended September 30, 2025, ARC generated free funds flow of \$282.6 million and \$868.3 million (\$133.8 million and \$206.6 million for the three and nine months ended September 30, 2024), respectively. For the calculation of free funds flow, refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A.

ARC plans to distribute essentially all free funds flow in 2025 to shareholders through dividends and share repurchases. During the nine months ended September 30, 2025, ARC distributed 82 per cent of free funds flow to shareholders. Currently, ARC believes that the optimal mechanism to return shareholder capital is through a combination of a sustainable base dividend that grows over time and continued share repurchases.

During the nine months ended September 30, 2025, ARC declared dividends totaling \$0.57 per share and repurchased 14.6 million common shares under its normal course issuer bid ("NCIB").

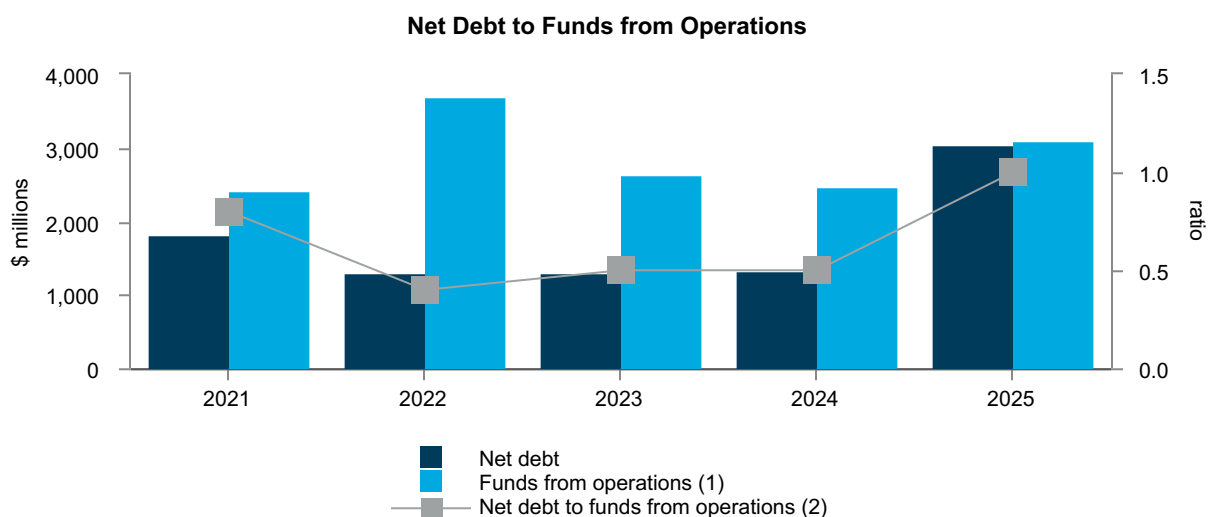
On November 6, 2025, the Board approved an 11 per cent increase to the dividend from \$0.19 per share per quarter to \$0.21 per share per quarter.

Exhibit 20



ARC maintains financial flexibility through its strong balance sheet. ARC manages its capital structure for the long term, with the objective of having its net debt less than 1.5 times funds from operations. At September 30, 2025, ARC's net debt was 1.0 times its funds from operations.

Exhibit 21



(1) 12-month trailing funds from operations.

(2) Composed of net debt divided by 12-month trailing funds from operations.

Long-term Debt

During the nine months ended September 30, 2025, ARC issued \$1.0 billion aggregate principal amount of senior unsecured notes (the "2025 Notes"), obtained a \$500.0 million two-year term loan, and increased the borrowing capacity of its revolving credit facility to \$2.0 billion from \$1.7 billion, which the maturity date was extended to March 2029 from February 2028. For more information, refer to Note 8 "Long-Term Debt" in the financial statements.

At September 30, 2025, ARC's total available credit capacity, including its credit facility, term loan, and senior notes, was \$4.5 billion, of which \$2.8 billion was drawn. ARC's long-term debt balance includes a current portion of \$450.0 million at September 30, 2025 (\$nil at December 31, 2024), reflecting the principal payment that is due to be paid within the next 12 months. ARC intends to finance this obligation by using cash on hand or drawing on its syndicated credit facility at the time the payment is due. At September 30, 2025, ARC's long-term debt had a weighted average interest rate of 3.8 per cent. For more information, refer to Note 8 "Long-term Debt" in the financial statements.

There are no financial covenants associated with the 2025 Notes and there were no changes to any existing debt covenants during the nine months ended September 30, 2025. At September 30, 2025, ARC was in compliance with the financial covenants related to its credit facility as follows:

Table 22

Covenant Description	Position at September 30, 2025
Consolidated Debt not to exceed 60 per cent of Total Capitalization	25 %
Consolidated Tangible Assets of the Restricted Group must exceed 80 per cent of Consolidated Tangible Assets	100 %

Lease Obligations

At September 30, 2025, ARC had lease obligations of \$1.1 billion, of which \$114.4 million is due within one year. ARC's lease obligations primarily relate to office space, equipment used in ARC's operations, and processing facilities. ARC assumed additional lease obligations through its acquisition of the Kakwa Assets. For further information, refer to Note 3 "Business Combination" and Note 7 "Lease Obligations" in the financial statements.

Shareholders' Equity

During the nine months ended September 30, 2025, ARC repurchased 14.6 million common shares under its NCIB at a weighted average price of \$26.86 per share for a total of \$392.2 million, inclusive of all costs. Shares were cancelled upon repurchase.

At September 30, 2025, ARC has recognized a liability of \$64.8 million (\$15.1 million at December 31, 2024) for share repurchases that may take place during its internal blackout period under an automatic share purchase plan agreement with an independent broker. The transaction has been recognized as a reduction to share capital of \$28.3 million and a reduction to retained earnings of \$36.5 million (\$5.6 million and \$9.5 million at December 31, 2024, respectively).

At September 30, 2025, there were 575.7 million common shares outstanding and 0.5 million share options outstanding under ARC's share option plans. For more information, refer to the section entitled "Share Option Plans" contained within this MD&A.

At September 30, 2025, ARC had 0.7 million restricted shares outstanding under its LTRSA Plan. For more information on the restricted shares outstanding and held in trust under ARC's LTRSA Plan, refer to the section entitled "Long-term Restricted Share Award Plan" contained within this MD&A.

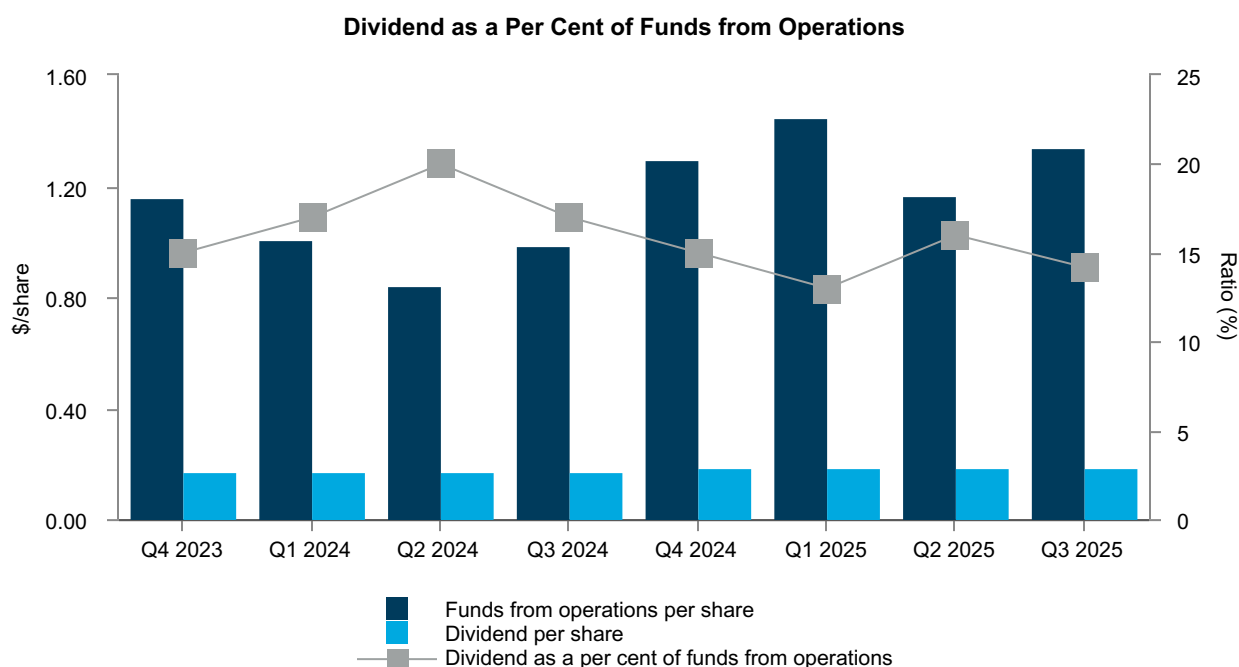
Dividends

ARC's business strategy is focused on value creation and long-term returns to shareholders, with the dividend being an important component. In the third quarter of 2025, ARC declared dividends totaling \$109.6 million (\$0.19 per share) compared to \$100.8 million (\$0.17 per share) in the same period of 2024. ARC declared dividends of \$331.8 million (\$0.57 per share) for the nine months ended September 30, 2025 compared to \$304.0 million (\$0.51 per share) for the same period in 2024.

ARC's dividend as a per cent of funds from operations⁽¹⁾ decreased from an average of 17 per cent and 18 per cent for the three and nine months ended September 30, 2024, respectively, to an average of 14 per cent for both the three and nine months ended September 30, 2025. The decrease in dividend as a per cent of funds from operations for the three and nine months ended September 30, 2025, as compared to the same periods of the prior year, reflects the increase in funds from operations.

(1) Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.

Exhibit 22



The actual amount of future quarterly dividends is proposed by Management and is subject to the approval and discretion of the Board. The Board reviews future dividends in conjunction with their review of quarterly financial and operational results.

On November 6, 2025, the Board approved an 11 per cent increase to the dividend from \$0.19 per share per quarter to \$0.21 per share per quarter.

Please refer to ARC's website at www.arcresources.com for details of the estimated quarterly dividend amounts and dividend dates for 2025.

Contractual Obligations and Commitments

The following is a summary of ARC's contractual obligations and commitments as at September 30, 2025:

Table 23

	Payments Due by Period				Total
	1 Year	2-3 Years	4-5 Years	Beyond 5 Years	
Debt repayments	450.0	1,345.6	—	1,000.0	2,795.6
Interest payments ⁽¹⁾	63.9	117.1	77.8	49.2	308.0
Purchase and service commitments ⁽²⁾	177.4	222.5	889.9	7,380.1	8,669.9
Transportation commitments	723.1	1,182.4	1,072.2	4,673.9	7,651.6
Total contractual obligations and commitments	1,414.4	2,867.6	2,039.9	13,103.2	19,425.1

(1) Fixed interest payments on senior notes.

(2) Includes variable operating costs associated with the Company's lease obligations.

At September 30, 2025, ARC's total contractual obligations and commitments were \$19.4 billion, compared to \$17.6 billion at December 31, 2024. The increase during the nine months ended September 30, 2025, primarily relates to principal and interest amounts associated with the 2025 Notes and additional transportation commitments.

Subsequent to September 30, 2025, ARC executed approximately \$675.0 million of additional transportation commitments through 2035.

Off-Balance Sheet Financing

ARC does not have any guarantees or off-balance sheet arrangements that have been excluded from the unaudited condensed interim consolidated balance sheets other than commitments disclosed in Note 15 "Commitments and Contingencies" of the financial statements.

Critical Accounting Estimates

ARC continuously refines and documents its management and internal reporting systems to ensure that accurate and timely internal and external information is gathered and disseminated.

ARC's financial and operational results incorporate certain estimates including:

- estimated commodity sales from production at a specific reporting date for which actual revenues have not yet been received, including associated estimated credit losses;
- estimated royalty obligations, transportation, and operating expenses at a specific reporting date for which costs have been incurred but have not yet been settled;
- estimated capital expenditures on projects that are in progress;
- estimated DD&A charges that are based on estimates of reserves that ARC expects to recover in the future;
- estimated future recoverable value of PP&E, E&E, and goodwill and any associated impairment charges or reversals;
- estimated fair values of financial instruments, including embedded derivatives, that are subject to fluctuation depending upon the underlying forward curves for commodity prices, foreign exchange rates and interest rates, as well as volatility curves, and the risk of non-performance;
- estimated value of ARO that is dependent upon estimates of future costs and timing of expenditures;
- estimated value of ROU assets and lease obligations that are dependent upon estimates of discount rates and timing of lease payments;
- estimated compensation expense under ARC's share-based compensation plans including the PSUs awarded under the PSU Plans that are dependent on the final number of PSU awards that eventually vest based on a performance multiplier; and
- estimated fair values of assets acquired and liabilities assumed in a business combination.

ARC has hired individuals and consultants who have the skills required to make such estimates and ensures that individuals or departments with the most knowledge of the activity are responsible for the estimates. Further, past estimates are reviewed and compared to actual results, and actual results are compared to budgets in order to make more informed decisions on future estimates. For further information on the determination of certain estimates inherent in the financial statements, refer to Note 5 "Management Judgments and Estimation Uncertainty" in the audited consolidated financial statements for the year ended December 31, 2024.

CONTROL ENVIRONMENT

Internal Control over Financial Reporting ("ICFR")

ARC is required to comply with National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"). The certification of interim filings for the interim period ended September 30, 2025 requires that ARC disclose in the interim MD&A any changes in ARC's ICFR that occurred during the period that have materially affected, or are reasonably likely to materially affect, ARC's ICFR. ARC confirms that no such changes were made to its ICFR during the three and nine months ended September 30, 2025.

NON-GAAP AND OTHER FINANCIAL MEASURES

Throughout this MD&A and in other materials disclosed by the Company, ARC employs certain measures to analyze financial performance, financial position, and cash flow. These non-GAAP and other financial measures do not have any standardized meaning prescribed under IFRS Accounting Standards and therefore may not be comparable to similar measures presented by other entities. 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.

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 and disposition activities as well as the accounting impact of any accrual changes or payments under certain lease arrangements. The most directly comparable GAAP measure for capital expenditures is cash flow used in investing activities. Table 24 details the composition of capital expenditures and its reconciliation to cash flow used in investing activities.

Table 24

Capital Expenditures (\$ millions)	Three Months Ended			Nine Months Ended	
	June 30, 2025	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Cash flow used in investing activities	471.2	2,160.0	339.7	3,060.5	1,482.9
Business combination	—	(1,672.1)	—	(1,672.1)	—
Acquisition of assets	(0.8)	(10.6)	—	(15.4)	(5.1)
Disposal of assets	4.0	—	80.0	4.0	80.0
Long-term investments	(0.9)	(0.8)	(0.6)	(2.0)	(4.7)
Change in non-cash investing working capital	14.7	9.6	31.0	47.9	(75.6)
Non-cash capitalized ROU asset depreciation	8.1	10.3	8.5	26.9	18.0
Capital expenditures	496.3	496.4	458.6	1,449.8	1,495.5

Free Funds Flow

ARC uses free funds flow as an indicator of the efficiency and liquidity of ARC's business, measuring its funds available after capital expenditures 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. Table 25 details the calculation of free funds flow and its reconciliation to cash flow from operating activities.

Table 25

Free Funds Flow (\$ millions)	Three Months Ended			Nine Months Ended	
	June 30, 2025	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Cash flow from operating activities	699.1	713.3	518.4	2,425.4	1,697.7
Net change in other liabilities	7.7	32.5	17.9	87.6	23.1
Change in non-cash operating working capital	(24.7)	33.2	56.1	(194.9)	(18.7)
Funds from operations	682.1	779.0	592.4	2,318.1	1,702.1
Capital expenditures	(496.3)	(496.4)	(458.6)	(1,449.8)	(1,495.5)
Free funds flow	185.8	282.6	133.8	868.3	206.6

Netback

ARC computes netback as commodity sales from production less royalties, operating, and transportation expense. Management believes that netback is a key industry performance indicator and one that provides investors with information that is also commonly presented by other crude oil and natural gas producers. ARC's netback is disclosed in Table 13 within this MD&A which includes its most directly comparable GAAP measure, commodity sales from production.

Adjusted EBIT

ARC calculates adjusted EBIT as net income plus interest and financing, less accretion expense, plus total income taxes. ARC uses adjusted EBIT as a measure of long-term operating performance and as a component in the calculation for ROACE, which is calculated by ARC for the 12 months preceding the period end, on an annual basis, and a four-year basis. Table 26 contains a reconciliation of adjusted EBIT to the most directly comparable GAAP measure, net income.

Table 26

	Twelve Months Ended	Twelve Months Ended December 31				
Adjusted EBIT (\$ millions)	September 30, 2025	2024	2023	2022	2021	2021 - 2024 Average ⁽¹⁾
Net income	1,385.5	1,124.1	1,596.5	2,302.3	786.6	1,452.4
Add interest and financing	139.2	133.8	105.5	97.2	126.1	115.7
Less accretion expense	(15.5)	(14.1)	(13.2)	(11.0)	(9.5)	(12.0)
Add income taxes	383.3	330.9	460.8	675.9	208.5	419.0
Adjusted EBIT	1,892.5	1,574.7	2,149.6	3,064.4	1,111.7	1,975.1

(1) Average for the years ended December 31, 2021, 2022, 2023, and 2024.

Average Capital Employed

ARC calculates average capital employed as the total of net debt plus current and long-term portions of lease obligations and shareholders' equity. ARC uses average capital employed as a measure of long-term capital management and operating performance, and as a component in the calculation for ROACE. Table 27 contains a reconciliation of average capital employed to the most directly comparable GAAP measure, shareholders' equity.

Table 27

	Twelve Months Ended	Twelve Months Ended December 31				
Average Capital Employed (\$ millions)	September 30, 2025	2024	2023	2022	2021	2021 - 2024 Average ⁽¹⁾
Net debt - beginning of period	1,560.6	1,317.1	1,301.5	1,828.7	693.5	693.5
Current portion of lease obligations	97.8	85.2	92.4	109.3	15.3	15.3
Long-term portion of lease obligations	929.2	974.6	702.9	760.0	33.9	33.9
Shareholders' equity - beginning of period	7,729.0	7,427.8	6,653.5	5,927.5	2,790.6	2,790.6
Opening capital employed (A)	10,316.6	9,804.7	8,750.3	8,625.5	3,533.3	3,533.3
Net debt - end of period	3,056.6	1,335.6	1,317.1	1,301.5	1,828.7	1,335.6
Current portion of lease obligations	114.4	92.8	85.2	92.4	109.3	92.8
Long-term portion of lease obligations	948.6	908.5	974.6	702.9	760.0	908.5
Shareholders' equity - end of period	8,204.2	7,948.2	7,427.8	6,653.5	5,927.5	7,948.2
Closing capital employed (B)	12,323.8	10,285.1	9,804.7	8,750.3	8,625.5	10,285.1
Average capital employed (A+B)/2	11,320.2	10,044.9	9,277.5	8,687.9	6,079.4	6,909.2

(1) Average for the years ended December 31, 2021, 2022, 2023, and 2024.

Non-GAAP Ratios

Netback per boe

ARC calculates netback per boe as netback divided by weighted average daily production. Netback is a non-GAAP financial measure component of netback per boe. Management believes that netback per boe is a key industry performance measure of operational efficiency and one that provides investors with information that is also commonly presented by other crude oil and natural gas producers. ARC's netback per boe is disclosed in Table 13a within this MD&A.

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. ROACE is calculated by ARC for the 12 months preceding the period end, on an annual basis, and a four-year basis in Table 28:

Table 28

	Twelve Months Ended September 30, 2025	Twelve Months Ended December 31				2021 - 2024 Average ⁽¹⁾
		2024	2023	2022	2021	
ROACE (\$ millions)						
Adjusted EBIT	1,892.5	1,574.7	2,149.6	3,064.4	1,111.7	1,975.1
Divided by average capital employed	11,320.2	10,044.9	9,277.5	8,687.9	6,079.4	6,909.2
ROACE (%)	17	16	23	35	18	29

(1) Average for the years ended December 31, 2021, 2022, 2023, and 2024.

Capital Management Measures

Funds from Operations

ARC considers funds from operations to be a key measure of capital management as it demonstrates ARC's ability to generate the necessary funds to maintain production at current levels and fund future growth through capital investment. Management believes that such a measure provides an insightful assessment of ARC's financial performance on a continuing basis by eliminating certain non-cash charges and actual settlements of ARO, of which the nature and timing of expenditures are discretionary. Funds from operations is not a standardized measure and therefore may not be comparable with the calculation of similar measures by other entities.

Funds from operations for the three and nine months ended September 30, 2025 and 2024 is calculated as follows in Table 29:

Table 29

Funds from Operations (\$ millions)	Three Months Ended			Nine Months Ended	
	June 30, 2025	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Cash flow from operating activities	699.1	713.3	518.4	2,425.4	1,697.7
Net change in other liabilities	7.7	32.5	17.9	87.6	23.1
Change in non-cash operating working capital	(24.7)	33.2	56.1	(194.9)	(18.7)
Funds from operations	682.1	779.0	592.4	2,318.1	1,702.1

Net Debt and Net Debt to Funds from Operations

Net debt and net debt to funds from operations are used by Management as key measures to assess the Company's liquidity position at a point in time. Net debt and net debt to funds from operations is reflective of the measures used by Management to monitor its liquidity in light of operating and capital budgeting decisions. Net debt is not a standardized measure and therefore may not be comparable with the calculation of similar measures by other entities. Table 30 details the composition of ARC's net debt and net debt to funds from operations as at September 30, 2025 and December 31, 2024:

Table 30

Net Debt (\$ millions, except ratio amounts)	September 30, 2025	December 31, 2024
Long-term debt ⁽¹⁾	2,784.8	1,387.4
Accounts payable and accrued liabilities	875.1	634.4
Dividends payable	109.6	112.2
Cash and cash equivalents, accounts receivable, and prepaid expense	(712.9)	(798.4)
Net debt	3,056.6	1,335.6
Funds from operations ⁽²⁾	3,088.5	2,472.5
Net debt to funds from operations (ratio) ⁽³⁾	1.0	0.5

(1) Includes current portion of long-term debt at September 30, 2025 of \$450.0 million.

(2) 12-month trailing funds from operations.

(3) Composed of net debt divided by 12-month trailing funds from operations.

Supplementary Financial Measures

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

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

"Average realized crude oil price" is comprised of crude oil commodity sales from production, as determined in accordance with IFRS Accounting Standards, divided by the Company's crude oil production.

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

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

"Cash flow from operating activities per basic share" is comprised of cash flow from operating activities, as determined in accordance with IFRS Accounting Standards, divided by basic weighted average common shares outstanding.

"Cash flow from operating activities per diluted share" is comprised of cash flow from operating activities, as determined in accordance with IFRS Accounting Standards, divided by diluted weighted average common shares outstanding.

"Commodity sales from production per basic share" is comprised of commodity sales from production, as determined in accordance with IFRS Accounting Standards, divided by basic weighted average common shares.

"Commodity sales from production per diluted share" is comprised of commodity sales from production, as determined in accordance with IFRS Accounting Standards, divided by diluted weighted average common shares.

"Commodity sales from production per boe" is comprised of commodity sales from production, as determined in accordance with IFRS Accounting Standards, divided by the Company's total production.

"Current income tax expense, as a per cent of funds from operations" is comprised of current income tax expense, as determined in accordance with IFRS Accounting Standards, divided by funds from operations.

"DD&A expense per boe" is comprised of DD&A expense, as determined in accordance with IFRS Accounting Standards, divided by the Company's total production.

"Dividend as a per cent of funds from operations" is comprised of dividends declared, as determined in accordance with IFRS Accounting Standards, divided by funds from operations.

"Dividends declared per share" is comprised of dividends declared, as determined in accordance with IFRS Accounting Standards, divided by the number of shares outstanding at the dividend record date.

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

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

"G&A expense per boe" is comprised of G&A expense, as determined in accordance with IFRS Accounting Standards, divided by the Company's total production.

"G&A expense before share-based compensation expense per boe" is comprised of G&A expense as determined in accordance with IFRS Accounting Standards, excluding share-based compensation expense, divided by the Company's total production.

"G&A – share-based compensation expense per boe" is comprised of G&A expense as determined in accordance with IFRS Accounting Standards, excluding G&A expense not attributable to share-based compensation plans, divided by the Company's total production.

"Interest and financing expense per boe" is comprised of interest and financing expense, as determined in accordance with IFRS Accounting Standards, divided by the Company's total production.

"Operating expense per boe" is comprised of operating expense, as determined in accordance with IFRS Accounting Standards, divided by the Company's total production.

"Royalties as a percentage of commodity sales from production" is comprised of royalties, as determined in accordance with IFRS Accounting Standards, divided by commodity sales from production, as determined in accordance with IFRS Accounting Standards.

"Royalties per boe" is comprised of royalties, as determined in accordance with IFRS Accounting Standards, divided by the Company's total production.

"Transportation expense per boe" is comprised of transportation expense, as determined in accordance with IFRS Accounting Standards, divided by the Company's total production.

FORWARD-LOOKING INFORMATION AND STATEMENTS

This MD&A contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect," "anticipate," "continue," "estimate," "objective," "ongoing," "may," "will," "project," "should," "believe," "plans," "intends," "strategy," and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this MD&A contains forward-looking information and statements pertaining to the following: ARC's revised 2025 annual guidance, production guidance, expense guidance and guidance with respect to current income tax expense as a per cent of funds from operations and ARC's expectations related thereto, planned 2025 capital expenditures, the approved 2026 capital budget and the expectation that it will deliver record average annual production under the heading "Annual Guidance"; ARC's previously announced LNG agreement with EMLAP and the anticipated volumes and terms associated therewith under the heading "Commodity Prices"; ARC's expectations regarding the estimated fair value of the embedded derivatives; the terms, including the anticipated timing of commencement, volumes, delivery points, and pricing formulas, under certain of ARC's long-term natural gas supply agreements and the expectation that the estimated fair value of such contracts may fluctuate over time under the heading "Risk Management Contracts"; the anticipated vesting of RSUs and PSUs, expected variability of future payments under the RSU and PSU Plans, the estimated range of future expected payments under such plans and expectations regarding the value of RSUs and PSUs upon vesting under the heading "Restricted Share Unit and Performance Share Unit Plans"; expectations regarding ARC's available tax pools under the heading "Taxes"; ARC's estimated ARO under the heading "Asset Retirement Obligation"; ARC's capital management objectives, the anticipated sources of financing for profitable growth activities, ARC's belief that investing in development activities that prioritize profitability over production growth creates significant long-term shareholder value, ARC's plans to allocate free funds flow to shareholders through dividends and the repurchase of shares, and ARC's target net debt to funds from operations under the heading "Capitalization, Financial Resources and Liquidity"; ARC's intentions regarding ARC's long-term debt, its sources of financing for repayment and the anticipated timing thereof under the heading "Long-term Debt"; ARC's estimated value of lease obligations and the portion of its lease obligations that is due within one year under the heading "Lease Obligations"; ARC's expectations regarding share repurchases during its internal blackout period under the heading "Shareholders' Equity"; ARC's intentions to continue paying dividends and the anticipated amounts and timing thereof under the heading "Dividends"; expectations with respect to ARC's commitments under its contracts and the timing thereof under the heading "Contractual Obligations and Commitments" and similar statements.

The forward-looking information and statements contained in this MD&A reflect material factors, expectations, and assumptions of ARC including, without limitation: that ARC will continue to conduct its operations in a manner consistent with past operations; assumptions regarding ARC's share price; assumptions with respect to natural gas curtailments; ARC's ability to issue securities and to repurchase its securities under its NCIB; that counterparties to ARC's various agreements will comply with their contractual obligations; assumptions regarding the successful implementation of future agreements; the duration and impact of tariffs that are currently in effect on goods exported from or imported into Canada, and that other than the tariffs that are currently in effect, neither the U.S. nor Canada (i) increases the rate or scope of such tariffs, reenacts tariffs that are currently suspended, or imposes new tariffs, on the import of goods from one country to the other, including on crude oil and natural gas, and/or (ii) imposes any other form of tax, restriction, or prohibition on the import or export of products from one country to the other, including on crude oil and natural gas; 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; assumptions with respect to global economic conditions and the accuracy of ARC's market outlook expectations for 2025 and in the future; the general continuance of current industry conditions; the continuance of existing tax, royalty, tariff, and regulatory regimes; the accuracy of the estimates of ARC's reserve volumes; certain commodity price and other cost assumptions; and the continued availability of adequate debt and equity financing and funds from operations to fund its planned expenditures. ARC believes the material factors, expectations, and assumptions reflected in the forward-looking information and statements are reasonable, but no assurance can be given that these factors, expectations, and assumptions will prove to be correct.

The forward-looking information and statements included in this MD&A are not guarantees of future performance and should not be unduly relied upon. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation: volatility of commodity prices; adverse economic conditions; political uncertainty; 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 crude 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 crude 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 crude oil and natural gas industry and the Company, including by decreasing demand for (and the price of) crude oil and natural gas, disrupting supply chains, increasing costs, causing volatility in global financial markets, and limiting access to financing; lack of capacity on, 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; and certain other risks detailed in ARC's public disclosure documents. Readers should also carefully consider the risks discussed in the section entitled "Risk Factors" contained within the MD&A 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) will be subject to the discretion of the Board 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 the Board. There can be no assurance that ARC will pay dividends in the future.

The forward-looking information in this MD&A also includes financial outlooks and other related forward-looking information (including production and financial-related metrics) relating to ARC, including, but not limited to: the expectations of ARC regarding 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 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. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted, and as such, undue reliance should not be placed on financial outlook and/or forward-looking statements. The financial outlook and forward-looking information contained in this MD&A is as of the date of this MD&A, and ARC does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws.

GLOSSARY

The following is a list of abbreviations that may be used in this MD&A:

Measurement

bbl	barrel
bbl/d	barrels per day
Mbbl	thousand barrels
MMbbl	million barrels
boe ⁽¹⁾	barrels of oil equivalent
boe/d ⁽¹⁾	barrels of oil equivalent per day
Mboe ⁽¹⁾	thousands of barrels of oil equivalent
MMboe ⁽¹⁾	millions of barrels of oil equivalent
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
MMBtu	million British thermal units
GJ	gigajoule

- (1) ARC has 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.

Financial and Business Environment

AECO	Alberta Energy Company
AIF	annual information form
ARO	asset retirement obligation
DD&A	depletion, depreciation and amortization
DSU	Deferred Share Unit
E&E	exploration and evaluation
GAAP	generally accepted accounting principles
G&A	general and administrative
IFRS	International Financial Reporting Standards
JKM	Japan Korea Marker
LNG	liquefied natural gas
LTRSA	Long-term Restricted Share Award
NCIB	normal course issuer bid
NGLs	natural gas liquids
NYMEX	New York Mercantile Exchange
PP&E	property, plant and equipment
PSU	Performance Share Unit
ROU	right-of-use
RSU	Restricted Share Unit
TSX	Toronto Stock Exchange
TTF	Title Transfer Facility
WTI	West Texas Intermediate

QUARTERLY HISTORICAL REVIEW

(\$ millions, except per share amounts)	2025			2024				2023
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
FINANCIAL								
Commodity sales from production	1,263.5	1,229.2	1,490.2	1,345.5	1,054.4	1,001.7	1,202.1	1,300.2
Per share, basic ⁽¹⁾	2.18	2.10	2.53	2.28	1.77	1.68	2.01	2.16
Per share, diluted ⁽¹⁾	2.17	2.10	2.53	2.27	1.77	1.67	2.01	2.16
Net income	214.4	396.1	404.7	370.3	328.9	239.5	185.4	506.3
Per share, basic	0.37	0.68	0.69	0.63	0.55	0.40	0.31	0.84
Per share, diluted	0.37	0.68	0.69	0.63	0.55	0.40	0.31	0.84
Cash flow from operating activities	713.3	699.1	1,013.0	650.9	518.4	543.0	636.3	698.9
Per share, basic ⁽¹⁾	1.23	1.20	1.72	1.10	0.87	0.91	1.07	1.16
Per share, diluted ⁽¹⁾	1.23	1.19	1.72	1.10	0.87	0.91	1.06	1.16
Funds from operations	779.0	682.1	857.0	770.4	592.4	502.8	606.9	699.2
Per share, basic ⁽¹⁾	1.34	1.17	1.46	1.30	1.00	0.84	1.02	1.16
Per share, diluted ⁽¹⁾	1.34	1.17	1.45	1.30	0.99	0.84	1.01	1.16
Free funds flow	282.6	185.8	399.9	420.4	133.8	(29.5)	102.3	154.7
Per share, basic ⁽¹⁾	0.49	0.32	0.68	0.71	0.22	(0.05)	0.17	0.26
Per share, diluted ⁽¹⁾	0.49	0.32	0.68	0.71	0.22	(0.05)	0.17	0.26
Cash flow used in investing activities	2,160.0	471.2	429.3	423.3	339.7	643.4	499.8	434.3
Dividends declared	109.6	110.9	111.3	112.2	100.8	101.6	101.6	101.7
Per share	0.19	0.19	0.19	0.19	0.17	0.17	0.17	0.17
Total assets	15,181.3	14,177.9	13,040.2	13,099.7	12,901.2	12,593.4	12,325.5	12,382.9
Total liabilities	6,977.1	5,881.9	4,942.1	5,151.5	5,172.2	4,965.4	4,827.1	4,955.1
Net debt	3,056.6	1,289.2	1,260.5	1,335.6	1,560.6	1,477.9	1,336.1	1,317.1
Weighted average shares, basic	580.6	584.0	588.5	591.0	595.1	596.6	596.7	601.0
Weighted average shares, diluted	581.5	585.0	589.7	592.3	596.4	598.2	598.4	602.8
Shares outstanding, end of period	575.7	582.5	585.0	589.6	591.7	596.7	596.7	596.9
CAPITAL EXPENDITURES								
Geological and geophysical	3.2	1.8	10.5	2.3	4.6	1.5	2.7	1.4
Drilling and completions	445.5	436.1	400.4	264.3	390.3	470.2	380.1	387.5
Plant and facilities	25.1	29.4	38.5	57.0	52.7	11.4	101.9	132.9
Maintenance and optimization	25.2	15.3	5.7	9.7	17.0	35.7	14.1	14.6
Corporate	(2.6)	13.7	2.0	16.7	(6.0)	13.5	5.8	8.1
Capital expenditures	496.4	496.3	457.1	350.0	458.6	532.3	504.6	544.5
Acquisitions	49.6	0.8	4.0	16.4	—	5.0	0.1	22.0
Dispositions	—	(4.0)	—	(7.6)	(80.0)	—	—	(66.3)
Capital expenditures, and net acquisitions and dispositions	546.0	493.1	461.1	358.8	378.6	537.3	504.7	500.2
OPERATING								
Production								
Crude oil and condensate (bbl/d)	113,959	100,399	94,334	102,977	88,517	74,713	82,672	85,805
Natural gas (MMcf/d)	1,172	1,307	1,411	1,418	1,203	1,286	1,322	1,380
NGLs (bbl/d)	50,014	38,999	42,821	42,998	37,797	40,994	49,411	49,474
Total (boe/d)	359,236	357,228	372,265	382,341	326,768	330,046	352,328	365,248
Average realized commodity prices								
Crude oil (\$/bbl)	82.75	82.56	87.90	91.46	92.22	100.28	83.83	93.34
Condensate (\$/bbl)	84.66	85.35	99.28	95.52	95.38	103.73	94.58	99.09
Natural gas (\$/Mcf)	2.75	3.19	4.19	2.58	1.78	1.86	3.19	3.33
NGLs (\$/bbl)	17.47	20.39	31.98	26.83	23.77	21.69	25.65	21.97
Oil equivalent (\$/boe)	38.23	37.81	44.48	38.25	35.07	33.35	37.49	38.69
TRADING STATISTICS ⁽²⁾								
(\$, based on intra-day trading)								
High	29.27	31.56	29.05	27.40	26.45	26.18	24.32	23.77
Low	23.67	22.63	23.85	22.48	21.44	23.45	19.44	19.02
Close	25.38	28.71	28.93	26.07	22.86	24.41	24.15	19.67
Average daily volume (thousands)	5,046	3,559	3,674	3,747	3,696	3,648	3,343	4,271

(1) Refer to the section entitled "Non-GAAP and Other Financial Measures" contained within this MD&A for an explanation of composition.

(2) Trading statistics denote trading activity on the TSX only.

Q32025

Financial
Statements

ARC RESOURCES LTD.

CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS

(unaudited)

As at

(Cdn\$ millions)	September 30, 2025	December 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents	3.0	—
Inventory	26.1	12.4
Accounts receivable	564.5	691.0
Prepaid expense	145.4	107.4
Risk management contracts (Note 11)	125.1	190.1
	864.1	1,000.9
Risk management contracts (Note 11)	102.2	154.1
Long-term investments	28.9	27.7
Exploration and evaluation assets (Note 4)	431.6	338.1
Property, plant and equipment (Notes 3 and 5)	12,499.8	10,373.9
Right-of-use and other long-term assets (Notes 3 and 6)	1,006.5	956.8
Goodwill	248.2	248.2
Total assets	15,181.3	13,099.7
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	875.1	634.4
Current portion of lease obligations (Notes 3 and 7)	114.4	92.8
Current portion of long-term debt (Notes 3 and 8)	450.0	—
Current portion of other deferred liabilities	29.4	23.3
Current portion of asset retirement obligation (Notes 3 and 9)	17.0	17.0
Dividends payable (Note 12)	109.6	112.2
Risk management contracts (Note 11)	—	1.0
	1,595.5	880.7
Risk management contracts (Note 11)	30.2	37.1
Long-term portion of lease obligations (Notes 3 and 7)	948.6	908.5
Long-term debt (Notes 3 and 8)	2,334.8	1,387.4
Long-term incentive compensation liability (Note 14)	23.8	76.2
Other deferred liabilities	118.6	95.8
Asset retirement obligation (Notes 3 and 9)	493.6	414.4
Deferred taxes	1,432.0	1,351.4
Total liabilities	6,977.1	5,151.5
SHAREHOLDERS' EQUITY		
Shareholders' capital (Note 12)	6,024.7	6,194.3
Contributed surplus	28.3	31.6
Retained earnings	2,153.4	1,728.5
Accumulated other comprehensive loss	(2.2)	(6.2)
Total shareholders' equity	8,204.2	7,948.2
Total liabilities and shareholders' equity	15,181.3	13,099.7
Commitments and contingencies (Note 15)		

See accompanying notes to the unaudited condensed interim consolidated financial statements.

ARC RESOURCES LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (unaudited)

For the three and nine months ended September 30

	Three Months Ended		Nine Months Ended	
(Cdn\$ millions, except per share amounts)	2025	2024	2025	2024
Commodity sales from production (Note 13)	1,263.5	1,054.4	3,982.9	3,258.2
Royalties	(138.0)	(123.0)	(421.5)	(381.8)
Sales of third-party purchases (Note 13)	256.1	283.3	868.5	798.3
Total revenue	1,381.6	1,214.7	4,429.9	3,674.7
Interest and other income	2.9	9.3	16.1	14.4
Gain (loss) on risk management contracts (Note 11)	(28.4)	144.4	83.5	213.5
Total revenue, interest and other income, and gain (loss) on risk management contracts	1,356.1	1,368.4	4,529.5	3,902.6
Operating	210.4	147.3	541.0	449.5
Transportation	147.4	157.7	507.5	485.9
Third-party purchases (Note 16)	248.2	278.4	851.4	793.9
General and administrative	24.4	45.1	128.2	182.2
Interest and financing	46.5	33.8	103.0	97.6
Impairment (reversal of impairment) of financial assets	1.7	1.1	(1.3)	1.7
Depletion, depreciation and amortization and impairment of property, plant and equipment (Notes 5 and 6)	401.8	333.5	1,100.1	988.3
Loss (gain) on foreign exchange	(1.2)	22.5	13.8	7.5
Gain on disposal of assets	—	(80.0)	(4.0)	(80.0)
Total expenses	1,079.2	939.4	3,239.7	2,926.6
Net income before income taxes	276.9	429.0	1,289.8	976.0
Provision for income taxes				
Current	19.0	30.4	194.0	128.0
Deferred	43.5	69.7	80.6	94.2
Total income taxes	62.5	100.1	274.6	222.2
Net income	214.4	328.9	1,015.2	753.8
Other comprehensive income				
Items that may be reclassified to net income in subsequent periods:				
Net unrealized gain (loss) on foreign currency translation adjustment	(1.0)	18.6	4.0	12.2
Comprehensive income	213.4	347.5	1,019.2	766.0
Net income per share (Note 12)				
Basic	0.37	0.55	1.74	1.26
Diluted	0.37	0.55	1.73	1.26

See accompanying notes to the unaudited condensed interim consolidated financial statements.

ARC RESOURCES LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (unaudited)

For the nine months ended September 30

(Cdn\$ millions)	Shareholders' Capital (Note 12)	Contributed Surplus	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
December 31, 2023	6,268.2	36.1	1,141.4	(17.9)	7,427.8
Comprehensive income	—	—	753.8	12.2	766.0
Share-based compensation plans (Note 14)	1.2	(0.4)	—	—	0.8
Exercise of share options (Note 14)	19.0	(4.0)	—	—	15.0
Repurchase of shares for cancellation (Note 12)	(69.2)	—	(83.0)	—	(152.2)
Change in liability for share purchase commitment (Note 12)	(11.2)	—	(13.2)	—	(24.4)
Dividends declared (Note 12)	—	—	(304.0)	—	(304.0)
September 30, 2024	6,208.0	31.7	1,495.0	(5.7)	7,729.0
December 31, 2024	6,194.3	31.6	1,728.5	(6.2)	7,948.2
Comprehensive income	—	—	1,015.2	4.0	1,019.2
Share-based compensation plans (Note 14)	2.5	(2.0)	—	—	0.5
Exercise of share options (Note 14)	11.3	(1.3)	—	—	10.0
Repurchase of shares for cancellation (Note 12)	(160.7)	—	(231.5)	—	(392.2)
Change in liability for share purchase commitment (Note 12)	(22.7)	—	(27.0)	—	(49.7)
Dividends declared (Note 12)	—	—	(331.8)	—	(331.8)
September 30, 2025	6,024.7	28.3	2,153.4	(2.2)	8,204.2

See accompanying notes to the unaudited condensed interim consolidated financial statements.

ARC RESOURCES LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

For the three and nine months ended September 30

	Three Months Ended		Nine Months Ended	
(Cdn\$ millions)	2025	2024	2025	2024
CASH FLOW FROM OPERATING ACTIVITIES				
Net income	214.4	328.9	1,015.2	753.8
Add items not involving cash:				
Unrealized loss (gain) on risk management contracts (Note 11)	111.0	(84.5)	109.0	(72.9)
Depletion, depreciation and amortization and impairment of property, plant and equipment (Notes 5 and 6)	401.8	333.5	1,100.1	988.3
Unrealized loss on foreign exchange	0.3	21.0	3.3	7.8
Gain on disposal of assets	—	(80.0)	(4.0)	(80.0)
Deferred taxes	43.5	69.7	80.6	94.2
Other (Note 16)	8.0	3.8	13.9	10.9
Net change in other liabilities (Note 16)	(32.5)	(17.9)	(87.6)	(23.1)
Change in non-cash working capital (Note 16)	(33.2)	(56.1)	194.9	18.7
Cash flow from operating activities	713.3	518.4	2,425.4	1,697.7
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES				
Draw of long-term debt under credit facilities (Note 8)	3,364.8	1,863.2	5,427.4	5,159.5
Issuance of senior notes (Notes 3 and 8)	—	—	1,000.0	—
Issuance of term loan (Notes 3 and 8)	500.0	—	500.0	—
Repayment of long-term debt	(3,069.3)	(1,803.0)	(5,524.0)	(4,869.3)
Proceeds from exercise of share options	0.1	0.4	10.0	15.0
Repurchase of shares	(169.7)	(118.8)	(377.1)	(150.2)
Repayment of principal relating to lease obligations	(23.1)	(25.4)	(75.0)	(68.0)
Cash dividends paid	(110.9)	(101.6)	(334.4)	(304.9)
Change in non-cash working capital (Note 16)	8.0	3.3	11.2	2.0
Cash flow from (used in) financing activities	499.9	(181.9)	638.1	(215.9)
CASH FLOW USED IN INVESTING ACTIVITIES				
Business combination (Note 3)	(1,672.1)	—	(1,672.1)	—
Acquisition of assets (Notes 5 and 6)	(10.6)	—	(15.4)	(5.1)
Disposition of assets	—	80.0	4.0	80.0
Property, plant and equipment development expenditures (Note 5)	(472.2)	(439.9)	(1,380.3)	(1,457.5)
Exploration and evaluation asset expenditures (Note 4)	(13.9)	(10.2)	(42.6)	(20.0)
Long-term investments	(0.8)	(0.6)	(2.0)	(4.7)
Change in non-cash working capital (Note 16)	9.6	31.0	47.9	(75.6)
Cash flow used in investing activities	(2,160.0)	(339.7)	(3,060.5)	(1,482.9)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(946.8)	(3.2)	3.0	(1.1)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	949.8	3.2	—	1.1
CASH AND CASH EQUIVALENTS, END OF PERIOD	3.0	—	3.0	—
The following are included in cash flow from operating activities:				
Income taxes paid in cash	47.6	40.8	128.2	142.3
Interest paid in cash	38.1	37.4	85.0	92.6

See accompanying notes to the unaudited condensed interim consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2025 and 2024

1. Structure of the Business

The principal undertakings of ARC Resources Ltd. and any subsidiaries ("ARC" or the "Company") are to carry on the business of acquiring, developing, and holding interests in crude oil and natural gas assets.

ARC was incorporated in Alberta, Canada and the Company's registered office and principal place of business is located at 1500, 308 – 4th Avenue SW, Calgary, Alberta, Canada T2P 0H7. ARC's common shares are traded on the Toronto Stock Exchange ("TSX") under the symbol ARX.

2. Basis of Preparation

These unaudited condensed interim consolidated financial statements (the "financial statements") have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). These financial statements are condensed as they do not include all of the information required by IFRS Accounting Standards for annual financial statements and therefore should be read in conjunction with ARC's audited consolidated financial statements for the year ended December 31, 2024. All financial information is reported in millions of Canadian dollars ("Cdn\$"), unless otherwise noted as United States dollars ("US\$").

The financial statements have been prepared on a historical cost basis, except those items that are presented at fair value as detailed in the accounting policies disclosed in Note 3 "Summary of Material Accounting Policies" of ARC's audited consolidated financial statements for the year ended December 31, 2024. All accounting policies and methods of computation followed in the preparation of these financial statements are consistent with those of the previous year, except for income taxes. Income taxes on net income in the interim periods are accrued using the income tax rate that would be applicable to the expected total annual net income.

All inter-entity transactions have been eliminated upon consolidation between ARC and any subsidiaries in these financial statements. ARC's operations are viewed as a single operating segment by the chief operating decision maker of the Company for the purpose of resource allocation and assessing performance.

These financial statements were authorized for issue by ARC's board of directors (the "Board") on November 6, 2025.

3. Business Combination

On July 2, 2025, ARC completed an acquisition of condensate-rich Montney assets in the Kakwa region in Alberta (the "Kakwa Assets") from Strathcona Resources Ltd. for total cash consideration of \$1.7 billion (the "Transaction"). The Transaction has been recognized as a business combination using the acquisition method in accordance with the accounting policies disclosed in Note 3 "Summary of Material Accounting Policies" of ARC's audited consolidated financial statements for the year ended December 31, 2024.

The Transaction expands ARC's holdings in its core Kakwa region, increases its drilling inventory in the area, increases ARC's owned-and-operated infrastructure, and presents operational and financial synergies with ARC's contiguous operations.

Purchase Price Allocation

The following purchase price allocation is based on Management's best estimate of the assets acquired and liabilities assumed and is subject to change based upon finalizing the value of the net assets acquired.

Cash consideration	1,672.1
Identifiable net assets	
Property, plant and equipment	1,702.6
Right-of-use asset	50.8
Lease obligation	(50.8)
Asset retirement obligation	(30.5)
Total identifiable net assets	1,672.1

Liquidity and Commitments

The Transaction was financed with proceeds from the offering of \$1.0 billion aggregate principal amount of senior unsecured notes that closed in June of 2025, a \$500.0 million two-year term loan, and borrowings under ARC's revolving credit facility, for which the borrowing capacity was increased from \$1.7 billion to \$2.0 billion. There are no new financial covenants and no changes to ARC's existing debt covenants. For more information, refer to Note 8 "Long-term Debt".

Upon closing of the Transaction, ARC assumed approximately \$190.0 million of additional commitments relating to transportation and natural gas processing.

Revenue and Net Income Contribution

As a result of the Transaction, ARC's total revenue and net income increased by \$100.8 million and \$18.1 million, respectively, for the nine months ended September 30, 2025.

If the Transaction had occurred on January 1, 2025, pro forma total revenue and net income is estimated to be approximately \$340.0 million and \$95.0 million, respectively, for the nine months ended September 30, 2025; however, these estimates may not be representative of actual results.

Transaction costs were not significant and were recognized in general and administrative expense in the unaudited condensed interim consolidated statements of comprehensive income ("statements of comprehensive income").

4. Exploration and Evaluation Assets

Carrying Amount	
Balance, December 31, 2024	338.1
Additions	42.6
Acquisitions	49.6
Change in asset retirement cost	1.3
Balance, September 30, 2025	431.6

5. Property, Plant and Equipment ("PP&E")

Cost	Development and Production Assets	Corporate Assets	Total
Balance, December 31, 2024	18,950.0	155.3	19,105.3
Acquired through a business combination (Note 3)	1,702.6	—	1,702.6
Additions	1,389.8	17.4	1,407.2
Acquisitions	4.8	—	4.8
Change in asset retirement cost	48.5	—	48.5
Balance, September 30, 2025	22,095.7	172.7	22,268.4

Accumulated Depletion, Depreciation and Amortization ("DD&A")

Balance, December 31, 2024	(8,610.8)	(120.6)	(8,731.4)
DD&A	(1,030.5)	(6.7)	(1,037.2)
Balance, September 30, 2025	(9,641.3)	(127.3)	(9,768.6)

Carrying Amounts

Balance, December 31, 2024	10,339.2	34.7	10,373.9
Balance, September 30, 2025	12,454.4	45.4	12,499.8

For the three and nine months ended September 30, 2025, \$6.8 million and \$32.0 million of overhead charges, including share-based compensation, were capitalized to PP&E (\$11.9 million and \$42.0 million for the three and nine months ended September 30, 2024), respectively.

6. Right-of-Use ("ROU") and Other Long-term Assets

Cost	Leases			Other	Total
	Buildings	Equipment and Vehicles	Facilities	Service Contracts	
Balance, December 31, 2024	40.2	123.8	1,157.9	27.1	1,349.0
Acquired through a business combination (Note 3)	—	—	50.8	—	50.8
Additions	—	87.8	—	2.2	90.0
Modifications	(1.5)	4.6	—	—	3.1
Balance, September 30, 2025	38.7	216.2	1,208.7	29.3	1,492.9

Accumulated Depreciation

Balance, December 31, 2024	(25.7)	(84.6)	(275.4)	(6.5)	(392.2)
Depreciation ⁽¹⁾	(0.9)	(29.3)	(62.7)	(1.3)	(94.2)
Balance, September 30, 2025	(26.6)	(113.9)	(338.1)	(7.8)	(486.4)

Carrying Amounts

Balance, December 31, 2024	14.5	39.2	882.5	20.6	956.8
Balance, September 30, 2025	12.1	102.3	870.6	21.5	1,006.5

(1) Includes \$26.9 million of depreciation on equipment and vehicle ROU assets capitalized to PP&E.

7. Lease Obligations

Carrying Amount	
Balance, December 31, 2024	1,001.3
Acquired through a business combination (Note 3)	50.8
Additions	82.8
Modifications	3.1
Interest Expense	37.9
Repayments	(112.9)
Balance, September 30, 2025	1,063.0
Lease obligations due within one year	114.4
Lease obligations due beyond one year	948.6

8. Long-term Debt

	US\$ Denominated		Canadian \$ Amount	
	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
Syndicated credit facilities				
Cdn\$ denominated	N/A	N/A	94.0	392.0
US\$ denominated	145.0	—	201.6	—
Total credit facilities	145.0	—	295.6	392.0
Term loan due July 2, 2027	N/A	N/A	500.0	—
Senior notes				
2.354% note due March 10, 2026	N/A	N/A	450.0	450.0
3.577% note due June 17, 2028	N/A	N/A	550.0	—
3.465% note due March 10, 2031	N/A	N/A	550.0	550.0
4.409% note due June 17, 2032	N/A	N/A	450.0	—
Total senior notes	—	—	2,000.0	1,000.0
Unamortized debt issuance costs	N/A	N/A	(10.8)	(4.6)
Total long-term debt outstanding	145.0	—	2,784.8	1,387.4
Long-term debt due within one year			450.0	—
Long-term debt due beyond one year			2,334.8	1,387.4

In conjunction with the acquisition of the Kakwa Assets, ARC:

- issued \$1.0 billion aggregate principal amount of senior unsecured notes (the "2025 Notes");
- obtained a \$500.0 million two-year term loan; and
- increased the borrowing capacity of its revolving credit facility to \$2.0 billion from \$1.7 billion.

The terms and rates of the 2025 Notes are summarized below:

Issue Date	Principal	Coupon Rate	Maturity Date	Principal Payment Terms
June 17, 2025	\$550 million	3.577 %	June 17, 2028	Due upon maturity
June 17, 2025	\$450 million	4.409 %	June 17, 2032	Due upon maturity

The two-year term loan is a non-revolving credit facility. It was issued by a similar syndicate of banks with the same terms and conditions and with the same pricing as ARC's revolving credit facility, as detailed in Note 12 "Long-term Debt" of ARC's audited consolidated financial statements for the year ended December 31, 2024.

During the nine months ended September 30, 2025, ARC extended the maturity date of its unsecured extendible revolving credit facility to March 2029 from February 2028. At September 30, 2025, ARC's total available credit capacity, including its credit facility, term loan, and senior notes, was \$4.5 billion (\$2.7 billion at December 31, 2024), of which \$2.8 billion was drawn (\$1.4 billion at December 31, 2024).

There are no financial covenants associated with the 2025 Notes and there were no changes to any existing debt covenants. At September 30, 2025, ARC was in compliance with all of its debt covenants.

At September 30, 2025, the fair value of all long-term debt outstanding was \$2.8 billion (\$1.4 billion at December 31, 2024).

9. Asset Retirement Obligation ("ARO")

ARC has estimated the net present value of its total ARO to be \$510.6 million at September 30, 2025 (\$431.4 million at December 31, 2024) based on a total future undiscounted liability of \$768.8 million (\$599.7 million at December 31, 2024). Management estimates that these payments are expected to be made over the next 58 years. The Bank of Canada's long-term risk-free bond rate of 3.6 per cent (3.3 per cent at December 31, 2024) and an average inflation rate of 2.0 per cent (2.0 per cent at December 31, 2024) were used to calculate the present value of ARO at September 30, 2025.

The following table reconciles ARC's provision for its ARO:

	Nine Months Ended September 30, 2025	Year Ended December 31, 2024
Balance, beginning of period	431.4	451.3
Acquired through a business combination ⁽¹⁾ (Note 3)	30.5	—
Revaluation of obligations acquired through a business combination ⁽²⁾	28.5	—
Development activities	12.4	21.8
Change in estimates ⁽³⁾	34.4	(8.4)
Change in discount rate	(25.5)	(31.2)
Settlement of obligations	(12.5)	(16.2)
Accretion	11.4	14.1
Balance, end of period	510.6	431.4
Expected to be incurred within one year	17.0	17.0
Expected to be incurred beyond one year	493.6	414.4

(1) The obligations acquired were measured at a credit-adjusted rate of 6.6 per cent.

(2) The obligations acquired were subsequently remeasured at a risk-free rate in accordance with the accounting policies disclosed in Note 3 "Summary of Material Accounting Policies" of ARC's audited consolidated financial statements for the year ended December 31, 2024.

(3) Relates to changes in cost estimates of future obligations and anticipated settlement dates of ARO.

10. Capital Management

ARC actively manages its capital structure and adjusts it in response to changes in economic conditions and the risk characteristics of its underlying assets. ARC has the ability to manage its capital structure by issuing or repurchasing shares, or issuing or repaying debt.

ARC's objective when managing its capital is to maintain a conservative structure that will allow it to:

- fund its development and exploration programs;
- maintain sustainable, meaningful returns of capital to shareholders; and
- maintain financial flexibility to execute on strategic opportunities.

During the nine months ended September 30, 2025, ARC issued \$1.5 billion of long-term debt, repurchased 14.6 million common shares under its normal course issuer bid ("NCIB"), while also renewing its NCIB, and the Board declared dividends totaling \$0.57 per share. The issuance of long-term debt was in conjunction with the acquisition of the Kakwa Assets, for more information refer to Note 3 "Business Combination".

On November 6, 2025, the Board approved an increase to the dividend from \$0.19 per share per quarter to \$0.21 per share per quarter.

Funds from Operations

ARC considers funds from operations to be a key measure of capital management as it demonstrates ARC's ability to generate the necessary funds to maintain production at current levels and fund future growth through capital investment. Management believes that such a measure provides an insightful assessment of ARC's financial performance on a continuing basis by eliminating certain non-cash charges and actual settlements of ARO, of which the nature and timing of expenditures are discretionary. Funds from operations is not a standardized measure and therefore may not be comparable with the calculation of similar measures by other entities.

Funds from operations for the three and nine months ended September 30, 2025 and 2024 is calculated as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Cash flow from operating activities	713.3	518.4	2,425.4	1,697.7
Net change in other liabilities (Note 16)	32.5	17.9	87.6	23.1
Change in non-cash operating working capital (Note 16)	33.2	56.1	(194.9)	(18.7)
Funds from operations	779.0	592.4	2,318.1	1,702.1

Net Debt and Net Debt to Funds from Operations

Net debt and net debt to funds from operations are used by Management as key measures to assess the Company's liquidity position at a point in time. The determination of net debt and net debt to funds from operations is reflective of the measures used by Management to monitor its liquidity in light of operating and capital budgeting decisions. Net debt is not a standardized measure and therefore may not be comparable with the calculation of similar measures by other entities.

ARC manages its capital structure for the long term, with the objective of having its net debt less than 1.5 times funds from operations. At September 30, 2025, ARC's net debt was 1.0 times its funds from operations.

The following table details the composition of ARC's net debt and net debt to funds from operations as at September 30, 2025 and 2024:

	September 30, 2025	September 30, 2024
Long-term debt ⁽¹⁾	2,784.8	1,440.1
Accounts payable and accrued liabilities	875.1	648.5
Dividends payable	109.6	100.8
Cash and cash equivalents, accounts receivable, and prepaid expense	(712.9)	(628.8)
Net debt	3,056.6	1,560.6
Funds from operations ⁽²⁾	3,088.5	2,401.3
Net debt to funds from operations (ratio) ⁽³⁾	1.0	0.6

(1) Includes current portion of long-term debt at September 30, 2025 of \$450.0 million.

(2) 12-month trailing funds from operations.

(3) Composed of net debt divided by 12-month trailing funds from operations.

11. Financial Instruments and Market Risk Management

Financial Instruments

At September 30, 2025, ARC's financial instruments include cash and cash equivalents, accounts receivable, long-term investments, risk management contracts, accounts payable and accrued liabilities, dividends payable, lease obligations, and long-term debt.

ARC's risk management contracts are carried at fair value on the unaudited condensed interim consolidated balance sheets (the "balance sheets"). All of ARC's risk management contracts are transacted in active markets, with the exception of embedded derivatives identified within certain natural gas sales contracts.

Risk management contracts and fair value disclosure for ARC's long-term debt are classified as Level 2 measurements in the three-level fair value measurement hierarchy. The fair value of ARC's long-term debt is disclosed in Note 8 "Long-term Debt". There were no transfers between levels in the fair value hierarchy for the nine months ended September 30, 2025.

The carrying values of ARC's accounts receivable, accounts payable and accrued liabilities, and dividends payable as at September 30, 2025 approximate their fair values due to the short-term nature of these instruments.

Embedded Derivatives

The embedded derivatives identified within certain natural gas sales contracts are classified as Level 3 within the fair value hierarchy, as the fair values have been determined using a discounted cash flow valuation technique, which models incorporate significant unobservable inputs. For additional information regarding the significant unobservable inputs and sensitivity of the fair value of ARC's embedded derivatives, refer to Note 16 "Financial Instruments and Market Risk Management" of ARC's audited consolidated financial statements for the year ended December 31, 2024.

ARC recognizes a gain (loss) on risk management contracts in the statements of comprehensive income related to its natural gas embedded derivatives. The gain (loss) is determined by the relative movements in fair value compared to the prior period balance sheet date. For the three and nine months ended September 30, 2025, ARC recognized an unrealized loss of \$27.3 million and \$3.3 million (unrealized gain of \$8.6 million and \$26.0 million for the three and nine months ended September 30, 2024), respectively. At September 30, 2025, the fair value of the natural gas embedded derivatives was an asset of \$21.9 million (\$25.2 million at December 31, 2024).

Financial Assets and Financial Liabilities Subject to Offsetting

The following is a summary of ARC's financial assets and financial liabilities that are subject to offsetting as at September 30, 2025 and December 31, 2024:

	Gross Amounts of Recognized Financial Assets (Liabilities)	Gross Amounts of Recognized Financial Assets (Liabilities) Offset	Net Amounts of Financial Assets (Liabilities) Prior to Credit Risk Adjustment	Credit Risk Adjustment	Net Amounts of Financial Assets (Liabilities) Recognized on Balance Sheets
As at September 30, 2025					
Risk management contracts					
Current asset	165.9	(40.2)	125.7	(0.6)	125.1
Long-term asset	143.0	(40.6)	102.4	(0.2)	102.2
Current liability	(40.2)	40.2	—	—	—
Long-term liability	(70.8)	40.6	(30.2)	—	(30.2)
Net position	197.9	—	197.9	(0.8)	197.1
As at December 31, 2024					
Risk management contracts					
Current asset	250.9	(60.0)	190.9	(0.8)	190.1
Long-term asset	187.2	(32.7)	154.5	(0.4)	154.1
Current liability	(61.1)	60.0	(1.1)	0.1	(1.0)
Long-term liability	(69.8)	32.7	(37.1)	—	(37.1)
Net position	307.2	—	307.2	(1.1)	306.1

Risk Management Contracts

The following table details the composition of ARC's gain (loss) on risk management contracts:

	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Realized gain on risk management contracts	82.6	59.9	192.5	140.6
Unrealized gain (loss) on risk management contracts	(111.0)	84.5	(109.0)	72.9
Total gain (loss) on risk management contracts	(28.4)	144.4	83.5	213.5

The following table summarizes ARC's risk management contracts as at September 30, 2025:

Risk Management Contracts Positions Summary ⁽¹⁾										
As at September 30, 2025	2025 (remainder)		2026		2027		2028		2029	
Crude Oil – WTI	US\$/bbl	bbl/day	US\$/bbl	bbl/day	US\$/bbl	bbl/day	US\$/bbl	bbl/day	US\$/bbl	bbl/day
Ceiling	82.99	25,000	79.19	15,000	—	—	—	—	—	—
Floor	69.50	25,000	63.33	15,000	—	—	—	—	—	—
Sold Floor	56.25	20,000	51.67	15,000	—	—	—	—	—	—
Swap	63.37	1,370	—	—	—	—	—	—	—	—
Sold Swaption ⁽²⁾	—	—	90.00	6,000	89.51	4,000	—	—	—	—
Total Crude Oil Volumes (bbl/day)	26,370		15,000		—		—		—	
Natural Gas – NYMEX Henry Hub ⁽³⁾	US\$/MMBtu	MMBtu/day	US\$/MMBtu	MMBtu/day	US\$/MMBtu	MMBtu/day	US\$/MMBtu	MMBtu/day	US\$/MMBtu	MMBtu/day
Ceiling	4.62	100,000	6.16	50,000	—	—	—	—	—	—
Floor	3.00	100,000	3.00	50,000	—	—	—	—	—	—
Sold Ceiling	7.60	50,000	—	—	—	—	—	—	—	—
Natural Gas – AECO 7A	Cdn\$/GJ	GJ/day	Cdn\$/GJ	GJ/day	Cdn\$/GJ	GJ/day	Cdn\$/GJ	GJ/day	Cdn\$/GJ	GJ/day
Ceiling	4.93	170,000	4.04	300,000	3.63	135,000	—	—	—	—
Floor	2.90	170,000	2.71	300,000	2.56	135,000	—	—	—	—
Total Natural Gas Volumes (MMBtu/day)	261,129		334,345		127,955		—		—	
Natural Gas – AECO Basis (Differential to NYMEX Henry Hub)	US\$/MMBtu	MMBtu/day	US\$/MMBtu	MMBtu/day	US\$/MMBtu	MMBtu/day	US\$/MMBtu	MMBtu/day	US\$/MMBtu	MMBtu/day
Sold Swap	(0.89)	139,348	(1.05)	92,500	(1.05)	(92,500)	(1.05)	92,500	(1.05)	21,075
Foreign Exchange	Notional (US\$ Millions)	Rate (Cdn\$/US\$)	Notional (US\$ Millions)	Rate (Cdn\$/US\$)	Notional (US\$ Millions)	Rate (Cdn\$/US\$)	Notional (US\$ Millions)	Rate (Cdn\$/US\$)	Notional (US\$ Millions)	Rate (Cdn\$/US\$)
Ceiling	135.0	1.4190	120.0	1.4390	—	—	—	—	—	—
Floor	135.0	1.3483	120.0	1.3800	—	—	—	—	—	—

- (1) The prices and volumes in this table represent averages for several contracts representing different periods. The average price for the portfolio of options listed above does not have the same payoff profile as the individual option contracts. Viewing the average price of a group of options is purely for indicative purposes. All positions are financially settled against the benchmark prices.
- (2) The sold swaption allows the counterparty, at a specific future date, to enter into a swap with ARC at the above-detailed terms. These volumes are not included in the total commodity volumes until such time that the option is exercised.
- (3) Natural gas prices referenced to NYMEX Henry Hub Last Day Settlement.

12. Shareholders' Capital

(thousands of shares)	Nine Months Ended September 30, 2025	Year Ended December 31, 2024
Common shares, beginning of period	589,626	596,853
Repurchase of shares for cancellation	(14,603)	(8,487)
Issued on exercise of share options and long-term incentive awards	573	1,215
Unvested restricted shares held in trust pursuant to the LTRSA Plan ⁽¹⁾	(12)	(18)
Restricted shares vested pursuant to the LTRSA Plan	101	63
Common shares, end of period	575,685	589,626

- (1) Unvested restricted shares held in trust pursuant to the Long-term Restricted Share Award ("LTRSA") Plan includes restricted shares purchased.

On September 4, 2025, ARC announced that it received approval from the TSX for the renewal of its NCIB. The renewal allows ARC to purchase up to 57,967,896 of its outstanding common shares over a 12-month period commencing September 8, 2025. During the nine months ended September 30, 2025, ARC repurchased 14.6 million common shares under its NCIB at a weighted average price per share of \$26.86 for a total of \$392.2 million, inclusive of all costs. Shares are cancelled upon repurchase.

At September 30, 2025, ARC has recognized a liability of \$64.8 million (\$15.1 million at December 31, 2024) in accounts payable and accrued liabilities on the balance sheets for share repurchases that may take place during its internal blackout period under an automatic share purchase plan agreement with an independent broker. The transaction has been recognized as a reduction to share capital of \$28.3 million and a reduction to retained earnings of \$36.5 million (\$5.6 million and \$9.5 million at December 31, 2024, respectively).

Net income per common share has been determined based on the following:

	Three Months Ended September 30		Nine Months Ended September 30	
(thousands of shares)	2025	2024	2025	2024
Weighted average common shares	580,588	595,136	584,332	596,160
Dilutive impact of share-based compensation ⁽¹⁾	866	1,296	1,086	1,598
Weighted average common shares, diluted	581,454	596,432	585,418	597,758

(1) For both the three and nine months ended September 30, 2025, 0.1 million of share-based compensation awards were excluded from the diluted weighted average shares calculation, as they were anti-dilutive (0.3 million for both the three and nine months ended September 30, 2024).

Dividends declared for the three and nine months ended September 30, 2025 were \$0.19 and \$0.57 per share (\$0.17 and \$0.51 for the three and nine months ended September 30, 2024), respectively.

13. Revenue

Commodity Sales from Production

ARC earns revenue from contracts with customers primarily through the transfer of commodities at a point in time representing the following major product types:

Commodity Sales from Production, by Product	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Crude oil	60.8	57.9	195.0	177.9
Condensate	825.5	716.7	2,303.3	2,003.7
Natural gas	296.8	197.1	1,208.6	797.7
Natural gas liquids	80.4	82.7	276.0	278.9
Total commodity sales from production	1,263.5	1,054.4	3,982.9	3,258.2

During the three and nine months ended September 30, 2025, \$193.3 million and \$681.1 million of total commodity sales from production are attributed to the United States (\$129.4 million and \$448.0 million for the three and nine months ended September 30, 2024), respectively, with the remainder attributed to Canada, based on the location of ARC's sales points.

At September 30, 2025, accounts receivable includes \$509.9 million from contracts with customers (\$607.1 million at December 31, 2024).

Sales of Third-Party Purchases

Through the normal course of business, ARC will purchase goods and services from third parties and will earn revenue upon the subsequent sale of these purchases. The following table presents the Company's disaggregation of sales of third-party purchases:

	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Sales of commodities purchased from third parties	240.9	283.3	841.4	798.3
Transportation assignment sales	15.2	—	27.1	—
Sales of third-party purchases	256.1	283.3	868.5	798.3

14. Share-based Compensation Plans

Long-term Incentive Plans

The following table summarizes the changes in the Restricted Share Unit ("RSU"), Performance Share Unit ("PSU"), and Deferred Share Unit ("DSU") awards for the nine months ended September 30, 2025:

RSU, PSU, and DSU Plans (number of awards, thousands)	RSUs	PSUs ⁽¹⁾	DSUs
Balance, December 31, 2024	1,557	2,862	1,079
Granted	674	1,715	82
Distributed	(855)	(1,771)	—
Forfeited	(45)	(142)	—
Balance, September 30, 2025 ⁽²⁾	1,331	2,664	1,161

(1) Based on underlying awards before any effect of the performance multiplier.

(2) Includes 0.3 million DSUs that were acquired through a business combination which are eligible for continuation and exercise (the "Acquired Plans").

Compensation charges relating to ARC's share-based compensation plans are reconciled as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
General and administrative ("G&A")	(8.0)	9.0	18.3	61.4
Operating	—	—	1.7	4.4
PP&E	(1.5)	2.6	6.5	18.1
Total compensation charge	(9.5)	11.6	26.5	83.9
Cash payment	31.6	45.6	66.0	89.7

At September 30, 2025, compensation amounts of \$72.9 million were recognized in accounts payable and accrued liabilities on the balance sheets (\$60.0 million at December 31, 2024) and \$23.8 million was included in long-term incentive compensation liability (\$76.2 million at December 31, 2024).

Share Option Plans

At September 30, 2025, all outstanding share options were vested and exercisable. The changes in total share options outstanding and related weighted average exercise prices of share options outstanding were as follows:

Share Option Plans	Share Options (number of units, thousands)	Weighted Average Exercise Price (\$)
Balance, December 31, 2024	1,060	18.95
Exercised	(570)	17.47
Balance, September 30, 2025 ⁽¹⁾	490	20.52

(1) All share options pertain to the Acquired plans.

The following table summarizes information regarding share options outstanding at September 30, 2025:

Range of Exercise Price per Common Share (\$)	Number of Share Options Outstanding (thousands)	Weighted Average Exercise Price (\$)	Weighted Average Remaining Term (years)
5.98 - 18.00	158	10.71	3.1
18.01 - 27.89	332	25.21	1.2
Total	490	20.52	1.8

LTRSA Plan

The changes in total LTRSA outstanding and related fair value per restricted share for the nine months ended September 30, 2025 were as follows:

	Granted Prior to 2020		Granted Subsequent to 2019	
	LTRSA (number of awards, thousands)	Fair Value per Restricted Share (\$)	LTRSA (number of awards, thousands)	Fair Value per Restricted Share (\$)
Balance, December 31, 2024 ⁽¹⁾	693	11.18	205	7.12
Restricted shares purchased	9	26.66	3	26.66
Distributed	(101)	28.67	—	—
Forfeited	(44)	12.04	(20)	6.17
Balance, September 30, 2025	557	8.22	188	7.53

(1) Balances at December 31, 2024 have been revised to reflect forfeitures from awards granted prior to 2020, which had previously been attributed to awards granted subsequent to 2019.

ARC recognized G&A expense of \$0.1 million and \$0.5 million relating to the LTRSA Plan for the three and nine months ended September 30, 2025 (\$0.3 million and \$0.8 million for the three and nine months ended September 30, 2024), respectively.

15. Commitments and Contingencies

The following is a summary of ARC's contractual obligations and commitments as at September 30, 2025:

	Payments Due by Period				
	1 Year	2-3 Years	4-5 Years	Beyond 5 Years	Total
Debt repayments	450.0	1,345.6	—	1,000.0	2,795.6
Interest payments ⁽¹⁾	63.9	117.1	77.8	49.2	308.0
Purchase and service commitments ⁽²⁾	177.4	222.5	889.9	7,380.1	8,669.9
Transportation commitments	723.1	1,182.4	1,072.2	4,673.9	7,651.6
Total contractual obligations and commitments	1,414.4	2,867.6	2,039.9	13,103.2	19,425.1

(1) Fixed interest payments on senior notes.

(2) Includes variable operating costs associated with the Company's lease obligations.

Total contractual obligations and commitments were \$19.4 billion at September 30, 2025 (\$17.6 billion at December 31, 2024).

Subsequent to September 30, 2025, ARC executed approximately \$675.0 million of additional transportation commitments through 2035.

16. Supplemental Disclosures

Presentation in the Statements of Comprehensive Income

ARC's statements of comprehensive income are prepared primarily by nature of item, with the exception of employee compensation expense which is included in both operating and G&A expense line items. The following table details the amount of total employee compensation expense included in operating and G&A expense line items in the statements of comprehensive income:

	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Operating	19.1	12.8	64.2	43.6
G&A	12.5	26.7	72.6	109.8
Total employee compensation expense	31.6	39.5	136.8	153.4

Through the normal course of business, ARC will purchase goods and services from third parties which are subsequently sold. The following table presents the disaggregation of the expenses associated with third-party purchases:

	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Commodities purchased from third parties	233.0	278.4	824.2	793.9
Transportation assignment	15.2	—	27.2	—
Third-party purchases	248.2	278.4	851.4	793.9

Presentation in the Statements of Cash Flows

The following tables provide a detailed breakdown of certain line items contained within cash flow from operating, financing, and investing activities:

	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Change in Non-cash Working Capital				
Accounts receivable	(18.5)	(52.3)	108.8	55.6
Accounts payable and accrued liabilities	(26.5)	38.8	196.3	(115.2)
Inventory	(14.5)	(10.4)	(10.9)	16.9
Prepaid and other long-term assets	43.9	2.1	(40.2)	(12.2)
Total change in non-cash working capital	(15.6)	(21.8)	254.0	(54.9)

Relating to:

Operating activities	(33.2)	(56.1)	194.9	18.7
Financing activities	8.0	3.3	11.2	2.0
Investing activities	9.6	31.0	47.9	(75.6)
Total change in non-cash working capital	(15.6)	(21.8)	254.0	(54.9)

	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Other Non-cash Items				
Accretion expense	4.8	3.5	11.9	10.5
Share-based compensation expense	0.2	0.2	0.6	0.7
Impairment (reversal of impairment) of financial assets	1.7	1.1	(1.3)	1.7
Loss on long-term investments	—	—	0.3	—
Other income	—	—	—	(0.5)
Other amortization	1.3	(1.0)	2.4	(1.5)
Total other non-cash items	8.0	3.8	13.9	10.9

	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Net Change in Other Liabilities				
Long-term incentive compensation liability	(17.5)	(9.9)	(52.4)	1.7
Risk management contracts	—	—	—	1.2
ARO cash settlements	(4.4)	(4.5)	(12.5)	(14.4)
Other deferred liabilities	(7.8)	(3.5)	(14.5)	(10.8)
Debt issuance costs	(2.8)	—	(8.2)	(0.8)
Total net change in other liabilities	(32.5)	(17.9)	(87.6)	(23.1)

The following table provides a detailed breakdown of the cash and non-cash changes in financing liabilities arising from financing activities:

Financing Liabilities	Current Financial Liabilities	Long-term Financial Liabilities	Total Financial Liabilities from Financing Activities
Balance, December 31, 2023	85.2	2,123.5	2,208.7
Cash flows			
Draw of long-term debt	—	5,159.5	5,159.5
Repayment of long-term debt	—	(4,869.3)	(4,869.3)
Repayment of lease obligations	(68.0)	—	(68.0)
Reclassified to current			
Lease obligations	80.6	(80.6)	—
Non-cash changes			
Lease recognition	—	30.0	30.0
Lease modification	—	5.2	5.2
Other	—	1.8	1.8
Other changes	—	(0.8)	(0.8)
Balance, September 30, 2024	97.8	2,369.3	2,467.1
Balance, December 31, 2024	92.8	2,295.9	2,388.7
Cash flows			
Draw and issuance of long-term debt	—	6,927.4	6,927.4
Repayment of long-term debt	—	(5,524.0)	(5,524.0)
Repayment of lease obligations	(75.0)	—	(75.0)
Debt issuance costs	—	(8.2)	(8.2)
Reclassified to current			
Long-term debt	450.0	(450.0)	—
Lease obligations	92.8	(92.8)	—
Non-cash changes			
Lease obligation acquired through a business combination (Note 3)	—	50.8	50.8
Lease recognition	—	82.8	82.8
Lease modification	3.8	(0.7)	3.1
Other	—	2.2	2.2
Balance, September 30, 2025	564.4	3,283.4	3,847.8
Lease obligations due within one year	114.4	—	114.4
Lease obligations due beyond one year	—	948.6	948.6
Long-term debt due within one year	450.0	—	450.0
Long-term debt due beyond one year	—	2,334.8	2,334.8

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PricewaterhouseCoopers LLP

Legal Counsel

Burnet, Duckworth & Palmer LLP

Corporate Calendar

February 5, 2026 | Q4/YE 2025 Results

Stock Exchange Listing

ARC Resources Ltd. shares are traded on the
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Shareholder Inquiries

ARC's financial reports, annual regulatory
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